



CITY OF
PORTLAND, OREGON

OFFICIAL
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 7TH DAY OF MAY 2014 AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fish, Fritz, Novick and Saltzman, 5.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Ellen Osoinach Deputy City Attorney; and Jim Wood, Sergeant at Arms.

Item Nos. 403, 404 and 405 were pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

COMMUNICATIONS	Disposition:
390 Request of Greg Madden to address Council regarding marketing and manufacturing the Portland Loo (Communication)	PLACED ON FILE
391 Request of Jane Maynard to address Council regarding abandoned automobiles on private property (Communication)	PLACED ON FILE
392 Request of Scott Fernandez to address Council regarding future of Portland water (Communication)	PLACED ON FILE
393 Request of Crystal Elinski to address Council regarding Portland Police brutality, impunity and complicity (Communication)	PLACED ON FILE
394 Request of Lightning to address Council regarding micro-apartments (Communication)	PLACED ON FILE
TIMES CERTAIN	
395 TIME CERTAIN: 9:30 AM – Presentation from the 2014 Portland Rose Festival and Rose Festival Court (Report introduced by Mayor Hales) 30 minutes requested	PLACED ON FILE
396 TIME CERTAIN: 10:00 AM – Revise Disabled Person Parking Code (Ordinance introduced by Commissioner Novick; amend Code Chapters 16.20 and 16.90) 15 minutes requested	PASSED TO SECOND READING MAY 14, 2014 AT 9:30 AM

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<p>*397 TIME CERTAIN: 10:30 AM – Adopt the FY 2013-14 Spring Supplemental Budget and make other budget-related changes (Ordinance introduced by Mayor Hales) 30 minutes requested (Y-5)</p>	<p>186557</p>
<p>398 TIME CERTAIN: 11:00 AM – Direct the Bureau of Planning and Sustainability and the Portland Housing Bureau to collaborate to develop recommendations to create zoning incentives for affordable housing development in the Central City (Resolution introduced by Commissioner Saltzman) 30 minutes requested (Y-5)</p>	<p>37070</p>
<p>399 TIME CERTAIN: 11:30 AM – Recognize that N Winning Way in the City of Portland, also known as Rip City, will be referred to as N Winning Way-Ramsay Way and sign caps will be placed on top of the existing street signs to celebrate this recognition (Resolution introduced by Commissioner Novick) 30 minutes requested (Y-5)</p>	<p>37071</p>
<p style="text-align: center;">CONSENT AGENDA – NO DISCUSSION</p> <p style="text-align: center;">Mayor Charlie Hales</p> <p style="text-align: center;">Bureau of Planning & Sustainability</p> <p>*400 Accept and appropriate an Intergovernmental Grant Agreement with Metro to accept funding of \$30,000 for the Deconstruction Assessment Pilot Project in FY 2013-2014 to promote and encourage reuse and recycling of demolition building materials (Ordinance) (Y-5)</p>	
<p>*401 Authorize an Intergovernmental Agreement with Metro to provide funding for the Residential Preference Research Project to understand longer term shifts in the regional housing market (Ordinance) (Y-5)</p>	<p>186552</p>
<p style="text-align: center;">Office of Management and Finance</p> <p>*402 Create a new represented classification of Site Operations Crew Leader and establish an interim compensation rate for this classification (Ordinance) (Y-5)</p>	
<p style="text-align: center;">Commissioner Nick Fish</p> <p style="text-align: center;">Position No. 2</p> <p style="text-align: center;">Bureau of Environmental Services</p> <p>403 Authorize a contract for construction of Middle Hillsdale Rainfall Derived Infiltration and Inflow Pilot Project No. E10512 for \$1,009,000 (Ordinance)</p> <p style="text-align: right;">PASSED TO SECOND READING MAY 14, 2014 AT 9:30 AM</p>	

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<p>404 Authorize contract(s) and provide for payment for the Price Agreement for Urgent Rehabilitation of Sanitary and Storm Sewers Project Contract for \$3,000,000 for a one year term (Second Reading Agenda 379) (Y-5)</p>	<p>186559</p>
<p>Water Bureau</p>	
<p>405 Amend contract with Black & Veatch Corporation to increase compensation and scope of work for Bull Run Dam No. 2 Tower Improvements in the amount of \$395,477 (Ordinance; amend Contract No. 37587)</p>	<p>PASSED TO SECOND READING MAY 14, 2014 AT 9:30 AM</p>
<p>Commissioner Steve Novick Position No. 4 Bureau of Emergency Management</p>	
<p>*406 Approve an Intergovernmental Agreement with Multnomah County for the distribution of equipment, supplies and services procured as a result of State Homeland Security Program grant awards (Ordinance) (Y-5)</p>	<p>186554</p>
<p>Bureau of Transportation</p>	
<p>407 Set a hearing date, 9:30 a.m. Wednesday, June 11, 2014 to vacate a portion of N Argyle St east of N Kerby Ave (Report; VAC-10087) (Y-5)</p>	<p>ACCEPTED</p>
<p>*408 Authorize an Intergovernmental Agreement with the Port of Portland for reconstruction, maintenance and repair of a portion of NE Mt Hood Ave (Ordinance) (Y-5)</p>	<p>186555</p>
<p>409 Authorize a Supplemental Agreement with Union Pacific Railroad Company to amend existing At-Grade Crossing Agreement to include signal modifications at SE 8th Ave for the Portland-Milwaukie Light Rail Transit Project (Second Reading Agenda 381; amend Contract No. 33000108) (Y-5)</p>	<p>186556</p>
<p>Commissioner Amanda Fritz Position No. 1 Bureau of Development Services</p>	
<p>410 Clarify the Bureau of Development Services authority to adopt Administrative Rules and assess liens for noncompliance, adopt Administrative Rulemaking Procedures and authorize a Stop Work Order Penalty (Ordinance; amend Code Sections 3.30.040 and 3.30.080; add Section 3.30.045)</p>	<p>PASSED TO SECOND READING MAY 14, 2014 AT 9:30 AM</p>
<p>REGULAR AGENDA</p>	

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Mayor Charlie Hales Bureau of Police		
*411	Amend a contract with Central City Concern to increase compensation by \$45,000 to support services of the CHIERS roving response van (Ordinance; amend Contract No. 32000978) (Y-5)	186558
412	Authorize a contract with Cascadia Behavioral Healthcare, Inc. to provide mental health services through Project Respond (Ordinance)	PASSED TO SECOND READING MAY 14, 2014 AT 9:30 AM
Commissioner Nick Fish Position No. 2 Water Bureau		
413	Authorize an Intergovernmental Agreement with Multnomah County in the amount of \$300,000 to administer the Water/Sewer Enhanced Fixture Repair Program (Ordinance) 15 minutes requested	PASSED TO SECOND READING MAY 14, 2014 AT 9:30 AM
414	Authorize an Intergovernmental Agreement with Multnomah County in the amount of \$400,000 for administration of eligibility verification for Water/Sewer Bill Discount and Crisis Assistance Program (Ordinance) 15 minutes requested	PASSED TO SECOND READING MAY 14, 2014 AT 9:30 AM
Commissioner Steve Novick Position No. 4 Bureau of Transportation		
415	Create a local improvement district to construct a mast arm traffic signal at the N Vancouver Ave and Cook St intersection and to realign the eastbound lanes of N Cook St east of the Interstate 405 off-ramp in the N Vancouver Ave and Cook St Local Improvement District (Hearing; Ordinance; C-10047)	PASSED TO SECOND READING MAY 14, 2014 AT 9:30 AM
*416	Assess benefited properties for street and stormwater improvements from south of NE Whitaker Way to north of NE Prescott Ct in the NE 136 th Ave Phase I Local Improvement District (Second Reading Agenda 375; C-10036) Motion to amend to add Directive 'd' and emergency clause: Moved by Fritz and seconded by Fish. (Y-5) (Y-5)	186560 AS AMENDED

At 12:26 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 7TH DAY OF MAY, 2014 AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fish, Fritz, Novick and Saltzman, 5.

Commissioner Fish arrived at 2:05 p.m. Commissioner Saltzman left at 3:38 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Ben Walters, Chief Deputy City Attorney and at 2:53 p.m. Kathryn Beaumont, Chief Deputy City Attorney; and John Chandler, Sergeant at Arms.

The meeting recessed at 3:38 p.m. and reconvened at 3:48 p.m.
The meeting recessed at 4:41 p.m. and reconvened at 4:57 p.m.

	Disposition
417 TIME CERTAIN: 2:00 PM – Grant a franchise to Google Fiber Oregon, LLC to construct and operate a fiber network using the City Streets, for a period of ten years (Ordinance introduced by Mayor Hales) 1 hour requested	PASSED TO SECOND READING JUNE 11, 2014 AT 9:30 AM
418 TIME CERTAIN: 3:00 PM – Take action towards amending six Urban Renewal Areas to advance redevelopment and economic development objectives while reducing the impact of urban renewal on taxing jurisdictions (Resolution introduced by Mayor Hales) 1 hour requested Motion to amend to adopt Package A amendments: Moved by Hales and seconded by Fish. (Y-4; Saltzman absent) (Y-4; Saltzman absent)	37072 AS AMENDED

At 5:26 p.m., Council adjourned.

LAVONNE GRIFFIN-VALADE
Auditor of the City of Portland



By **Karla Moore-Love**
Clerk of the Council

For a discussion of agenda items, please consult the following Closed Caption File.

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Closed Caption File of Portland City Council Meeting

This file was produced through the closed captioning process for the televised City Council broadcast and should not be considered a verbatim transcript.

Key: ***** means unidentified speaker.

MAY 7, 2014 9:30 AM

Hales: Good morning, everyone. Welcome to the May 7th meeting of the Portland City Council. Want to have some wonderful fun this morning, but first, a more somber moment marking the passing of a great Portlander. We want to take a moment of silence and remember Dr. Jack Ramsay, the leader of our amazing Trail Blazers, a man that made Portland part of what we love Portland to be today. A moment of silence, please, for Jack Ramsay. [moment of silence] Thank you very much. There's a street over in the Rose Quarter that Commissioner Novick is working on renaming in Dr. Ramsay's honor, and that will be nice to be walking up Ramsay Way before too long. So this morning, the sun is shining, it's a beautiful day in Portland. Our princesses are here, the One More Time Around marching band is here, all is right with the world -- it's Rose Festival week. [cheering] [applause] We're so pleased to be launching our part of the annual Rose Festival season here with the leadership of the Rose Festival this morning, and with the One More Time Around marching band, an amazing 30-year tradition now in Portland. And, of course, with the princesses of the 2014 Rose Court. We're so happy that you're all here. We want to call up Jeff Curtis and Todd Johnston for a presentation this morning about this year's Rose Festival. Welcome, everyone, we're so glad you're here, and we're so glad it's that time of year. So now that our colleagues are here, we'll first call the roll to make this official and then set you free.

Fish: Here. **Saltzman:** Here. **Novick:** Here. **Fritz:** Here. **Hales:** Here.

Jeff Curtis: Thank you, Mayor Hales, distinguished Commissioners, it's a pleasure to kick off the Rose Festival season right here at city council. As you can see, I brought many of our friends here as part of the celebration. To my left is Todd Johnston, president of our board of directors. You'll hear from him in a few minutes. I thought I'd break up my comments this year, kind of a who, what, where, and how description of this organization, and what we do and the impact we're having here for Portland and our citizens. On the who. Who makes up this organization? It's really -- this is a people organization. Over 3000 volunteers collectively come together and produce a world-class festival. Behind me are some examples of that, and it goes far beyond that. It's the thousands of participants, it's this community, it's a people organization driving a world-class festival. And together, we're making memories -- and that's a very appropriate theme for 2014: making memories. We've been doing this for 107 years and memories have been made 107 years ago, and we're going to make a lot of memories in 2014. On the what side is, what is this festival? What is it this year? Describe it, Jeff, what is it? Ultimately, it's a collection of over 57 distinctly different events over six weeks of activities. But more intangibly, it has a personality. It's designed to connect generations of people, bringing people on the parade route down at the waterfront, collectively bringing our community and citizens together. You'll see specifically the details of our events -- we'll have the Rose Festival Court come up and describe some of the highlights of our events -- but I have left a calendar of events in front of you. Ultimately, this festival is a top global festival produced by a nonprofit here in Portland, Oregon, working tirelessly year-round to produce what is your festival. The where part is Portland, Oregon, obviously. This also blends with the who. Who really benefits from the Rose Festival? There are no for-profit entities, no ownership stakes. The real beneficiary is the city of Portland of which you lead, our citizens itself. This nonprofit behind me works tirelessly year-round to do so, all for the goodness of the city and to keep this beloved

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tradition moving forward. Ultimately, it creates some specific benefits to you, a \$75 million economic impact as we detailed in the 2012 economic impact study. You are the major beneficiary, but the citizens are ultimately the real winners. But also this year, we're changing that a little bit in that there's a new beneficiary. For the first time, we've selected a beneficiary, an official charity of the Rose Festival outside of our own activities as a nonprofit. We proudly announced a few weeks ago that proceeds from the Rose Festival certain parts of our program, whether it be the Grand Floral walk or runners from the rock-n-roll half marathon, will benefit the Knight cancer challenge. Obviously, we're going to do something special here with the Knight cancer challenge. Rose Festival will raise some money, but more importantly, we'll be a platform to bring this community together under that cause. Here in Portland, Oregon, we can end cancer through Dr. Druker and his efforts. And the infrastructure to be built on the south waterfront will impact our lives for many years, and ultimately, impact and end cancer. We are tremendously excited and proud, and we all win as relates to that. The how piece, as I conclude my comments this morning, is really -- the finances come into play for sure. We're proud to have a great group of corporate sponsors, our premier sponsors of which are Alaska Airlines, Fred Meyer, PGE, Spirit Mountain Casino, and Regence Blue Cross and Blue Shield of Oregon. They're the backbone of our sponsor community, but it's the citizens and the people who come to our events that ultimately fund the Rose Festival itself. That's a challenge for us. We have to stay contemporary, stay fresh, and keep this festival moving forward. In 2013, after a five-year run of consecutive great years under good plans and good partnerships, we didn't quite make it. We finished in the red slightly. Our job as an organization is to work with our partners, including yourself, to change that around in 2014 and build partnerships into the future. So I call on you as we move forward and as we celebrate this year to look forward, and collectively if we can, work together to plan the next 10 years of this festival. Because I'm proud of what we've accomplished the last 10 years, but what about the next 10? Let's take advantage of opportunities in front of us and meet the challenges we have, and do so for the goodness of this community because we are ultimately a great brand and a great city. I want to close by talking about that. I was on the international festival events association board and I was at a conference in Europe. And a professor from a university in Paris got up and showcased world-class festivals who have a certain brand identity. And up popped Portland, Oregon. And his point was the connection of roses with the rose city, and the connection of the world-class festival. How can other cities emulate that? And this is on a global scale. So while we put things on a micro-level here in Portland, we're making an impact, and that goes all the way back to the forefathers of this organization. I challenge you to work together with my organization to continue this great legacy of the Rose Festival and move it forward. I'm very, very proud to be part of this fantastic organization and I thank you for your support. Thank you.

Hales: Thanks, Jeff.

Curtis: At this moment I want to introduce a special guest. I want to have Diane Millemann, president of the One More Time Around Again marching band, please come up and join us. Because we are celebrating a very special occasion.

Hales: Great. I have a proclamation about this particular musical group that I'm very happy to read. It says, whereas, in 1984, Clayton Hannon, executive manager of the Portland Rose Festival, envisioned an all-adult marching band for participation in the Rose Festival parade; and whereas, in 1984, the One More Time Around Again marching band was formed with Bill Chisholm as its director; and whereas, 30 years ago this June, One More Time Around Again marching band performed its first Portland Rose Festival foundation parade with 80 musicians; and whereas, the One More Time Around Again marching band is made up of former band members who range in age from 19 to 87, and volunteer hours of their personal time to rehearse and perform each year; and whereas, in 2014, the One More Time Around Again marching band has grown to over 400 musicians, 50 dance team members, 35 majorettes, 32 color guard members for a total of 540

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current band members, making it the largest adult marching band in the United States; and whereas, for 30 years, the One More Time Around Again marching band has enjoyed and valued partnership and support from the Portland Rose Festival foundation, and is focused on the goal of entertaining and enriching the Portland community through its involvement in the foundation's parades and events; and whereas, in 2014, the One More Time Around Again marching band is celebrating its 30th anniversary and is being honored as the subtheme for the Portland Rose Festival foundation's overarching festival theme of making memories; and whereas, the city of Portland, Oregon desires to collaborate with the Rose Festival foundation in recognizing this 30th anniversary of the One More Time Around Again marching band on June 7th, 2014, now, therefore, I, Charlie Hales, Mayor of the City of Portland, Oregon, the city of roses, do hereby proclaim June 7th, 2014 as One More Time Around Again Marching Band Day and request all citizens to -- [applause] [cheers and applause] Bravo and welcome.

Diane Millemann: Mayor Hales, the band loves to march in Portland because the city and the surrounding community treat us with such kindness and such incredible enthusiasm. And as we celebrate our 30th birthday, I cannot imagine a better 30th gift than the honor of a mayoral proclamation such as you have done. On behalf of 520 band members -- overstimulated band members at this moment -- [laughter and cheers] on behalf of the entire band, thank you so much for this honor.

Hales: Thank you for being here today. Thank you. [cheers and applause]

Curtis: I believe Diane has few pens to give you.

Millemann: I'd like to present each of you with a commemorative 30th anniversary One More Time Around Again marching band pen, please.

Hales: Cool.

Millemann: You're honorary band members. [laughter]

Fish: Jeff, does this get us reduced admission to -- [laughter]

Curtis: Probably not. We'll talk -- [laughter]

Novick: Thank you.

Millemann: Those blink.

Hales: Thank you. [cheers and applause]

Curtis: I'd like to continue and reintroduce -- we're a volunteer-driven professional staff, but tireless volunteers work year-round to make this successful. To my left, Todd Johnston, the president of our board. Todd?

Todd Johnston: Thank you, Jeff. Thank you Mayor Hales, distinguished councilmembers. One of the things I have the honor of doing, representing the board and staff and thousands of volunteers, is to select and announce the Grand Marshal. This year's Grand Marshal announcement with our friends in the room in front of you in the city of Portland at the council meeting here is wonderful. We think there's no better place to announce the Grand Marshal that's been 30 years in the making. This organization has represented us locally, regionally, and nationally. The Grand Marshal for the 2014 Spirit Mountain Casino Grand Floral Parade is the One More Time Around Again marching band. [cheers and applause]

Hales: That's great, congratulations.

Curtis: Thank you very much for this opportunity, Council, I really appreciate it. We're going to continue a tradition. It's hard to top what we just did, but there's a collection of young women that the mayor met this morning that are here with us today. Rather than me tell you about our events, it's best to let them tell you about our events. So, I'd like the members of the 2014 Rose Festival Court to come up and give you a little preview of the 2014 Portland Rose Festival.

Hales: Great, thank you.

Millemann: Thank you again.

Hales: Thank you. Good morning.

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[speaking in unison]: Hello, we are the 2014 Rose Festival Court presented by Pacific Power. We'd like to introduce ourselves and tell you what's happening in this year's Rose Festival.

Annette Holgado: Good morning, everyone, my name is Annette Holgado, and I'm from St. Mary's Academy. I enjoy volleyball and participating in service projects. One of my favorite places to visit in Portland is the waterfront, because I love to walk along the pier and look at all the bridges. If you also enjoy time at the waterfront, you won't want to miss this year's City Fair. It's open three weekends in a row and features music, carnival rides, special attractions, local vendors and more.

Chazmyne Brown: Good morning, and hello. I'm Chazmyne from Parkrose. I am involved in Parkrose dance team and the choir, and in the future, I hope to pursue a music slash performing arts major. The Rose Festival has been making memories for Portlanders and visitors for 107 years. Those festival-goers generate \$75 million in economic impact. We invite you to join this year's Rose Festival by making your own memories and supporting your local economy.

Samantha Westmoreland: Hello, everyone, I'm Samantha from David Douglas High School. I take pride in leading my peers as a student council and ASB member. In my free time, I also enjoy playing the guitar and making music. If you enjoy music like I do, check out the concert series.

Come see great artists like Vintage Trouble and Capital Cities at KINK on the waterfront concert. And for you country fans, Justin Moore, the best new country artist of the year, will headline with Clay Walker at this year's country fest. Put on your cowboy hat and come down to the waterfront.

Theresa Galati: Hello, I'm Theresa, and I'm from Central Catholic. I am a peer mediator, school ambassador, and Eucharistic minister. One of my favorite Rose Festival events is the Grand Floral parade. Join for us great music, floats and more at the Spirit Mountain Casino Grand Floral Parade on Saturday, June 7th. Purchase tickets for weather-proof seating at the Memorial Coliseum. Stake your claim along the four-mile parade route, or watch the parade live on KPTV Fox channel 12.

Amie Whipple: I'm Amie Whipple and I'm from Madison High School. I'm a member of Madison leadership, I'm also Madison vice president of Key Club, and I'm also a cross-country runner and varsity team captain. For my fellow runners, join us for Portland's rock-n-roll half marathon or 10K May 18th. With a band at every mile, you can easily run, walk, or dance your way to the finish line.

Taylor Debnam: Hi, I'm Taylor from Grant High School. I am involved in my school's constitution team, National Honor Society, president of the Black Student Union, and I am a swim instructor for Portland Parks and Recreation. This year, the One More Time Around marching band is making a big splash. They're celebrating their 30th anniversary with a free concert on May 17th in Pioneer Courthouse Square. They will also be making a lot of noise with over 500 marchers at the Starlight and Grand Floral parade.

Jasmin McKenzie: Hi, I'm Jasmin from Benson. I enjoy running and staying active through my involvement in varsity basketball, volleyball, track and field, and cheerleading. You can stay active too by participating in the Bank of the West Grand Floral walk on June 7th. So practice your parade wave now and walk on the Grand Floral parade route as hundreds of thousands of spectators cheer you on in Portland's party parade.

Jasnery Valenzuela: Hi, I'm Jasnery from Lincoln High School. I'm with the National Honors Society and the National Society of High School Scholars. I love to take pictures of myself and my friends when we're out having fun. We want to see how you're making memories at this year's Rose Festival. Tag your fav photos with the hashtag #rosefestival, or join our selfie contest with the hashtag #rosefestivalselfies. Don't forget to say cheese.

Isabella Rigelman: I'm Isabella and I'm from Franklin High School. Some of the activities I participate in are the National Honors Society and being captain of my soccer team. My favorite Rose Festival event is the Junior Rose Parade. Come join us on Wednesday, June 3rd, for the Fred Meyer Junior Rose Parade. This parade gives kids the opportunity to have fun and join in on the spotlight. It'll be hosted in the Hollywood district on Sandy Boulevard.

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Marlo Eckert: Hi, I'm Marlo, and I'm from Glencoe High School. I'm actively involved in my school's newspaper and I umpire boys' baseball at Washington County Association of Umpires. One of my favorite Rose Festival events is the Starlight parade because of the handcrafted, lit-up floats. Downtown Portland will glow at the PGE Starlight Parade. Floats, marching bands, and entertaining entries will light up the night on Saturday, May 31st, starting at 8:30 p.m. You can catch it live on KPTV Fox channel 12.

Emma Waibel: Hello, everyone, I'm Emma Waibel from West Linn High School. I enjoy volunteering, outdoor activities, indoor climbing, and competing in lumberjack sport. If you enjoy competition like I do, come to this year's Rose Cup races June 13th through the 15th. The Rose Cup races attract more than 400 amateur drivers in over 25 classes of modern and vintage race cars. Join us this year to see who will take home the trophy.

Deja Brooks: Hello, I'm Deja from Wilson High School. I enjoy participating in mock trial, science Olympiads, and the National Honors Society. One of my favorite Rose Festival events is the dragonboat race, because I like to support my friends who participate. The dragonboats aren't the only ones on the water this year. The Rose Festival is excited to welcome ships from the U.S. Navy, Royal Canadian Navy, and the U.S. Coast Guard back to the Waterfront Park seawall June 4th through 8th.

Amelia Ryan-Bell: Hello, I'm Amelia from Jefferson High School. I'm actively involved in softball, mock trial, and the Nike [inaudible]. If you'd like to see who's going lead us, join us at the queen's coronation at the Veteran's Memorial Coliseum, presented by Pacific Power, right before the Grand Floral parade on June 7th at 8 a.m. We'd appreciate your support.

Kianna Serrano: Hello, I'm Kianna Serrano from Roosevelt High School. I enjoy taking part in Black Student Union, varsity cheerleading, as well as spending time with family and friends. It's been 100 years since the Rose Festival first announced a queen. Thelma Hollingsworth was crowned. Save your pennies and vote for your favorite finalist in this special search for Queen Thelma. Cast your vote at the Museum Store at City Fair.

[speaking in unison]: Thank you for hosting the 2014 Rose Festival Court presented by Pacific Power. We'll see you at the Rose Festival.

Hales: Thank you: [applause]

Ryan-Bell: Thank you for hosting us today. We'd like to present you all with this.

Hales: Wonderful, we'll frame this. Thank you so much for being here this morning. Both our court and our amazing band. You are a great and wonderful part of civic life in the city. Nancy and I had a chance to have a really thoughtful and in-depth conversation with this group of young women this morning before this council meeting began. And I'll tell you, there are a lot of reasons to be optimistic about Portland right now, but if you could do what we just did and spend an hour with these amazing young women, you'd be even more optimistic, because they are thoughtful and focused and they are leaders. And we are really proud of them. So it's going to be great spending time with all of you over the course of the Rose Festival and in the course of your future leadership here in our community. It's just great to have you here this morning. Maybe some other comments from my colleagues, because we all enjoy this very much.

Fish: Mayor, let me jump in and try to -- your comments were so beautiful, I would just add to them that I've served long enough on this council now that I remember the day that there was a question whether we would continue to have a Rose Festival. And it was because Jeff Curtis rallied the troops, because the city decided to make it its official event, and because a lot of people stepped up to save this cherished event that it was saved and it's now become even better. And so I want to acknowledge Jeff and the leadership of the foundation and all the folks who make it happen, because ultimately, you bring great distinction on our city by running this wonderful event. The other thing I just was observing, Mayor, is you and I often talk about our kids and we are obsessed with whether our kids are gonna have a better opportunity than we had. I read an article that said a

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majority of Americans now doubt that their children will be able to have equal to or better opportunities than they had. And that's a very discouraging thing in this country of opportunity. But when we meet young people like this, and they come and they are so distinguished and they have taken such full advantage of the gifts that god gave them, we are I think even more confident that's not true here in Portland. We are counting on this generation to lead the way. And I suspect one of you someday may even be sitting up here.

Hales: Maybe more than one.

Fish: So, congratulations, and you honor us with your presence today, so thank you. [applause]

Hales: Other comments?

Fritz: I want to explain a little more about Queen Thelma. So back in the day, I think it was 10 votes for a penny -- is that right, Jeff? It was an actual competition to buy votes for the first Rose Festival queen, so that's what's mirrored at this year's event. There have been tryouts for Queen Thelma and three finalists. Portlanders can buy votes to choose their favorite candidates, and then that goes to the Knight challenge. That's a very special piece that'll be wonderful. All of the Rose Festival princesses are just amazing. And each year, it seems the court gets better and better and better. I have to give a special shout-out to Amie Whipple from Madison High School, because she interned at my office. I'm just sayin'. [laughter]

Hales: She pointed that out this morning, yes.

Fritz: And also that her first year was spent at Marshall High School, so she's actually representing two schools.

Fish: Commissioner Fritz has announced she's not seeking reelection. [laughter] So just remember, you are of age.

Hales: And all of us will be participating in as many Rose Festival events as we can. Of course our schedules are crazy but we try to get to many of them. Our schedules are too crazy for the moment for Nancy and I to join the One More Time Around Again marching band. But I'd love to dust off my old baritone and she'd love to dust off either her twirler costume or her saxophone. [cheering] So someday, post-City Hall, you may have two more members of this amazing band. [applause] Thank you all for being here this morning. Can we do a picture with the five of us and the court before you leave? Could we manage to have the court up here with us? [applause] [photo taken] OK, even though we're doing important work today, it's all downhill from there, I think. But we're looking forward to the rest of our agenda. Let me read the instructions and procedures and then we'll get to the regular calendar. I want to welcome everyone here this morning for the regular business of the council. We have quite a bit on our calendar today. If you're here to speak on a council item, all you need to do is state your name. You don't need to give us your address or any of those details. If you're a lobbyist, please declare that and let us know what organization you're representing. On council calendar items, we typically give people three minutes to speak unless there's some other arrangement prior to that. Please speak only to the matter at hand. If you want to make a demonstration in favor of somebody speaking, just please wave your hands. We'd like to avoid applause or catcalls. That means disruptive behavior won't be tolerated and you'll be warned and asked to leave. If you have any handouts give them to Karla, our clerk, and she'll distribute them to us today. Thanks for coming, we'll proceed with communications items.

Item 390.

Moore-Love: He called and is canceling and may be rescheduling.

Hales: OK.

Item 391.

Hales: Ms. Maynard, are you here? Please come on up. Welcome.

Fish: We have your handout, by the way.

Jane Maynard: Here we are, celebrating the beauty of the princesses and roses and music, and I'm talking about blight.

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Hales: It happens. Thank you for being here.

Maynard: My name is Jane Maynard and I live in northeast Portland, thank you for this opportunity to speak about a problem in my Woodlawn neighborhood. As the pictures distributed to you illustrate, the blight I am concerned about exists in other neighborhoods, too. Administering a city is a difficult job, especially a city such as Portland, where we have high expectations for quality of life and health of the environment. I come to you today with a win-win proposition, with a no-brainer solution. It starts with a perfectly logical code requirement that abandoned vehicles off pavement must be removed from private property. At least that is how I read the code, you might check the specific language. I have turned in such violations, as have many others. When it is repeatedly not acted upon by the city, we are told either that it is not a priority, or that there is no money for enforcement. Every day on radio, television, and billboards, various nonprofits such as Oregon Public Broadcasting are begging for vehicles in any condition. At no cost to the owners, cars, boats, and trailers will be taken away. And the donor even receives a tax benefit. There are also private metal recyclers who will haul away car parts. A city of Portland citation accompanied by a-how-to-get-rid-of-the-offending-vehicle pamphlet could be issued. If, within a month or so, no action has been taken, the city could seize the property and reap the reward. The basic code requirement is already in place. The legal department would probably need to put some muscle into enforcement. I've recently been in great cities in this country and abroad. In my observation, Portland is not keeping up in ridding itself of this unhealthy scar on the cityscape. I have photographs to demonstrate what we see day after day, year after year in our own immediate neighborhood. The 6227 NE 19th house not photographed is currently under investigation for code violations and has been under investigations repeatedly. The cars in the back of this property rust on year by year, undisturbed. As we drive down NE Dekum between 21st and 33rd, I'm surprised as the number of cars visible in yards along the way. Environmental beauty, recycling, space for living, neighborhood cohesion, and even a source of money -- this could be a positive, doable, affordable city service. Please investigate this issue and take action.

Hales: Thank you very much, appreciate you bringing this to us in a very thoughtful way. Thank you.

Item 392.

Hales: Good morning.

Scott Fernandez: Good morning. I'm here today to discuss the open reservoirs and retaining them for their public health benefit. It's important that we retain them over the long term because of the benefits that they have provided over the last hundred years that I'll outline very quickly. When the EPA told Senator Schumer when he was defending his Hillview reservoir that science would drive the ultimate decision-making process, we agreed with that, because science has been the thing that we knew all along that would help you understand the benefits of these open reservoirs and the Bull Run system. Over the last few months, I have been writing a detailed paper on the benefits of the open reservoirs and the science and scientific principles behind what they give us in water quality. That's what I'm talking about today. Unfortunately, over the years, the Water Bureau has not utilized the scientific principles of the public health benefits of the open reservoirs that we see today. That's shown in a paper written by me in 2004 during the independent review panel that showed the public health benefits of these open reservoirs. The three scientific principles that I'm encouraging you to understand is that -- the first one is the physics, the second is the chemistry and the microbiology of these open reservoirs as they are today, in deep contrast to the covered reservoirs that don't have the principles that the open reservoirs do. The physics of the open reservoirs provide sunlight that diminishes the nitrification process and breaks down other chemicals. The chemistry principle allows for safe and effective vaporization of gases that come through the system, like we see with the disinfectant byproduct chloroform, and radon that we will see when we use the Columbia wellfield. Thirdly, the microbiology of the oxygen-loving bacteria

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that break down disinfectant byproducts. And that's all explained in the copy I'm going to give to Karla in just a minute. It's in detail and it will be on my website bullrunwaiver.org tomorrow. These three important points stop contaminants from the open reservoirs getting into the distribution system because these open reservoirs break these contaminants down. And that's a key principle that the covered reservoirs do not do this biologically. So if you go to a closed system, these contaminants will end up in our schools, businesses, and our workplaces and in the water and the air. So I'm asking to you stop the disconnection process at this point and have a discussion with the community about the scientific principles that benefit us in public health through these open reservoirs, and keep them open and well-maintained. And save yourself some money in the Parks and Water Bureau that we don't need to spend to disconnect these and destroy parts of the Mt. Tabor reservoir area. I will give these to Karla and these will be available for you tomorrow.

Hales: Great, thank you very much.

Fernandez: Thank you.

Item 393.

Hales: Crystal, are you here? I don't see her. OK, looks like she is not here.

Item 394.

Hales: Good morning.

Lightning: Good morning. I represent Think Lightning company, my name is Lightning. A couple things I want a lot of people to go in and think about is that when we're trying to end chronic homelessness throughout Portland and Multnomah County, should we be looking at the overall population compared to the amount of housing units within Portland, Multnomah County? And my thinking is that if we begin to get that number within a balance relatively close, does that mean that we will end chronic homelessness throughout Portland, Multnomah County? I think we need to have more studies on that on the population, on the number of units, and creating that balance to try to end that chronic homelessness throughout Portland, Multnomah County. And again, what that term means is that basically somebody who's been homeless for over, say, one year, and there are other factors that come into play, but basically it's a time frame type issue. If we can get that balance into check, then we're focusing on people. Yes, we'll never end homelessness, we'll always have homeless people throughout Portland, Multnomah County. But can we get to it run efficiently enough that we're really just focusing on that first 12 months, that one-year time frame? If you're homeless, we want to try to get you into housing before one year. We want to keep chronic homelessness ended. And when you start calculating, once we get into the chronic homelessness area, 50% of the publicly-funded services apply to that group. So if we can get them into housing first -- and studies have shown that \$30,000 per year is the cost. So if we have 1500 people, we're talking \$45 million in publicly-funded services. Now, if we can get them into housing first, we're going save a tremendous amount of money. And my calculations also are not taking into account the fact that businesses will improve their income. When you calculate that throughout the city and Portland, Multnomah County, just say 5% of their gross income, we're talking a tremendous amount of savings to Portland, Multnomah County, throughout the city. And ultimately, what we're doing is improving the health of the homeless, we're providing them housing, we're providing them safety, we're providing them longevity in living longer. Studies show that people outside who are homeless, chronically homeless, their life span is shortened. There's no other possibility but to look at any chronically homeless throughout this city. It makes sense on a moral standpoint, on a fiscal standpoint, it makes sense for the city of Portland. Thank you.

Hales: Thank you, thanks very much. OK, let's move to our next time certain item which is 396. Oh sorry, got to do consent. I got carried away again. I have some items pulled from consent. I have 403 pulled for discussion. I have 404, as well, pulled for discussion. Any others?

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Fish: Mayor, we've pulled 403 and 405 to the regular agenda. And I've directed my office to bring all ordinances authorizing bids on contracts over a half million dollars henceforth to the regular agenda.

Hales: Good, thank you. Alright. Anything else? Then let's vote on the balance of the consent calendar, please.

Roll on consent calendar.

Fish: Aye. **Saltzman:** Aye. **Novick:** Aye. **Fritz:** Aye. **Hales:** Aye.

Item 396.

Hales: Commissioner Novick.

Novick: Colleagues, in December of 2013, Council approved a resolution to change disabled parking rules in Portland, with those changes to take effect July 1st. The goal of that resolution was to improve access for anyone looking for a parking space in heavily used areas, to address the concerns of businesses that rely on high-turnover of parking spaces for economic vitality, and to improve access for people with disabilities who have short-term trips downtown. The new rules would end of privilege of parking without payment at city meters for those who hold disabled placards. People with disabled placards will pay for metered space, except for wheelchair users who may continue to park without charge as required by state law. Additionally, the transportation bureau is going to install 80 designated spaces for permit holders, 30 for wheelchair-only placard users, 50 for people with the non-wheelchair disabled permits. Council directed transportation staff to return this spring with an ordinance which set implementation in motion. The ordinance we're considering today would make changes to city code to be consistent with council's December resolution and would allow transportation staff to begin implementing the new program on schedule by July 1st. I'd like to review the reasons for council's December decision to support the recommendation put forward by my office in concert with PBOT and the disabled parking task force. Currently, a disabled permit allows unlimited parking without payment in downtown and in other metered areas. You walk outside of City Hall, you'll see blocks of cars displaying disabled permits, and many of those appear to be parked all day. Annual surveys administered by PBOT show that disabled permit holders account for 11-30% of vehicles in the heavily-used downtown metered areas. Overall, the number of parking spaces with disabled permits has increased over the years to 1 out of 9. And again, many of them appear to stay all day. This privilege has actually led to less availability of parking spaces for people who need it most, including people with disabilities who have a short trip to make downtown. And this practice contrasts with the aim of the central business district's short-term parking system, which is to support business vitality. Before I turn this over to Nolan Mackrill from PBOT, I want to let council know PBOT plans to print and distribute brochures to every vehicle in the metered district with disabled permits, informing them of the new changes. PBOT would like to start disseminating the brochures after the Memorial Day holiday. In order to speed up the printing, I ask that after our meeting today, if the council does not have objections to the content of the brochure, which Nolan will explain, that we give PBOT the green light to begin printing so we can start notifying people as early as possible. I'd like to take a moment to thank staff and stakeholders, members of the Portland Commission on Disability, the Portland Disabled Parking Task Force, and the Portland Business Alliance have been instrumental in providing commentary and making sure we have a humane program that addresses all of our goals. We're grateful for their guidance and their dedicated services. Thanks to all the constituents who contacted my office and PBOT with ideas and questions. And finally thanks to PBOT staff for working tirelessly on this program. Everybody's hard work is very much appreciated. Nolan's work, Sara Schooley, Rob Burchfield -- I'm forgetting people. And I'd like to thank Erika Nebel of my staff, who spent lots and lots of time on this issue. Nolan, take it away.

Nolan Mackrill, Bureau of Transportation: Good morning.

Hales: Good morning.

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Mackrill: I think we'll be getting the web page up shortly.

Hales: OK. Karla will help you.

Mackrill: Thank you, Commissioner Novick. Mayor Hales and Commissioners, I'm Nolan Mackrill, parking enforcement manager. The ordinance today is for code changes in the city of Portland Title 16. Ah, there's the web page, it'll be on your screens soon.

Hales: There it is.

Mackrill: Commissioner Novick has provided the background for you and I will briefly explain the code changes for the council's consideration today. These recommended changes will enable PBOT to implement disabled meter parking changes from the resolution passed by council in December of 2013. These code changes will add and amend certain parts of the code. The addition of code language for resident and employee permits will be included into the new code, as well as definitions of what a regular and wheelchair user placard is. And the code will also amend sections of the code for payment options at the metered space, which would include the regular disabled parking placards. Parking at a metered space with a regular disabled placard will follow new parking regulations. For example, in any metered space designated one hour, 90 minutes, or two hours, the vehicle will display a receipt for the payment of the meter time for that block face, and will be able to stay in the space for up to three hours. For meter lengths three hours, five hours and eleven hours, the vehicle would pay for the time parked. For the duration of meters less than one hour, the vehicle would follow the parking regulations for that space. Wheelchair users, as Commissioner Novick explained, will be able to continue to park in any metered space 30 minutes or longer without fee or limit by state law. In each section of the code for placard parking, penalties for invalid, misuse, and unlawful use have been changed to reflect Oregon revised statute language. This will aid in adjudication and also in consistency within the existing law so there will be no conflict between what state law is for all three of those particular penalties. And then the brochure that we'll be handing out that the commissioner brought up -- we'll be getting that brochure finalized and printed and we'll be distributing the informational brochure on all vehicles on the street that are displaying a disability parking permit. That will give them all of the parking options available to them within the new changes and will give them the opportunity to look at other ways to provide transportation to get to work or to find a place to park their vehicle if they reside downtown, or also give them the opportunity to get a permit, which would be issued through transportation. And we'll be handing that brochure out until July, so we'll have an opportunity to get an informational brochure on as many vehicles as we can during June, before the July 1 implementation time. I also wanted to thank Commissioner Novick and his staff for the support and guidance that they have given us on this. I'd like to thank the many PBOT staff that have helped throughout this process and for the task force for the development of parking changes. I especially want to thank the members of the disabled task force. It's been my honor to be part of this committee and they have been meeting since 2008. And they have never lost focus on the responsibility for exploring the changes to be made within disabled parking. This dedicated group worked through many parking options, and they came to a consensus with the direction of Commissioner Novick, and I just want to thank them for all of their work they've provided through the many years of trying to find a solution. And also if there are any questions, I'll be ready for those.

Hales: Great. Questions for Nolan?

Saltzman: So if you have a disabled permit and park at a one-hour meter, you can stay up to three hours?

Mackrill: You'll pay for one hour, you'll display the receipt, and you'll be able to park for three hours.

Saltzman: Just at the one-hour meters?

Mackrill: At one hour, 90 minute or two-hour meter, you buy the time of the meter block and you'll be able to stay for three hours.

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Saltzman: OK.

Hales: So it's whatever the meter is, a 90-minute meter you pay for 90 minutes.

Mackrill: You pay for 90 minutes, can park for three hours. Right.

Hales: Other questions? I know we have some folks signed up to testify. Do you have some invited testimony, Steve?

Mackrill: I have one person, Lisa Frisch, who's on the task force. She has a brief testimony today.

Hales: Great, thank you. Good morning.

Lisa Frisch: Good morning, Mayor Hales and Commissioners. My name is Lisa Frisch and I'm the retail program director for the Portland Business Alliance and a member of the Disabled Parking Task Force. I'm here today to express the alliance's support for the Bureau of Transportation's code amendments to the disabled person parking code. The Disabled Parking Task Force was charged with developing parking policies for non-wheelchair disabled parking permits. In the six years that this committee has met, the use of disabled placards downtown grew from 11% to 30% in some areas of downtown. In fact, on many streets downtown, vehicles displaying placards park all day, thus limiting turnover. In the same six-year period, lack of parking availability downtown ranked in the top five factors that need improvement in the alliance's annual business census and survey, a survey of all 4500 businesses in downtown Portland. As a result of the committee's thoughtful work, the proposed code amendments respond to long-standing complaints from downtown businesses regarding permit misuse, the lack of parking turnover, and limited number of convenient parking spaces with persons with individuals with disabilities. Moving forward, we want to ensure that those individuals who need accommodations are adequately served by this program. We appreciate that Commissioner Novick and PBOT are willing to work with individuals with disabilities who live in subsidized housing by providing them a free permit for the first year. We ask that for the initial rollout of implementation that there be fewer penalties and more of an educational effort around the new changes, unless there are egregious violations. Therefore, we recommend that the program be revisited to determine if any adjustments need to be made to ensure the program is benefiting both short-term visitors and providing enhanced accessibility to those who need it most. I'd like to thank city council and in particular Commissioner Novick for his thoughtful leadership on this issue. Finally, I'd like to acknowledge the hard work of my fellow members of the Disabled Parking Task Force -- many who are here today in the back -- for working together for the past six years to find a solution to this problem. It's been a pleasure to serve on this committee with you. As a result, we have a thoughtful and equitable solution to the long-standing misuse of parking placards downtown. Thank you.

Hales: Thank you.

Novick: Thank you.

Hales: Questions for Lisa? Thank you both. Again, we have members of the disability commission here, I'm not sure if you're planning to testify but we also have a sign-up sheet. Commission members are standing by.

Novick: I think Joe Vanderveer was planning to testify.

Hales: Here's here. Not necessarily planning to testify.

Novick: Oh, hi, Joe. Didn't see you behind the post.

Hales: So anyone signed up on this, Karla?

Moore-Love: Yes, we have two people. Please come on up, Joe Walsh and Adam Kriss.

Hales: Come on up.

Hales: Mr. Walsh, go ahead.

Joe Walsh: My name is Joe Walsh, I represent individuals for justice. It seems to me that what you're going to do is make it more difficult for handicapped people to park. One example that you use -- that Commissioner Saltzman tried to explain -- was that I don't have a handicapped parking because I don't drive. I could get one under the present regulations and give it to a friend who could

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drop me off, and display it. But I have to go through a doctor, a doctor has to authorize the request for me to get a permit. So you already have a screening process that goes on. You seem to be implying and saying straight out that percentagewise, the handicapped are screwing around with the handicapped parking, and they are screwing up the people downtown. Too bad. That's what I say, too bad. If a handicapped person has a doctor to verify to get his permit, and he comes downtown and he needs to be dropped off someplace, leave him alone. You say, OK, he can park for three hours in a 90-minute parking space, but he's got pay for the 90 minutes. What's the logic behind that? Except money. What's the logic? If you're going allow them to be there for three hours instead of the 90 minutes it says on the parking space, then why are you doing that? It's just money. You just want to generate money. And as a handicapped person -- and I don't really have a dog in this fight because I don't have a handicap parking space. I'm thinking of getting one now because you've pissed me off. So what is the reason behind this? Commissioner Novick, have you got a reason for this? Is it that the Business Alliance says, hey, man, there's too many handicapped people parking downtown and they're blocking the place and we can't get the business going? Is that what this is about?

Hales: Joe, there's been a lot of work put into this and there's a report you can read about the rationale, but we're not going debate that here with you this morning.

Walsh: Of course you're not going to debate it. It would be transparent if you debated it.

Hales: There's a lot of work done --

Walsh: You don't have an avenue to debate it --

Hales: OK --

Walsh: You sit here and you make these goddamned decisions --

Hales: Hey, that's it. You're done. Thank you.

Walsh: No, I'm not done yet.

Hales: You're done.

Walsh: This is outrageous.

Hales: Yes, it is.

Walsh: And so are you.

Hales: Go ahead, sir.

Adam Kriss: OK. Good morning. I wish the band would have stayed, that would've been nice. But anyway, I wanted to just address something this morning. I believe I did send you guys all emails, hopefully you got my email. I wanted to address the idea that I'm not arguing against a parking ordinance, because I know it's already been discussed numerous times, but I wanted to bring up a point based on the budget that was released. And I think -- I have a huge concern with the parking that we are going to now be charging, and we are going to get -- I assume this is going to bring in extra revenue for PBOT and for the city. So when I was listening about the budget, I was a little disturbed that I didn't hear that there was any money that was going to be given to sidewalk repairs, and access for people with disabilities that do not drive. And one of these things that I think this ordinance will do is I think it'll make people not want to necessarily drive downtown and take more public transportation. And the people that live downtown will actually, you know, walk more or roll more down sidewalks and streets. However, if this money that we're generating is not going to fix streets or sidewalks, I kind of am a little disappointed in that I think some of the people in the community, including myself, were supportive of this ordinance because we had the idea that we thought extra revenue based on this parking ordinance would be going to fixing streets or making more curb cuts. There's still a lot of issues in downtown Portland, and I fail to see why we're not going to be able to use any of this money to be able to do any of these repair works that need to be done.

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Novick: Sir, actually the revenue will go into the general pool of revenue PBOT uses to fix the streets, to make curb cuts, and put sidewalks in places that lack them. It's not a huge amount of money, but it's a welcome amount available for exactly those tasks.

Hales: It does go to that fund and there will be a small amount of increased revenue, so it gives us the possibility of doing a little more than we did before.

Fritz: Commissioner Kriss, thank you for sending your message ahead of time. Commissioner Novick, is there a plan to track the increasing revenue and to make sure that that revenue is spent downtown for the parking meter areas?

Novick: Well, actually I don't think that -- I mean, we will know how much more revenue we get from downtown parking this next year, but we won't know how much of it came from people with disabled placards. People will just pay and we'll get those additional payments. But we're not planning to -- we've spent a lot of money downtown, but we need money for services throughout the city. There's no practical way nor are we planning to segregate a specific amount to pay for specific things downtown. It's money that's available to do the kind of work that we need to do all over the city and downtown benefits from that.

Fritz: Do we have the listing of which facilities downtown, which curb cuts are needed and a capital improvement project list for what order we're going to do them in when we have funding?

Novick: We do have lists of projects of all kinds we need to do when we have funding. But again, we're not designating the specific what we hope will be about \$1.5 million to specific projects, it'll go into general revenues.

Fritz: But some of that will go to the transition plan?

Novick: Well, to the extent that it's -- I think indirectly yes, but again, it's not going to be designated.

Hales: We're already spending general transportation revenues on the transition plan and we've got a list, as he said, of which curb cuts are next. Most of them aren't downtown, because most of them downtown are done. But they're systematically doing curb cut projects all over the city. You might want to bring staff up to address that. But I saw the list a while ago, I saw the map a while ago where we were working. And this just -- as Steve said -- throws more into that hopper of revenue to pay for that and everything else they spent general transportation revenues on. But exactly how many curb ramp projects we're doing this year, I don't know, but there are some already.

Fritz: Right, and I remember we had that discussion last year in the budget process is pretty much concurrent with the policy of the parking changes. So maybe it would be helpful to publish and post that list so that the Commissioner Kriss and other could see that we are making progress on it.

Hales: It's a good idea.

Novick: Can I ask Rob Burchfield to discuss that possibility?

Hales: Thanks very much, appreciate your help and your service on the commission.

Robert Burchfield, Bureau of Transportation: Do you want to repeat the question?

Fritz: Would it be possible to post the list of the transition plan projects for curb cuts and the map that the mayor was referring to of where they are?

Burchfield: I think so, I'll investigate that. I know we know the deficiencies. I think we know where the ones we need to fix are. Then I think what happens is there's some prioritization that goes on about which deficiencies we're going to fix. That's based both on public input, so the public telling us where they need those fixes, as well as us trying to get alignment with our infrastructure improvements. For instance, if we're doing street work, paving work, signal work, we will then do those corner ramps at the same time we're doing that maintenance or improvement work. So there's a number of factors that go on that sort of bring into alignment what our priorities are in that annual work program. I'm sure that posting the deficiencies would be an easy -- relatively easy response so people at least know what the work is that we're trying to accomplish through the transition plan.

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Fritz: That would be very helpful, and perhaps the Commission on Disability could look at that, and they may know of particular locations.

Burchfield: And that's the type of public input I referred to, that we work with those stakeholders to prioritize their needs really at the top of the list.

Fritz: Good, thank you.

Hales: As you know, one of the things that the Americans with Disabilities Act requires is when we do a construction project otherwise, we have to comply. We can't build back substandard curb ramps. So Multnomah Boulevard, for example. There's a big project now under construction, of course it includes ADA-compliant curb corners, even if they weren't highest on the list of priorities. Because we're following the law, right?

Burchfield: Correct. And the rules now are even if we do a two-inch pavement overlay, we fix all those corners.

Hales: Oh, really, I didn't know that. So if you're doing a grind and overlay, you go ahead and do the corners.

Burchfield: Yes.

Hales: Good, I didn't know that. It would be useful for the council and community to get that information in a user-friendly way, so people could see which projects are rolling up to actual construction. If that would be possible, that would be great.

Burchfield: We'll see what we can do in that regard. Thank you.

Hales: Other questions for Rob? Anyone else that wants to testify at all? OK. This is not an emergency ordinance, so it'll come back for second reading. But I think -- do we need just a sense of the council that we should indeed proceed with the printing of the public information, so that when the ordinance is improved next week, we'll have a head start?

Novick: I would appreciate that.

Hales: So anyone on the council disagree with that idea?

Fritz: I'm assuming the task force has had a look at the draft with somebody from the Commission on Disability?

Novick: Yeah.

[man from audience speaking] [indistinguishable]

Fritz: Thank you.

Hales: Great.

Novick: I don't know if Nolan mentioned that our plan is to issue warnings --after July, before we start to give people tickets, to issue an initial warning. So in addition to sending out the brochures, we're not start to ticket people immediately, we will give a warning in advance.

Hales: Great. Thank you, Commissioner Novick, for your work on this, and for the members of the commission, task force, and staff that have worked on this. We'll come back from a second reading and council action next week. [gavel pounded]

Item 397.

Hales: Good morning to our budget team. We'll be spending a lot of time with these gentlemen over the next few weeks. Or we already have, actually.

Andrew Scott, Director, City Budget Office: We have, and we'll continue to for a little while. I'm Andrew Scott, city budget director. And I know you have a full agenda, so I will be very brief this morning. We had a work session on the spring bump two weeks ago where we went through in some detail the various requests in the spring bump. Just to recap what's in the bump before you in terms of carryover requests, there's \$3.4 million in carryover requests from bureau budgets this year being carried over into next year's budget. There are just a handful of changes from what we talked about in the work session. All of those are additional carryovers that are included in the mayor's proposed bump in front of you. That total of \$3.4 million and a number of these projects, again, were things that were requested for the 14-15 budget, but instead of being funded in the 14-15

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budget, they are funded through carryover and bureau underspending. In addition, there's \$3.9 million in compensation set-aside requested and approved in this bump. And a net total of \$91,000 of new requests coming out of general fund contingency, although there is also a return of \$555,000 of underspending from BOEC. So the total of general fund contingency actually will increase under this as part of this bump. And I believe those are all of the relevant details. There are a number of non-general fund changes, as well. We talked about a couple of those during the work session. I'm happy to answer any questions about the spring bump.

Fish: Net of everything you said, what's the ending fund balance?

Scott: Net of everything, the unrestricted contingency will be \$476,500 remaining for the rest of the fiscal year. We won't have any fund balance numbers until the year-end closes.

Hales: Questions? Simple and straightforward enough, I suppose. We'll see if there's public testimony. Thank you very much.

Moore: We have one person signed up, Barry Sutton.

Hales: Barry? Still here? Anyone else? OK. This is an emergency ordinance, let's take a roll call.

Item 397 Roll.

Fish: Mayor, a lot of the drama is taken out of this because of the high level of consultation by the budget team and the hearings we've had and the work session and the collegial way that we've worked through this part of our bump. So thanks to you, thanks to our independent budget office and I'm pleased to vote aye.

Saltzman: Aye.

Novick: Aye.

Fritz: Very happy with allocation to the Office of Neighborhood Involvement, particularly Kenton firehouse. That brings great joy to the community. The one piece that I'm still concerned about is the \$240,000 that's not being carried over for the compliance of the community liaison for the Department of Justice. I mentioned at the work session I'd be very interested in using some of that money for equity training in the Police Bureau and the Independent Police Review division of the Auditor's Office. So it doesn't have to be done in this process, it could be elsewhere and I would be very supportive should you choose to do that. Thank you for the funding that is being allocated here, it's very necessary. Aye.

Hales: I want to thank the council. I think we have worked effectively as stewards of the city's purse, in this case, and other cases, and I appreciate the collegial work. I also think our staff have done a great job both in the budget off and the bureaus, of helping us make good choices and doing it in a very prudent way. I'm very proud of this work, and I appreciate the good work that's been done. More to come. Thank you. Aye. [gavel pounded] OK, item 398.

Moore-Love: That's an 11 o'clock time certain.

Hales: Oh, sorry, we're ahead of schedule. What a concept. [laughter] Let's go to the items that were pulled off of consent. I think that would be the quickest thing to do. Do you want to do that?

Fish: Sure.

Hales: Take the items that were pulled off the consent or would you rather move to regular agenda?

Fish: Those were understood to be at the end, so we probably want staff to come --

Hales: OK, let's go ahead and move to regular agenda and we'll come back to time certain.

Item 411.

Hales: I don't think we have a presentation on this, but it's simple enough. We slightly under-budgeted for CHIERS during the course of the year, and they needed this much to, frankly, make it to the end of the fiscal year at the same level of service. So, that was the reason for the contract amendment. So it's not a change in total resource available, it's how much we've committed to in the contract. Here's our Housing Bureau director, but I don't think this is her -- this is not your responsibility, this is the police.

Saltzman: She's here for the 11 o'clock.

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Hales: You're here for the 11 o'clock. Any questions by council? Anyone who wants to testify on this item? Roll call then.

Item 411 Roll.

Fish: Aye.

Saltzman: Aye.

Novick: Aye.

Fritz: This is a very good service. It's a safety issue not just for the person who's intoxicated but for public safety. I'm very pleased to see it funded. I note that in the Mayor's proposal, the CHEIRS funding is one-time, but I'm assuming the funding is intended to be ongoing as soon as we have the resources.

Hales: Also intended to help our discussion with the county.

Fritz: Indeed so. Thank you for the support of this important service and thanks to Central City Concern for being in charge of it. Aye.

Hales: Aye. [gavel pounded]

Item 412.

Hales: I don't think we have a presentation, or else the people planning on making one are caught flat-footed by us being ahead of schedule. Unless there are any questions --

Fish: Just a comment. What I'm hearing -- Dan and I, as you know, are spending a lot of time in the community these days in addition to our day jobs. And the two things that I'm hearing that are reforms that are sort of game-changers are the revised use of force guidelines. And then Project Respond and the pairing mental health outreach workers with law enforcement to be able to address and defuse potentially volatile situations with folks. Those two together I think -- and I think you've said this recently -- if you take those two and some other reforms, may be substantively why we're now 15, 16 months into a stretch where we have not had an officer-involved shooting involving someone in a mental health distress situation that has produced a big community uproar. I just want to acknowledge those two reforms in particular seem to be getting traction.

Hales: Great. Is there anyone who wants to testify on this item? I don't believe there is. This will pass to second reading. I just want to second your comments, Commissioner Fish, I was out at roll call in east precinct last week. You see that system in operation with the combination of the Project Respond mental health worker and our mental health unit. The collaboration that was going on between those specialists and the patrol officers who were getting ready to go out on their shift about a couple of specific individuals who they knew, and they knew where they lived, and they knew the problems that they were causing in the neighborhood. And they were thinking it through, how would we deal with this person in the most effective way, keep them safe and also keep the neighborhood safe? You could see in everyday police work in action and the results of having a mental health professional at the elbow of a police officer, and having not just those folks off on their own as a specialty unit but having this discourse between the patrol officers -- who are the ones most likely to announce this person in the neighborhood -- and the two professionals. And hey, if you see them at the corner of 122nd and whatever, call me. They had this operationalized and it was great to see.

Fish: And a shout-out to our police, because while they get a lot of training and they are trained to handle lots of situations, frankly, they were never intended to be the front line people dealing with the mental health crisis on the sidewalks.

Hales: Right.

Fish: And so to have a professional who knows how to diffuse a particularly volatile situation and to avoid an officer having to go through another set of protocols to the extent he or she feels threatened or there is some triggering event is a real step forward. And again, we're 15, 16 months into not having a tragic event.

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Fritz: I met with Derald Walker of Cascadia Behavioral Health just a couple of days ago and he just spontaneously said how pleased the Project Respond staff are with the police officers who volunteered to work on those units. They truly are stepping up and becoming very well-versed in the work that they're doing in partnership. So that was good to hear from the staff from Project Respond's viewpoint that the partnership is working well.

Hales: Well this is a really important part of our compliance with the Department of Justice settlement, and great to see it in working in practice. So this passes to second reading. [gavel pounded]

Fish: Mayor, I think we have someone from Water now.

Moore-Love: BES is here. Water left.

Fish: BES is here, Mayor, if you want to go to the consent item. They ran over when they heard you were ahead of schedule. [laughter]

Hales: Sorry, panicked everybody by being on schedule.

Item 403.

Hales: Commissioner Fish.

Fish: I'll just turn it over to our distinguished panel.

Scott Gibson, Bureau of Environmental Services: Good morning, Mr. Mayor and council, my name is Scott Gibson, I'm a principal engineer at the Bureau of Environmental Services. And to my left is Wrandoll Brenes-Morua, he's our program manager for the I&I program. So we're here to talk to you today --

Saltzman: What's I&I?

Gibson: I'll get to that. Infiltration and inflow. So what we're here today is to ask for permission of a construction contract. It's part of our rainfall-derived infiltration and inflow program in southwest Portland. Infiltration and inflow, or I&I, is the term used for groundwater and rainwater that enters the sanitary sewer systems through direct connections such as roof drains or through defects such as cracks or broken joints in the pipe. Already, I&I can cause sewer system overflows that represent a serious public health hazard. In this picture, you'll see a manhole at SW Dewitt during a rainstorm event, and the sewer system is being overwhelmed by I&I as it enters the pipes. These pipes were designed to carry only the sanitary sewage, so the rainfall is causing this overflow and release. At this location, we had a number of releases within a year, and we are currently working under an agreement with DEQ to remedy the situation. That's driving a lot of our timelines. This Middle Hillsdale project that we're asking for permission to go to construction on is one of those projects. In 2012, we came with a resolution to the council asking for permission to run some pilot projects. We call them pilots because we are basically fine-tuning the tools we're using in our analysis and measuring effectiveness of our reduction techniques. We have specific targets for reductions in the rainfall coming in that we want to meet. We needed to carve out some pilot areas where we could do some tests to figure out our effectiveness. One of the key elements about the pilots was that we are offering to pay for some improvements on private property in order to determine whether or not the remedying the private portion would be effective in helping us meet our goals. The Middle Hillsdale project will rehabilitate or replace 13,700 feet of 8-inch sewer pipe to prevent groundwater from entering the sanitary sewer. It's a part the Dewitt MAO, it's a part of the solution for that, and it's about a million dollars. The map is a little hard to see. But up -- we're looking at the West Hills area, west of the crest, with Council Crest being up next to the purple section.

Fish: By the way, you say the engineer's cost estimate is 1,900,000. I think for the general public, there's confusion about who's doing the estimating and what the degree of confidence is in this number. Because sometimes, we start with guestimates and then we get a more formal number and then we go out to bid. So, what is an engineer's cost estimate? And what is your confidence in this number?

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Gibson: So this particular one is our final estimate at completion of design. So, the plans are all 100% complete. It would be considered optimal, and we have recent history bidding these projects, so we're pretty confident in this number. Of course, Christine Moody will come back with the final bidding results and that will be back through her report to council on the results of the procurement.

Fish: So when procurement comes back to council, we'll have the actual bid, so we'll know whether in fact the high confidence that you had was warranted.

Gibson: Yes.

Fish: And of course, we're always hoping that the bid comes in below the estimate so we can have some savings to rate payers.

Gibson: That's exactly right. And she'll also report on the minority women emerging small business association and good faith efforts through the procurement.

Fish: And Mayor, you and I are committed with the utilities to having a little more transparency at the front end of contracting.

Hales: Right.

Fish: And so what we'll be doing is inviting the council to ask good tough questions, make sure they understand why we're doing these projects, what our estimates are, how we got there. And then we'll be coming back and reporting more regularly throughout the way, so if in fact we were -- it turns out our high confidence was more like a low confidence, we'll have some explanations and the council can then decide whether that's appropriate to proceed.

Hales: That's helpful, thank you. Other questions for our engineering team?

Gibson: Let me skip through the next steps just so you know. The pilot areas are a small portion of the project, the area where we have the problem which is basically southwest Portland, west of the crest. Future steps, we're going to continue to work on these projects in the future, and there will be more of them. We continue to evaluate our project areas to prioritize them, determine how effective we've been. Our ultimate goal, of course, is to control all overflows and prevent all overflows to the streets. Within the next few months, city council will be asked to authorize contracts for work rehabilitating laterals on this project and also on Pendleton 45th project area. So there are two other efforts within the next couple months that you'll see in this area. Thank you. Any other questions?

Hales: Just had an opportunity do a TED talk with other mayors, and each mayor got choose topic. The Mayor of Columbus did his TED talk about the issue of inflow and infiltration. So it's not unique to Portland. And it may sound arcane, but it's expensive everywhere. He did a great job as a non-engineer presenting this issue. If you have a chance to check that out it's on the national league of cities website. There's a particularly graphic cartoon which I'm not sure if it's good for general audiences, but the mayor, Mayor Coleman, did a great job.

Fish: What was your topic?

Hales: About police reform. So, interesting discussions.

Fritz: Mayor, I have a comment. I really appreciate Commissioner Fish pulling this off the consent agenda because it's important, and thank you for your presentation. It's important for people to understand why we're spending a million dollars. By the way, I really like the title Middle Hillsdale, it sounds like Middle-earth. [laughter] And my staff do great write-ups on all of our consent items in case they're pulled so that I know what they are. And so Cristina in my office did a great job of explaining this to me to my satisfaction before I knew it was pulled. And for public involvement, she wrote, during construction there will be traffic delays, noise, dust, vibration, and odor from the repair process, and that you have done a very effective public engagement process to prepare property owners for all that. And Commissioner Fish in his wisdom has continued the partnership with SW Neighborhoods, Inc. to help with public involvement. So it's really an example of government doing construction project as well as it can be done and taking the lead in working with neighbors in addressing the inevitable challenges that come with construction. So thank you very much.

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Fish: Commissioner Fritz, if I could just -- Mayor, on one point, we met yesterday with Debbie Caselton who does such a great job with our outreach. One of the many hats she wears for the city. And one of the things we have changed in the last eight months is that when we do community outreach through newsletters, we now have a cover memo from her with her phone number. And then we've been getting feedback from her. It turns out that when people have a single point of contact and they're told, you know, Debbie is in charge, if you have a concern, here's her cell phone. Of course, it's very disruptive to her personal life. But the reality is she's getting great feedback from people because there's a face to the project. We really appreciate the folks on the ground doing the outreach, because they're the ones that build the trust with residential and business customers, so thank you.

Fritz: I have found that too, that when people have a name and phone number it's way better than info@portland.gov.

Fish: And please don't poach Debbie from our team, she does a great job.

Hales: Thank you very much.

Fish: Mayor, we have the other one.

Hales: Let's go ahead and take a roll call, so it goes to second reading. [gavel pounded]

Fish: We have the Water team here.

Moore-Love: 404 or 405?

Hales: 404 is the other BES item.

Fritz: And is that going back to your office?

Hales: That goes to second reading.

Fish: I didn't pull 404.

Moore-Love: They said to pull 404.

Hales: Maybe that was mistake.

Fish: OK. So we withdraw the pull on 404.

Moore: But we have to vote on it, it's a second reading.

Item 404.

Hales: Roll call please.

Item 404 Roll.

Fish: Aye. **Saltzman:** Aye. **Novick:** Aye.

Fritz: Just to explain this, it authorizes Commissioner Fish to execute contracts, provide payment for sanitary and storm sewer work for one or more contractors, and waives requirements for a contractor to post a bond. So it's an efficiency method rather than a specific contract. Aye.

Hales: Thank you. Aye. [gavel pounded] So it sounds like we continue to hold 405 until later in the agenda, is that right?

Fish: Yes, Mayor, thank you.

Hales: Let's go ahead and move to our time certain.

Item 398.

Hales: Commissioner Saltzman.

Saltzman: Thank you, Mayor. Portland's housing market is rapidly changing, and it's no surprise to all my colleagues that we have an affordable housing crisis in this city. We have the second tightest rental market in the nation right now, behind only New York City. And just last year alone, rents have increased more than 11% in Portland while median family incomes have unfortunately stayed flat. We are at a tipping point in the future of our city. Will we retain affordable housing units in our city so that families that work in Portland can afford to live in Portland, or will we become the next San Francisco, where you have the rich and poor and nothing in between? The central city of Portland, which includes not only downtown but the Lloyd district, the south waterfront area, the central eastside, and Goose Hollow -- the central city of Portland is expected to have 30,000 new households in the next 30 years. How do we plan for these families and assure that affordable

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housing units are available to them? Access to good jobs, transportation options, and strong schools are the building blocks for family success. Without affordable housing in our most amenity-rich areas of the city, we are in jeopardy of becoming a city that does not represent the values that Portlanders share. The Portland Housing Bureau has some tools to help incent the development of affordable housing in what would otherwise be market rate developments, but we are missing a major tool in our tool box, a best practice that many other major cities employ. It's called an incentive zoning program. The time is now to develop such a program. In fact, I wish it was done yesterday. I discussed this proposal with the HUD Housing and Urban Development regional director Bill Block a few weeks ago, and he expressed that this is an important tool to have to address the growing need for affordable housing and cautioned to be very deliberate in designing the incentive zoning program to ensure that we receive the full outcomes that meet our policy goals. The first step in that direction is this resolution which tasks two of our bureaus, the Bureau of Planning and Sustainability and Housing Bureau, to collaborate to complete an economic market study which will assist in the development of the recommendations that we will bring back to council. We want to assure that we have an effective, efficient tool focused on creating more affordable housing. To talk more about the details of the process of moving forward and incentive zoning, we have here Traci Manning, Housing Bureau director; and Susan Anderson, Bureau of Planning and Sustainability director. They will be followed by a panel of John Miller, executive director of the Oregon Opportunity Network; Andy Shaw, director of housing at Central City Concern; and Dan Valliere, executive director of REACH community development. Traci, are you going first?

Traci Manning, Director, Housing Bureau: Yes. Thank you, Commissioner. I very much appreciate being asked to look at this, it's an exciting opportunity. I think the need is becoming increasingly clear. Harvard's most recent study, their joint center for housing state of the nation report, said that in our country in 2011 and 2012, the number of renter households increased by more than 1.1 million. That's the eighth consecutive year of expansion and more than the second year when renters accounted for all of the net household growth. As the commissioner mentioned, unfortunately, the number of households with cost burdens in our community continues to climb. The potential here I think really speaks to who we are as Portlanders and what we value. City of Portland has made extraordinary nationally-known investments in our central city to make it a really attractive place to live and work. And I think what we value is that all Portland residents should have access to these amazing amenities of transit and jobs all in the central city. We also really value being able to keep families in the city of Portland. It creates healthy diversity in our communities, also stabilizes enrollment in Portland's school districts, and it does that by increasing those opportunities to live in the central city. And I think finally, having these opportunities does some amount to relieve some of the displacement pressure that we're increasingly experiencing. So this would be a new tool for us, but not a new tool at all in this country. One thing that a lot of the policy folks in housing in Portland are doing now is taking a look at the tool box, seeing what we're missing -- it's something we have been doing as well. And this is certainly jumped out at us. The state of Oregon is also taking a look. We know zoning incentives have proven to work in other communities to retain opportunities for low wage workers and low income families to live closer to those job centers, and that it has the opportunity to leverage the activity of market rate development. So certainly, it will take all of us to keep Portland the place we want to be and have that diversity of housing opportunities close in to the central city, and certainly the private market is a huge part of that. So that's another exciting possibility with this kind of tool. And of course, preserves scarce investments and direct investments to help us work with other kinds of needs. With that, I'd love to turn it over to Susan to talk more about this mechanism.

Susan Anderson, Director, Bureau of Planning and Sustainability: Great. Thank you, Traci. Good morning, Mayor, Council. Susan Anderson, director of the Bureau of Planning and

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Sustainability. As Traci mentioned, we'll be working together to study and then recommend to you incentives for promoting new affordable housing in the central city. For a little bit of context, the central city has had density bonuses and a variety of incentives for more than 20 years, but not specifically for affordable housing. The incentives were created for a wide range of policy objectives such as just increasing housing over all in the central city, which, when we started in the late '80s, housing was not something most developers were looking at. That has since changed. We've also had incentives to encourage the development of daycare centers, different amenities like fountains, open space, art, and to promote development of things like eco-roofs. Overall, the housing bonus -- which we do have for market rate housing -- has been somewhat well-used, and most of the others not so much. So we're uncertain really about how much of an impact some of the other bonuses and incentives have really had in terms of pushing the market. We're very excited to be doing the study together. As part of the work on the new central city 2035 plan, which is under way, stakeholders private and public sector stakeholders have agreed that we really need to closely review the incentives and how they meet various market conditions. So there's currently 18 different bonus options and there are six different transfer options. We want to provide more clarity around those and, to some extent, simplify and make it more understandable for the development community. As a refresher, a bonus is when you get additional FAR, floor area ratio, for investing in one of the options such as housing or an eco-roof, for example. On the other hand, a transfer is a private negotiation between two parties that transfers the development rights from one site to another site. In Portland, these are used to do things like protect historic properties, for example, or they are often used in master plans or sometimes for SRO buildings -- single room occupancy buildings -- have been known to transfer some of their unused FAR to other sites. The general feedback that we have so far suggests that projects that desire a significant amount of additional density really tend to go and use the transfer system between the private negotiations more than the bonuses, because they'd have to use several bonuses to get the amount of FAR that they are looking for, and it's usually more cost effective. As Traci mentioned, other cities around the country have been using a variety of different kinds of voluntary incentives for the production of affordable housing. We're going to review those options. We're going to analyze them, and look at the examples from the most successful cities. We'll also be looking at current zoning entitlements and do market analysis to see what the options would need to be in order to actually move the market in terms of a significant incentive for affordable housing. So we will also make sure and look not just at affordable housing, we'll be doing a broader look at this, including things people care a lot about in terms of open space and historic preservation density. But the primary focus of this is looking at how do we take a system of financial incentives, see what other cities around the country are doing, take the best practices, and target that for more affordable housing in the central city. Again, in simple terms to be used, the incentives just have to pay for themselves, which means for affordable housing, the economic benefit to the developer of getting the additional density must be more than offset by the reduced income they're going to get potentially from reduced lower rent from the affordable housing. So it's a game in terms of looking at how much does it cost to get the additional density, and how much reduced rent will they have. We're very excited about doing this study together. We work very closely all the time in terms of different kinds of projects. We often find research areas where we both need the same kind of information, and over the past couple years have really made sure we do those studies together. So I'm very happy to be doing this. We anticipate we'll be done within six months. We'll be back in December with some recommendations. Those recommendations will then lead a kind of funnel into very specific code changes in the draft 2035 plan that comes to you in 2015. So, that's the plan. Thank you.

Hales: Thank you. There was a really timely New York Times article this Sunday about this issue, and what's working and what's not working and how much of a crisis it is for popular cities like Portland. So, really a good work. Thank you. Questions?

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Fritz: I have a question. I appreciate the willingness to look at this. But as you mentioned, we already have six incentives in the central city. And we know that construction in the central city is likely to be more expensive because it's going to be concrete and go up. So I'm wondering why we're not looking at diversifying the housing outside central city, the new apartments going up here, there, and everywhere, many of which are just market rate and don't have affordable components in them.

Anderson: Just in terms of this study in particular? This is looking at the financial incentives for the central city. It doesn't mean that we're not looking at a slew of other options, which I think maybe Traci could talk about.

Fritz: That's my question. Why have we started in the central city where we already have some incentives that haven't been very effective? Would it be perhaps more likely we would get more affordable units if we weren't in that high priced land, high priced construction places?

Anderson: Oh, I see. Part of the issue is that in Portland there isn't a need for more density -- we have a lot of zoning for enough height already and enough density. And so the bonus wouldn't do anything. But there may be other financial incentives that we could look at not related to density.

Fritz: That was my understanding of what the study is. Is it only limited to density?

Anderson: At this point, this is looking at zoning issues in terms of density primarily. Yes.

Fritz: Any proposal to look at changing height limits?

Anderson: We're proposing changing height limits as part of the central city 2035 plan. We did a few of those in the northeast quadrant, you're going to see the next round in the west and then the central east side coming soon. Those will kind of all come together. Yes, there will be looking at some height changes too, but this will feed together.

Fritz: What will be public involvement in doing this study?

Anderson: In this study? We'll be primarily are looking at market incentives and looking at sort of the facts behind it. We'll likely have a sort of outside kind of review group of people who are specialists in the field to be able to look at how we're doing this, making sure we're keeping the numbers -- looking at market rate, looking at development community, doing a realty test of where the numbers land.

Fritz: Will you have community involvement so the expert group doesn't come up with something that the community then rejects?

Anderson: We can do that as part of maybe a small subcommittee from the planning sustainability commission could take this conversation out to the community. That would be great.

Fritz: I would like that. Thank you.

Fish: Mayor, I have a few questions. Commissioner Saltzman and I were at an Urban League forum last night at Maranatha church, and housing and gentrification issues were very central to the conversation. And so, in advance of that forum I reread Dr. Lisa Bates' comprehensive report that she did in connection with the Portland plan, where she talked about gentrification and the tool kit that we could use, particularly upstream, to avoid displacement. There's a whole section on voluntary and mandatory inclusionary zoning. In fact, it's one of the centerpieces of her report. I guess I'm a little confused. Because I was under the assumption that this was a tool that was going to be used outside of downtown and was in part targeted to Interstate as a tool to provide a stock of affordable housing as development progresses, and now I'm hearing that it's limited to downtown. I would benefit from some clarification on that.

Saltzman: Well again, central city refers to a broader area than just downtown, as we showed on the map. It's also central eastside, Lloyd district, south waterfront--

Manning: Lower Albina --

Fish: How far does it go into lower Albina?

Hales: As far as the Fremont Bridge, I think.

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Fish: I think what Dr. Bates in her study highlighted, and what we heard a little bit last night was the desire to have this as a more robust tool potentially in the neighborhoods. It seems like this is rather constrained.

Saltzman: It's not looking at the Interstate urban renewal area yet. I think Susan Anderson gave some reasons as to perhaps why not. One of the other goals of an incentive zoning program is to provide for the opportunity for developers to provide a payment to the city, so we're going to start generating -- potentially -- payments into a housing trust fund or housing investment fund that could then be used city-wide to create more affordable housing.

Fish: So the payment in lieu -- so it could be structured so those funds have broad geographical application, Traci?

Manning: It certainly could be. I think that's one of the real questions that I have is if a payment in lieu option makes sense -- that's certainly one of the things we'll be asking about in the study -- would you then want to geographically limit where that payment in lieu could be spent. To the best of my knowledge, we'll ask the question. That would be council policy decision as opposed to legal decision. So part of my presentation was talking about our values about having lower income people able to live in the communities where the city has had a lot of investment. Those desirable, high opportunity neighborhoods. So certainly Interstate might well be considered by most people to meet that criteria. So I think that would be a really important policy question we would want to answer as part of this.

Fish: I know for example, Mayor, in Los Angeles, their SDC program for parks has a geographic limitation. So that is a policy question. But could I go back to the resolution for a second? The resolution repeatedly refers to affordable housing without defining that term. So I'm going back to my own history on this, which is the multi-unit limited tax exemption, which talks about zero to 60 with some opportunities to go as high as 80% on the rental side. What are we talking about when we talk about affordable housing under this approach?

Hales: Second whereas refers to higher than 30%.

Fish: So I want Traci to give us the range.

Manning: Again, that's one of the questions that we'll ask in the study. I think, you know, what Commissioner Saltzman has consistently talked about has been up to 99% of affordability, but I think, you know --

Saltzman: Or 80%.

Manning: Yes, or 80%. Most of the communities that use this -- just sort of a quick glance, I think Susan talked about doing some best practice research -- go up to 80% in their rental house. 60 or 80 are the two numbers you see, usually a little higher for homeownership. That will be part of the economic question is how much bonus do you have to offer to get what kind of rent, and what's the trade-off there.

Fish: It sounds to me like there's two questions that might require research. One is, how does this pencil out for the developer?

Manning: Mm-hmm.

Fish: And what's the mix of incentives in the kind of rents that the developer gets to be worthwhile and actually use this. The second one is, what is the market telling us there's a need?

Manning: Yes.

Fish: And the one thing that's been missing for me in the workforce housing debate I have yet to see there's a documented need. So are you going to do an independent analysis of whether there's a, quote, need for workforce housing?

Manning: Yeah, the commissioner has asked to us get a better grip on what the rents are for available rental units, particularly in central city and a couple other high opportunity areas, because you're right, we don't have that information. And in fact, Joe Zehnder and I have talked about whether or not that study was logically part of this one or separate.

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Fish: The other related piece that I just would like your thoughts on. Representative Reardon is currently doing an inclusionary housing task force at the request of the speaker with anticipation of potentially coming in the next biennium with a package of reforms. It seems like this inquiry and that inquiry nicely dovetail. It's going to raise a policy question about whether the appropriate way to go is a voluntary market-based system or a mandatory system. Obviously, the mandatory system has a small problem in that we're preempted from doing it, so the legislature would have to act on that first. But they are the two models. And they've had different outcomes depending on the city you look at. How do you envision this inquiry dovetailing with what the legislature is doing and looking at a more mandatory regime?

Manning: My understanding is that committee is going to come up with recommendations this summer, so we should know that before we're even starting this study, but certainly we'll be able to take that information into account as we look at creating recommendations for council and council considers the policy decision.

Fish: My final question -- and this is just because I think I actually don't know the answer to this question -- we have a tax abatement program that says we'll give you a 10-year pass on property taxes if 20% of the units are affordable. We went through that Big Look process for a couple of years to refine it and align it with our city-county values. This is a different program. What's the essential difference between this approach and that approach?

Manning: Well, I think you're looking at a different set of benefits. So property tax relief for 10 years versus an ongoing ability to build the additional FAR or potentially the payment in lieu.

Anderson: Part of it is that it potentially benefits different people. One is up front incentive to the developer as they develop the building and potentially resell the building to someone else. The other, the ongoing tax abatement, benefits whoever owns the building over the whole period of the 10 years. I think there's a whole bag of voluntary potential incentives. This is just one piece of it.

Fish: So one of the distinctions that I'm aware of is that we slap a 60-year affordability covenant on certain things we invest in. Obviously, it's 10-year tax abatement and then long term affordability covenant. Is part of your analysis going to be recommendations to council about whether we should have long term affordability covenants which attach to these units?

Manning: Absolutely.

Fish: Thank you.

Hales: Other questions for our two directors? Thank you both. We have a panel?

Saltzman: Yes. John Miller, Andy Shaw, Dan Valliere. Please come up. Welcome.

John Miller: I'll start us off. Thank you, Commissioner Saltzman, for inviting us here today. Good morning, Mayor Hales and council. For the record, my name is John Miller, I'm with Oregon Opportunity Network, also known as Oregon ON. We're a statewide association with 20 member organizations working in the city providing housing and economic opportunity for working families, people with disabilities, seniors, and others struggling to meet their needs. I'm here to express our strong support for Commissioner Saltzman's affordable housing incentive proposal. We know that need for affordable housing in Portland far exceeds the supply. While there's major building going on now, nearly all the new construction is for market-rate high end housing, not for low and moderate income residents. In fact, our estimate is that out of the 23,000 units that are coming online in the next few years, only 420 of those will be affordable. The most urgent housing needs in our community continue to be amongst our most vulnerable neighbors, including those who are homeless and those who are earning modest incomes. We greatly appreciate council's ongoing effort to support affordable housing and services, and of course, want to see existing investments continue and expand in coming years. However, even for families with moderate incomes, finding an affordable home is increasingly difficult, especially in the central city. None of us want downtown and close-in Portland to become a place where only the wealthy can afford to live. Therefore, we greatly appreciate Commissioner Saltzman's leadership in bringing forward this

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proposal. While it is not a complete solution, nor does it claim to be, it is an important strategy to add to our local tool kit. The reality is that the private market will not help meet the need for affordable housing without incentives. We believe it's vital to narrow that list of incentives and to establish a key priority on that list for affordable housing. As this process moves ahead, we look forward to discussing specifics of the implementation as well as ideas to expand the impact of the incentives. I think some of you have alluded to that today. We know stable housing is critical to children's success in school, to positive health outcomes, and for overall economic prosperity. Commissioner Saltzman's proposal is an important step in the right direction to increase housing opportunity, and we encourage your support. Thank you very much. I'll turn it over to Dan Valliere.

Dan Valliere: Good morning, Dan Valliere with REACH community development. Over the past 15 years, the city of Portland has built a strong record of accomplishment on preserving and adding to the stock of affordable housing in the central city. That's clear. And of course, that promotes fair and equitable investments that are good socially and economically for the whole city. During the last period of rapid housing development several years ago, the city prioritized affordable housing primarily through a high level of direct investment in rental housing along with the expansion of urban renewal resources available for housing. We're now in a new period of rapid development without the same level of financial opportunities that we had then, particularly on the urban renewal side. That's just where we are. So we absolutely support the Housing Bureau and Commissioner Saltzman being creative and looking at new tools to incentivize affordable housing. It will complement the existing mix of incentives that we have, and will add to the stock. That's what we need to do. Further, I think it's very important that this resolution calls for an assessment regarding the current zoning bonuses that you saw in the central city, and which ones should be retained and which eliminated. For a new affordable housing bonus to attract interest, we feel that this will require reducing and changing the scope and array of the current incentives. It's very important that's in there, glad to see it. My colleagues and I look forward to partnering with the city during the discussions so that there is a process and there is input into the city's worthy efforts to combat long term erosion of affordable housing opportunities in the central city. Thank you very much.

Andy Shaw: Good morning, Mayor and Commissioners. My name is Andy Shaw, I'm the director of housing at Central City Concern. We are part of Oregon Opportunity Network. As you know, we are one of the largest affordable housing providers in the central city area, with 1500 units of affordable housing serving some of the most vulnerable citizens that we have. I'm here on behalf of the agency to applaud Commissioner Saltzman for this affordable housing incentive zoning proposal. What we see on the ground is that there are several pressure points that work -- three key pressure points, namely, the stagnating national median income, which has persisted since 1995, and an increasing national rent level outstripping everybody's income that can be spent on housing. And the second pressure point is unique to the situation right now, which is a lot of investment dollars are flowing into Portland, because a lot of the national markets have saturated in terms of their rents, and a lot of investment dollars are coming. And we can see this visually throughout the city -- that a lot of apartment buildings are going up. The nuance that we see is that as these dollars flow in, existing landlords are also bumping up their rents, so overall housing affordability is actually decreasing. So that's the second pressure point. The third pressure point is, of course, unique to Portland with our limited supply of development land because of the urban growth boundary, and also the influx of population of people that are attracted to coming to this city. These three key pressure points are combining to again decrease housing affordability. What that means for the people that we serve in our housing units. In our 1500 units, we serve primarily people 30% and below MFI. So what we see is that as people get off the wait list for affordable housing, come into our units, either work on recovery or just stability in their lives and want to move on, what this does is that they basically don't have anywhere to move to because they can't afford the next step in the

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housing ladder. So we definitely applaud Commissioner Saltzman for this proposal and we look forward to working with the city on the study and further outcomes. Thank you very much.

Saltzman: Thank you all.

Hales: Thanks.

Saltzman: That concludes the invited testimony.

Hales: OK. Questions for the panel? Thank you all for being good partners in this work. Do you have other people signed up?

Moore-Love: Yes, two. Please come on up, Charles Johnson and Lightning.

Hales: Come on up. Good morning.

Charles Johnson: Good morning, Commissioners. For the record, my name is Charles Johnson. Of course, baby steps should be appreciated, even if what is needed is giant strides. Obviously, this little measure should be approved so we can take action in the right direction. The only thing you should consider is that you should have bigger and better plans. Also, the simple truth right now is that even in our supposedly high demand, high utilization urban core, you all are failing the people. You turn a blind eye to the exploitation and slum lording that happens right in this district. There are properties that you should be finding procedures to put immediately under Andy Shaw's control. There are places between here and the Bud Clark center where people who have problems at least to the point where they receive disability, whether it's because of their cognitive skills or their perception or their addiction, and have 80% of their check taken by slum lords right across the street from the p:ear, the p:ear that you support so closely. And nobody seems to care how many people are exploited in the Westwind Apartments. Oh, they're to give up, they're free to collect 700 and some dollars from the federal government and turn around and give five or six hundred dollars to slum lords. And you know about this, but you do nothing. There's no pressure to get some of these buildings with a big red U funded to actually support the people who are sleeping on the streets. So while this is a good academic experiment that will hopefully produce some results that will affect a small number of the low income citizens in this city, you really need to do more and be honest about the fact that the function of real estate development is maximizing gains for private developers while shifting the costs back to city government. So you want to make sure that you have these procedures and others where developers who are not hurting, and not in financial distress at the moment aren't really having working class people suffer so that they can have great growing incomes and great returns on properties while all kinds of average working people -- and the people who work in this building with PHC are unable to live close to their workplace. Thank you all.

Hales: Thank you. Lightning?

Lightning: Yes. I represent Think Lightning company. My name is Lightning. Any study directed toward affordable housing is beneficial. Any incentives towards developers to get them to step up to the table to create a more competitive bidding process on dropping the overall unit price is beneficial. So bring them to the table, get out more bids, and drop the unit prices. Now, one of the problems I have is we're always talking affordable housing, we're always talking central city downtown. I want to see more studies involved on where are you, Beaverton, taking care of the homeless in Portland that you're sending down to Portland because you don't want to provide the services in Beaverton? Where are you, Hillsboro, sending people down to Portland because you don't want to provide the housing in Hillsboro for the homeless community? Where are you, Forest Grove, taking care of the people in Portland that Portland is being positioned to take care of all the homeless? You need to step up to the plate, you need to start providing more affordable housing in your areas, and you need to work with Portland in a more reasonable manner and understand that we are overburdened by the people that you send to Portland expecting us to take care of. They want to live in Beaverton. They want to live in Hillsboro. They want to live in Forest Grove. They're homeless, they don't have the services there. Why? We need to start looking at your vacancy factor that is quite a bit higher on apartments where we're down to probably 2% to 3% in Portland, you're

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probably running 4% to 7% in certain areas, why are we not having people move into your area that want to? They should have the ability to do that. If we have a large amount of people in Portland that can -- and we need to start looking at the TriMet transportation service and understand that we need to have transportation for people if they want to go to Hillsboro, if they want to live in Beaverton, if they want to live in Gresham and have their housing there, they have to have transportation to do it. If you do not enable them to have that transportation, they will be forced to stay in one certain area. It needs to be spread out. It needs to be looked at on a much bigger picture, and Beaverton, Hillsboro, Forest Grove, Gresham, you need to step it up and understand it's your responsibility too to take care of the homeless, and you have the ability. Your vacancy factors right now are much higher, you have more affordable housing, there's people downtown Portland who want to move into some of those apartment buildings. Now let's work together and get them some housing. Thank you.

Hales: Thanks very much.

Fish: I have a follow-up question.

Hales: Traci and Susan, could you come back? OK, Commissioner Fish.

Fish: I'm looking at the draft resolution, and the first be it further resolved says you'll do an economic study of the type and amount of bonus necessary to create an effective incentive. So I get that piece, but where does it say you'll do a study of what the need is downtown, in terms of housing types and MFI?

Manning: Well, type would be included. There it is. It talks about levels of affordability. Thank you, Susan. So it's the second to last bullet in the resolution. Levels of affordability, type and mix of units, and location of units within building as the kinds of things that we would look at.

Fish: But you have an economic study, then it says you'll look at this issue. What I'm trying to get at is it seems to me we need hard data on both. We need to understand how an incentive system works, and best practices to actually -- for this to be a successful program. Second, we need to know what the need is in the target area in terms of housing type and income so that we can calibrate both. And I see the economic study which is focused on the economics of how you make the bonus system work, but I don't see something carving out a study that identifies the need in terms of who we serve. And I'd be willing to make a friendly amendment --

Saltzman: I think that's -- it's going on a parallel track. As Traci mentioned earlier, we are looking at the whole issue that you raised about what is the need for 80% of market rate housing, for instance. So that is going on a parallel track. Am I correct on that?

Manning: Yeah, we didn't decide if we would include it or not, but we're going to do a rent study.

Hales: It's not at all exclusive with this focused effort to say which incentive tools are working and which aren't, and how can we make it look better.

Fish: Well, the economic study, Mayor, would turn on -- there's a direct relationship --

Hales: Yeah, I hear you on that.

Fish: And since the resolution does begin by saying that there's an enormous problem of rent burden at the low end, I want to make sure we're connecting the dots between what incentive system we need to get the housing, and what's the kind of housing we need. And since we don't have any good data other than -- well, I shouldn't say that. I think what Northwest Pilot Project puts out is very good, but we don't have any data on workforce housing. I wonder if we could get that study built into this study so that we have both. If we are going to do an economic study of the type and amount of bonus necessary, I would also ask a study of what the need in the central city in terms of housing types and MFI.

Hales: Do you have the capability of doing that?

Manning: As Commissioner Saltzman mentioned, we're planning on doing some study about the real rents. Obviously, need comes more from American Community's survey. I guess the thing I

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don't know is whether that should be the same study, is it the same vendor who's going to do a good job on both or two separate vendors.

Fish: And I don't want -- I don't have a specific outcome on this, Mayor, but we have one survey that says there are 19,000 households downtown that are rent-burdened, and the overwhelming majority are at zero to 30%. So if we're going to structure a bonus system, provide affordable housing for what we've documented the need, I want to make sure that the two studies are linked. Council could still decide to go up the income tree and use tools to create incentives for housing that the market may already be providing. That's a council policy choice. But I want to make sure we know what the need is as we develop this tool.

Hales: I hear you. Just thinking it through, I think Susan was starting to say this, that the kind of consultant who could do the economic study and the kind that could tell us which zoning tools around the country are working better than ours are two different people. Doesn't mean we shouldn't be talking to both of them and your point is well taken -- which that we should -- but I don't think mooshing the two together -- if I can use a technical term -- into the same consulting contract working for these bureaus is the right way to do it, but saying do both and coordinate is completely reasonable to me.

Saltzman: And that's what we're doing. We're doing both.

Fish: And so when it comes back to council, we have the hard data, we have the needs, and we have the analysis on what's the sweet spot in terms of the incentive.

Manning: Yeah, and we can certainly make note that that will be a clear -- we'll make sure we make that clear in our recommendations, that the need is sitting next to the tool that's appropriate for the need.

Hales: Good. Other questions, comments from the council before we take action on the resolution? Good discussion. Good work. Thank you. Let's take a roll call on the resolution, please.

Item 398 Roll.

Fish: I want to thank Commissioner Saltzman for bringing this forward. This to me is the third or fourth significant milestone under his tenure as the housing commissioner. He brought forth an ordinance last year to bring an additional \$1.7 million into the system and expanded the scope to include families and women. He had an audacious ask in the budget, which was funded at a high level for a budget in which we have very scarce resources to allocate. In this particular instance, Commissioner Saltzman is asking I think a very useful question about whether there are market-based systems that can get us the additional affordable housing in a time of declining resources. And so Dan, I appreciate your leadership on all three, and I'm pleased to support this.

Saltzman: Thank you. I truly believe a well-designed incentive zoning program focused with key policy goal on the creation of affordable housing will pay dividends to our city for years and generations to come. So I would like to thank the Bureau of Planning and Sustainability, particularly Susan Anderson and Joe Zehnder for their zeal in embracing this idea. I know it's additional work for Joe and his team, so I thank you in advance for recognizing the importance of this work, and taking this task head on. I would also like to thank Traci Manning and our team at the Housing Bureau for all the work they will be undertaking in this process as well. I appreciate Oregon ON, REACH community development, and Central City Concern being here today to testify in support. I also want to thank Jackie Dingfelder in the mayor's office and Shannon Callahan in my office for their assistance in crafting this resolution. Aye.

Novick: I very much appreciate Commissioner Saltzman for bringing this forward, and Susan and Traci and Joe and their staff for their commitment to this effort. I read the same article that mayor did in the past few days in the New York Times. And this is hard stuff. And I think making additional effort to identify more useful tools, and reevaluating the bonus tools that we already have is something that is very important. I will note that the article that we read was somewhat depressing in that it said the only major attractive city in the world that seems to have dealt with affordable

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housing effectively is Singapore, which in 1960s started building huge apartment buildings and herded 80% of the population into them. I hope we can find an alternative to that approach. Aye.

Fritz: Aye.

Hales: Let me bracket my comments with a couple of my favorite quotes. The first is, hope is not a strategy. I think the council hoped in each case when we adopted our 18 different versions of density bonuses and six different versions of density transfers, we hoped that they would work. And in some cases they have, and in some cases they haven't. That's why this is appropriate to do this review and try to get smarter about what is working here or elsewhere in a focused effort particularly at affordable housing. I appreciate, Dan, your leadership on this and the two bureaus working effectively together. These tools could work better we think, and that's why we're doing this. I'll close with my other quote, which you've probably heard me use before, which comes from Franklin Roosevelt, and he said, but above all, try something. Actually he bracketed his own comments. He was giving a speech talking about poverty, and he said if a method fails, admit it frankly and try another, but above all, try something. The millions in want will not stand silently by forever. I think he got that right. Hope is not a strategy and hopefully we will try something that works. Thank you for your help. Aye. [gavel pounded]

Hales: OK, now we are ready for our next time certain, which is a pleasure. Could you read that?

Item 399.

Hales: Commissioner Novick.

Novick: Mr. Mayor, colleagues, we're still mourning the death of Dr. Jack Ramsay, but it is wonderful to be in a position to honor him. I'm going to begin by reading the resolution we're bringing to council today, and then invite some special guests to come up. The resolution reads, whereas, Jack Ramsay was a professional basketball coach and radio personality who lived a long life from 1925 to 2014 in which he earned many accolades, and he is best known for coaching the Portland Trail Blazers to the 1977 NBA title; whereas, Jack Ramsay served our country proudly as a United States Navy veteran and later enriched his life with education by earning his Bachelor's, Master's, and doctoral degrees; whereas, Jack Ramsay is also known as Dr. Jack, and is among the most esteemed coaches in basketball history, as demonstrated by his induction into the NBA hall of fame in 1992; whereas, Jack Ramsay was a visionary in the world of professional basketball, dedicating his life to the success of the sport; whereas, during the 1977 NBA playoffs, Jack Ramsay proved to be a steadfast and tactically gifted coach who led the Portland Trail Blazers to the title by defeating both Kareem's Lakers and Dr. J's Sixers; whereas, Jack Ramsay will continue to be an inspiration to aspiring basketball stars and professional coaches; whereas, Jack Ramsay's eccentric and colorful fashion sense is unlikely to be matched; whereas, Jack Ramsay was a Portlander in spirit, being as healthy as all get-out; whereas, Portland will never forget and always prize Jack Ramsay's years of service as a Portland legend and hero; whereas, by placing sign caps with Ramsay Way on top of the existing N Winning Way street signs, the city intends to recognize Jack Ramsay's contribution to the city; whereas, in addition to adding sign caps to N Winning Way as Ramsay Way, the city council of the city of Portland intends to bring forward a proposal to formally rename N Winning Way as Ramsay Way, consistent with the city's process for renaming a street; now, therefore, be it resolved the city of Portland hereby approves recognition of N Winning Way in the city of Portland as N Winning Way-Ramsay Way and direct officials to go operate as appropriate in the implementation of this recognition; and be it resolved that N Winning Way and the city of Portland become eligible immediately for sign caps indicating this change; and be it further resolved that the city council will initiate a proposal formally rename N Winning Way as Ramsay Way, consistent with the city's process for renaming a street. With regard to that process, I should note that although it took Nic Batum and Damian Lillard only 0.9 seconds to win a playoff series, and I wish that it were possible for the city to move lickety brindle, as Mr. Schonely would say, to complete the renaming process, the wheels of government grind a bit slower than the wheels

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of Damian Lillard. There is a process we need to go through to effect the renaming. And if people have questions about that, Kurt Krueger is here to explain that. Moving to put in the sign caps is something that we can do quickly, and I hope that we'll move forward expeditiously to the formal renaming. And with that, it's my great honor to ask Mike Lewellen of the Trail Blazers and Bill Schonley, the voice of the Blazers, a.k.a. The Schonz, to come up and advocate for this resolution.

Bill Schonley: Should be a slam dunk. [laughter] Thank you, council, Mayor, all the rest of you, thank you for allowing us to be here. The proclamation is very well done. Commissioner Novick and I today represent the city of Portland, the Portland Trail Blazers, the state of Oregon, the entire Pacific Northwest -- and for that matter, the entire country -- for honoring Dr. Jack Ramsay. I was the voice of the Trail Blazers for a long, long time, and I spent 10 wonderful years with Dr. Jack, learned a lot of things, and I can say without hesitation throughout his career as a coach, broadcaster, humanitarian, and ambassador for the game of basketball and life, that Jack Ramsay loved Portland, Oregon. He got up every day and swam in Lake Oswego. He did so many things. And he would go out of his way to do things not only for the community but for individuals. On the sad occasion of his passing last week I was sent to Naples, Florida, where the service was held, and the family and friends from all over the country there. It was quite an experience, and the Ramsay family was humbled and overwhelmed by the outpouring of love and support from Portland and across this state. So on behalf of the Trail Blazers, and from what has been shared with me by the Ramsay family to all of you and to all of us here in this area, we are indeed humbled and appreciative of this initiative, Commissioner Novick, and for your support, Mayor Hales, Commissioner Fritz, Saltzman, and Fish. So, thank you for allowing me to have this moment or two. I want you to know that rip city is alive and well. [laughter] Don't get upset about last night's game. It's only one game. And they'll be back Saturday and Monday. So I hope you honor Jack Ramsay today. I said a little while ago, slam dunk -- and I hope it is. And make it a rip city occasion. Thank you.

Hales: Thank you. Good morning.

Michael Lewellen: Good morning, Mr. Mayor, Commissioners. My name is Michael Lewellen, I'm vice president of communications and public engagement for the Portland Trail Blazers. We appreciate the opportunity and certainly the initiative from Commissioner Novick. Legacy is one of those words that gets tossed around a little lightly, and this is an opportunity in our eyes to truly punctuate a legacy that began long ago and reached an apex in 1977 when Coach Ramsay led the Trail Blazers to the NBA title. There are lots of ways to remember people. Long after all of us are gone, we think in our minds it's very important that those who come after us look up on that street and see the name Ramsay Way and ask somebody where that name comes from, and that there will be plenty of people here in rip city that can tell the story of Dr. Jack Ramsay. Thank you so much for the opportunity. Commissioner, we thank you as well, and we look forward to the result.

Novick: Thank you.

Hales: Thank you.

Fish: Mayor, with Bill here, is it appropriate to ask him how the term rip city came about?

Hales: Please.

Schonley: I can tell that story. Back in 1970, when the Trail Blazers became the NBA franchise here, and Harry Glickman put it together, he found that out I was available, and called me. I was in Seattle at the time, broadcasting up there for the late Seattle Pilots, who are now the Milwaukee Brewers. I had chance to go to Milwaukee, but stayed in Seattle. Harry said, how would you like -- in his big bass voice -- how would you like to do NBA basketball? I said that sounds like a pretty good deal. Came down, we talked about five or six minutes, we shook hands and that's 44 years ago. He said, put a radio network together. So I did. And then the season began. I wanted to come up with the phrase that would be not only synonymous with the team and my broadcast, but something else. You know, you can describe a basketball game in so many ways. I wanted a phrase.

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For one of the first times, the Los Angeles Lakers came to Memorial Coliseum. Wilt Chamberlain, Jerry West, Gail Goodrich, all those guys in those days. And it was a typical afternoon, an afternoon game. Typical game for the first year Portland Trail Blazers. They are down by 26, 27 points. [laughter] And all of a sudden, the game changed. That the next basket by Portland would tie the mighty Lakers. Jim Barnett, former University of Oregon player, now a broadcaster for the Golden State Warriors, was on our first team. He came over the mid court line. It was me and my engineer and a stunt guy, and a couple of newspaper writers and some statisticians, not like it is today. They were all sitting right at center court at the time. Jimmy Barnett brought the ball to mid court, stopped right in front of me, and for whatever reason, he took the shot. In this day and age, it would have been a three-point play. I followed him out of back court, over the mid court line, and wondered in the back of my head, why in heaven's name is he taking this shot? But lo and behold, a high arcing shot, and down it came -- and the crowd was getting all excited at the particular moment -- and when it went through the twine I said, rip city, alright. The Lakers immediately called a time out. I gave my commercial queue, sat back in my chair, and they all said -- rip city? I said, yeah. They said, leave that in. [laughter] And the rest is history. I'm very proud of that, and humbled for that matter.

Lewellen: Mr. Mayor, I'm glad Bill mentioned Harry Glickman, our founding president. As many of you know, he suffered a stroke in the month of March, but we do want to report to you that Harry is coming along very well. As a matter of fact, Harry Glickman will turn 90 on May 13th, and we look forward to seeing Harry back at a Trail Blazer game very, very soon. He's progressing well.

Hales: That's good to hear. Thank you. Other questions or comments for these gentlemen?

Schonley: I want to hear your vote.

Hales: We'll do that shortly, unless there's anyone who signed up to testify?

Moore-Love: No one else signed up.

Hales: Then let's take a roll call on Commissioner Novick's resolution.

Item 399 Roll.

Fish: Commissioner Novick, thank you very much for bringing this forward and for a wonderful resolution. Jenny Kalez of my team is here. She has a shrine to Lamarcus Aldridge in her office, and it has his stats on each of the games, Bill. She is praying for a good outcome on this series. I never had the honor of meeting Dr. Jack Ramsay, but when he was teamed up with Brent Musberger, they were my favorite radio broadcast team of any sport. I loved when Brent Musberger would turn to him and say, Dr. Jack? And Dr. Jack would tell you something that only a hall of famer could tell you about the game. And this is a wonderful way to honor a person that brought great distinction to our community. And again, Steve, thank you for bringing this forward. We're plugging for our Trail Blazers and we have high hopes for them in this series, and thank you both for joining us. Aye.

Saltzman: I well remember the time before Portland had an NBA team, and pro basketball really wasn't that well known to us. My family has always been very good friends with the Glickman family, and Harry Glickman and my father were lifelong friends. And as a result of that, we were initial season ticket holders for the Trail Blazers in that 1970 season. I thought it was '69, but '70. And I remember going to those games with my father and just wondering, what are we doing here? Like you said, this season there weren't a lot of wins I recall in the early days. I think we just didn't have the taste yet for NBA basketball. But obviously, that's changed. I just want to thank Bill and the Blazer organization, Harry Glickman, for really making the Blazers what they are today, not to mention the players and how well they're doing in the playoffs. But it's a real legacy for the city, and it's hard to believe there was a day when Portland didn't have the taste for the NBA. So I'm very pleased to honor -- and thank you, Commissioner Novick, for bringing this forward -- the one and only coach who's won the championship. Although, we're all hoping he will be joined shortly by another coach winning a championship, Terry Stotts. Aye.

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Novick: I was 14 in 1977. And that moment when the Sixers' last shot fell short on January 5th and the Blazers won game six, 109 to 107, remains one of the greatest moments of my life. And I owe that to Jack Ramsay and that spectacular team. We're honoring Jack Ramsay today, Mr. Schonley, but I also have to have to tell you that your voice made me into an Oregonian. We moved from northern California in 1973, when I was 10. And I was a big Golden State Warriors fan, but we started listening to your broadcasts. And the team was OK, not a winning team -- it wasn't terrible. But just listening to you describe the play, and listening to your spectacular phrases like rip city and lickety brindle down the floor -- that made the state feel like home. And by the way, we only listened to the games because until the Yankees made the playoffs in 1976, we didn't have a TV in the house. Dad decided after that happened, as a Yankee fan, that he had to get one. But I'm glad to have this opportunity to express my appreciation to you. The conversion was so quick that when the Warriors won the championship in 1975, I didn't care anymore because I was a Blazer fan by then. So, thank you very, very much. The renaming was the Blazers' suggestion. I thought it was a wonderful idea, I wish I had come up with it. I also have to say that going from Winning Way to Ramsay Way is a promotion, because you can be a winning team without being a championship team, and Jack Ramsay was a champion. Thank you very, very much for the suggestion. Thank you for being here. Thanks for everything you've brought to the city. I'm pleased to vote aye.

Fritz: Thank you, Commissioner Novick, for bringing this resolution and for the Trail Blazers organization. This is a great way for the city to honor Dr. Jack Ramsay, especially with the Blazers winning their first playoff series in 14 years. This renaming is a tad less controversial than the last one. [laughter] I think that's in part due to it being a fairly short street with no houses on it, but also, that it's a part of the core of the Rose Quarter and it's a part of Portland life that people are interested in the Trail Blazers, especially at playoff time. I hope that we can keep going on that. I have been wearing red every Wednesday since the playoffs started and I will continue to do so. Dr. Ramsay once said teams that play together beat those teams with superior players who play more as individuals. I happen to think we have superior players as well, but they certainly are fun to watch. It's wonderful that our Trail Blazers are now such great role models to the kids and parents and other community members here in Portland that we can be very proud of the entire organization. I bet that Dr. Jack is proud of it too. Aye.

Hales: We started our council meeting this morning with a moment of silence for Dr. Jack. He was a Portland institution. He made us who we are as a basketball city. We really appreciate your suggestion and Steve, your leadership in bringing this forward. I'm very pleased that with my vote to have the rip city council be unanimous. Aye. [gavel pounded] Thank you.

Schonley: You all have made your free throws. [laughter]

Novick: Mr. Mayor, do you think we could get some pictures?

Hales: Let's do that. [photo taken] Thanks very much. It's going to be fun walking down Ramsay Way to the next game. OK, we have a few items left on our calendar this morning. Let's see, why don't we take the remaining regular agenda item and then drop back to -- oh, the Water Bureau's here too? Then let's go ahead and put them out of their misery and take 405 first, please.

Item 405.

Hales: Commissioner Fish.

Fish: I'll turn it over to Director Shaff.

David Shaff, Director, Water Bureau: After he's put out of his misery he will turn it over to the chief engineer -- [laughter] I didn't mean that in a literal way.

Fish: OK, gentlemen. Good afternoon, officially.

Shaff: Yes. And thank you for your patience. I'm going to turn it over to Mike and he can walk you quickly through the dam two towers change.

Mike Stuhr, Water Bureau: And I'm not miserable. [laughter] Good morning, Mr. Mayor and Commissioners. You have before you a change order to the Black & Veatch design contract, that's

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our design contractor for the dam two towers project. It's complete, it's working swimmingly. This item authorizes \$395,477, which represents an 8% increase over the previous contract amount. This amount is increased compensation for submittals that had to be reviewed, requests for information that the contractors asked to clarify things in the drawings and specifications, we had some design changes generated by the 1925 outfall. For some reason, the drawings that they did in 1925 didn't quite match what we found in the ground, and we had to do some additional modeling on hydraulic flows. Over all this project is under budget and we expect a \$2.2 million savings.

Fish: Mayor, may we expect an exposé to follow.

Hales: Under budget. Shocking.

Fritz: 2.2 million savings? Is that what you just said?

Stuhr: Yes, ma'am.

Fritz: Nice work.

Hales: Does this complete the design work?

Stuhr: Yes, they are done. Did a great job for us, I think.

Fish: By the way, Mayor, in keeping with your new admonition for civility, I have asked my team to stop referring to it as the dam two tower. Call it the Bull Run dam number two tower. I just wanted to make it clear on the record.

Hales: Alright. Good.

Stuhr: Whatever Commissioner Fish said, I'm OK with.

Hales: Thank you, that's great work. Appreciate the clarification. It's important that we have a clear understanding on the council of how these projects proceed through design, construction, and completion. This is a good window into that and obviously into a very successful construction project. So, thank you. Other questions? Thank you very much. Anyone wants to testify on that? If not it passes to second reading. [gavel pounded]. OK. Regular agenda remaining items. Want to do this together?

Fish: Yes, Mayor.

Item 413.

Hales: Go ahead and read 414 as well.

Item 414.

Fish: Mayor, we're bringing this forward. It's a brief presentation for a couple of reasons. One, to highlight a very successful program we have that offers discounts to low income and elderly customers. Two, to highlight a successful partnership we have with Multnomah County. And three, because we finally found a forum in which we could have our good friend Rick Nitti come and offer testimony. And finally, at the end I'm going to once again thank Elders in Action for helping us redesign our brochures so they are more elder-friendly. David?

David Shaff, Director, Water Bureau: Good afternoon. I'm David Shaff, I'm the director of the Water Bureau. This is Rick Nitti to my left, with Neighborhood House and Laura Lee Balish [spelling?] next to me is one of our participants in our low income discount program. I'm going to briefly give you an overview then turn it over to Rick. We began the financial assistance program in 1995. The goal of the program is to help keep water and sewer bills more affordable for families that are on limited or fixed incomes. Multnomah County provides the income verification for the financial assistance program through nine community centers throughout our service area. There are nine agencies that provide safety net services as well as provide easy accessibility for us. The agencies that we work with are the Salvation Army, IRCO, SEI community services, Native American Youth and Family Center, Neighborhood House, Native American Rehabilitation Associations, Human Solutions, Inc., Impact Northwest, and Catholic Charities. We have had a very successful partnership with Multnomah County since 1995 with this program. It's been successful and efficient, and it provides our customers multiple convenient locations as well as access to other services they may possibly need in the location that they choose. We're proposing to renew this IGA

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over the next five years because we have no reason to believe that there is a better solution out there. As a matter of fact, the last time this was done when it was originally put out to bid, two of the bidders were some of these agencies that we work with today. The financial assistance program, as I think you know, consists of three pain parts: a bill discount program, crisis assistance, and leak and fixture repair. And Multnomah County works with us to do the verification services for those. I'm going to turn it over to Rick, then Laura Lee, then we'll be available for any questions you might have.

Rick Nitti: Mayor Hales, Commissioners, my name is Rick Nitti, I'm the executive director of Neighborhood House. Neighborhood House was established in 1905 with a mission of preventing hunger and homelessness and educating young and old. At Neighborhood House, we work to establish pathways to create a vibrant community in which neighbors work together to provide resources to reduce poverty for children and families, and reduce social isolation for low income families and seniors. Our focus is on developing and maintaining an integrated system of services that work to change lives, strengthen community, and encourage equity and social justice. Our service palette includes early childhood youth development, senior, and anti-poverty services. Last year, we touched the lives of 22,000 individuals. Neighborhood House is proud to be one of the nine partners working with the city of Portland providing access to water and sewer bill assistance for qualified residents. We provide easy access to water bill relief by helping needy residents complete the application and verify their eligibility. We know that the cost of our water and sewer service can be difficult to manage for low income residents or people on fixed incomes. The nine community partners are there to make the process of obtaining support from the Water Bureau easier. Let me tell you about one families we've helped. Priscilla, a 48-year-old mother, lives with her five-year-old child and 69-year-old mother. Priscilla lives in a 100-year-old Multnomah Village house passed down through three generations. Priscilla has limited work experience, no computer skills, and hasn't worked in over a year. Her mother has been supporting the family on her limited social security of \$13,000 per month and works to make extra money. 1300. I'm sorry. [laughter] Wishful thinking. We want her to be able to buy season tickets for the Blazers games. This year she lost her job when the company she worked for went out of business. Her daughter is enrolled in our Head Start program. The family stretches their food stamps with occasional Neighborhood House emergency food boxes. The family is fairly isolated, having no family members and few friends to help support them. Working with one of our Head Start family advocates, we became aware of their situation. We assisted them in receiving assistance with their electric bill from PG&E and the Water Bureau with their water and sewer bill. With our help, the family remains in their home and hopefully will get back on their feet with the improving job picture. Thank you.

Laura Lee Balish [spelling?]: Hi, my name is Laura Lee Balish, and I'm 45 years old. I live with my husband in northeast Portland and we own our house. I am on disability, which is our income. I have various medical conditions, one that is pretty well-known is multiple sclerosis. I volunteer at the Salvation Army. I try my best to be a good citizen, paying my property taxes and helping out when I can and when my body lets me. I find that the water discount is very helpful for me, and it's a big relief for my family. I've also taken part in some of the other offers from the program. I've had my toilet replaced with a rebate. That was for the low income. And that was very helpful. I only had like one, maybe two billing cycles since that, but from what I can see, there's about \$20 savings already. So that could mean the difference with gas in the tank or food for the pets or medicines that aren't covered by my insurance. Things like that. I also was able to -- when I was first finding out about the water program that I had the bill, the first bill, and I was helped with energy, the one-time -- what do you call it? The emergency fund thing while I was waiting for my paperwork to go through to get on the discount. I just recently did my second cycle of discount. It's just a wonderful thing to have and to help a person like me, who, you know, I want to do what I can as a citizen. And the discount makes it more able for me to help and to pay my bit. And I thank you for your time.

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Hales: Thank you, thank you all. In particular it's nice when we talk about these programs to hear about a particular Portland family that something we do here works for. Thanks for taking the time to do that. It makes it much less abstract and we can see how it's working for people. So, thank you. Anything else for this panel? Thank you all very much.

Fish: David, does that testimony cover both items?

Shaff: Yes, it covers both of the items in front of you today.

Hales: Anyone else want to testify?

Moore-Love: No one else signed up.

Hales: They both pass to second reading. [gavel pounded] Thank you very much.

Item 415.

Hales: Commissioner Novick.

Novick: Colleagues, on April 9th, we adopted a resolution declaring our intent to initiate LID formation. Today, we would create the LID. LID is for the purpose of installing a traffic signal and significantly improving line of sight and safety for pedestrians, cyclists, and motorists. Andrew Aebi is here to answer any questions and to talk about some activities he's engaged in to possibly form another LID for underground utility improvements.

Andrew Aebi, Bureau of Transportation: Thank you, Commissioner Novick. Andrew Aebi, local improvement district administrator. There were no objections or remonstrances against LID formation. I have no amendments to offer you this morning. So the recommendation is just to pass this to second reading and then approve it next week. Incorporated in the ordinance are two minor changes from April 9th. One is directive B, it has some language with respect to utility undergrounding and Pacific Power. Exhibit C, we have added one additional property at the owners' request at 3220 N Williams Avenue. We're continuing our conversations with property owners. And this ordinance does allow us to -- it allows me as LID administrator to execute extra work agreements to fund utility undergrounding. We're in pretty serious discussions with one property owner and another is under way. My sense is that most likely we wouldn't be able to incorporate that within this LID without forming another one. But certainly if this takes off like wildfire and there's an opportunity to do it, say, further north, then I certainly could bring another LID forward for council for consideration.

Fritz: So far, the participants in this local improvement district are supportive of the undergrounding concept?

Aebi: Yeah. It's a question of how many will step forward to actually do it. Several of the folks are pretty far along in doing their undergrounding privately. So it doesn't make sense for me to step in and have them back up and reverse course when they are getting close to finalizing that. But we have one developer in particular that's in the early stages, and we're certainly working with him.

Fritz: Good work. Because that was the one concern we heard at the previous hearing about the utilities being shifted to the other side of the street. I think that's a really good precedent that we should be trying to do, include undergrounding on similar projects. Thank you so much.

Aebi: Thank you, Commissioner.

Saltzman: There's also a traffic signal already going up at Williams and Cook, is that correct?

Aebi: Yes. And I should also note I believe there is a traffic signal going in at NW Broadway and Couch. Commissioner Fish, I can take no credit for that whatsoever, but that one will be going in. Not part of this LID.

Fish: Thank you, Andrew.

Fritz: You'll never make a politician. [laughter]

Hales: I don't think that's his goal. Thank you, Andrew. Good work. Any other questions for him? Anyone want to speak on this item? We'll close the hearing and send it to second reading next week. [gavel pounded] Then we have an amendment I believe.

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Hales: OK, this one's back. Commissioner Novick and Andrew, tell us about the amendment.

Andrew Aebi, Bureau of Transportation: Mayor Hales, Andrew Aebi again, LID administrator. I passed out a map to Karla that she will pass out to you. And I apologize for not having this map with me last week. I think this map will give you a better picture of what we're looking at here. So the properties in pink are the ones that we petitioned to be part of the phase one LID. We didn't get any petition support despite one of those property owners being the initial contact person that asked us to fix up the street. So what the amendment would do -- and it's strictly optional should council choose to entertain it -- but what the amendment would do is it would direct me as LID administrator to bring a resolution forward for council consideration to consider forming a local improvement district to do the phase two LID and complete the street improvements on NE 136th Avenue. I really want to stress that if council chooses to adopt this amendment, it does not obligate council to actually form the LID. So what I would do is go back and huddle with engineering staff, put an exact scope on it, put an exact price tag on it, of course come up with an LID assessment methodology, notify the property owners, have a meeting with them, bring it back forward for council consideration. If you don't like what you hear, then council would certainly be free to not move forward with that LID. So there certainly is no obligation. The purpose of the amendment is twofold. One is it bypasses the normal petition process by which we normally initiate LIDS and just takes it straight to council. Then secondly what it does is it's intended to address some of the issues that Almar Tools raised last week about their concern that the rest of the street be improved. So it's a faster road map, if you will, to getting the rest of the street improved. What the amendment does not do is it does change any of the proposed assessments between the properties participating in the phase one LID.

Fritz: Presumably, if the second LID does form, the Almar Tools will be credited for having already paid for their part of the street?

Aebi: They would not be credited, but they would not pay anything for that additional for that improvement which would offer additional benefit to their property.

Hales: So you would get to rough justice assuming that we get to phase two.

Aebi: Yes.

Hales: OK, good.

Fritz: I move the amendment.

Fish: Second.

Hales: Further discussion? Roll call on the amendment.

Roll call on motion to amend to add Directive 'd' and emergency clause.

Fish: Aye.

Saltzman: Aye.

Novick: Thank you very much, Andrew. Aye.

Fritz: Good work. Aye.

Hales: Aye. [gavel pounded]

Aebi: Thank you, council.

Hales: OK, and roll call on second reading of the ordinance as amended.

Fritz: Doesn't it have to go to another second reading?

Moore-Love: The amendment added an emergency clause also.

Hales: Didn't we already have --

Fritz: Oh, so it added an emergency?

Moore-Love: My page did.

Hales: OK, so we can vote.

Item 416 Roll.

Fish: Aye. **Saltzman:** Aye. **Novick:** Aye. **Fritz:** Aye. **Hales:** Aye.

Hales: And unless I have neglected an item, we are recessed until 2:00 p.m.

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At 12:26 p.m. Council recessed.

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Closed Caption File of Portland City Council Meeting

This file was produced through the closed captioning process for the televised City Council broadcast and should not be considered a verbatim transcript.

Key: ***** means unidentified speaker.

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Hales: Will council please come back to order. Call the roll, please, Karla?

Saltzman: Here. **Novick:** Here. **Fritz:** Here. **Hales:** Here.

Hales: And would you please read the next item?

Item 417.

Hales: Great, thank you. I'm very pleased to introduce this important discussion this afternoon. A franchise, of course, is a contract. It's an agreement between the city and an infrastructure provider - - in this case, Google Fiber -- that outlines the responsibilities of both parties on how the right-of-way is used for public purposes and commercial purposes. And in this case, for Google Fiber to be able to build a gigabit fiber network here in Portland. The agreement ensures an appropriate level of compensation and of public benefit from the use of the public right-of-way. We know that what we're talking about here, of course, is really the holy grail of connectivity. The internet has changed our lives, and our need for speed for both personal lives and business is greater and greater. So that's why this is such a great opportunity, and it's well-founded here in Portland, not only in our culture but also in our planning. We've been looking for this kind of advanced broadband for some years. We enthusiastically responded to Google's initial request for information back in 2010. In 2011, we developed a broadband strategic plan -- there are a number of people in the room who worked hard on that -- that articulates our city's goals for infrastructure and inclusion. The quality of the broadband infrastructure is very important. With this rapidly evolving technology, taking fiber all the way to the home is essential to our future, and again, essential for the business opportunities that are erupting all around us in Portland's tech community. You know, we have a history here in Portland of transformational infrastructure. That is, we were a pioneer in the use of smart growth ideas and light rail transit to change the way that people live at the block level, or the neighborhood level. At the very, very local level, we use infrastructure in transformational ways to literally change people's lives for the better, give people options and possibilities that didn't exist when the Pearl District was a rail yard, for example. And that's what we're about here as well. This is transformational infrastructure, it changes the way that people live in very positive ways. I'm very enthusiastic about this discussion and how it's gotten to this important point where we have the franchise in front of us and we're ready to move forward. With that, I want to call up an initial panel of Mary Beth Henry, of course, who we all know as our leader here in the city on this work, and then Darcy Nothnagle and Gil Gallardo from Google Fiber. Welcome. And we're so glad that we're at this important milestone in this work that we've been doing together.

Mary Beth Henry, Office for Community Technology: Thank you, Mayor and Commissioners. I'm Mary Beth Henry, the manager of the Office for Community Technology, and the city's Google Fiber project manager. We're pleased to present the franchise agreement to you today. This afternoon, I will be reviewing key elements of the agreement, outline the process going forward, and answer any questions you may have. Google representatives are here to say a few words, and then we'll hear from some of our citizens who helped craft Portland's broadband strategic plan, and others who will talk about the importance of fiber to the home. In the words of C.E.S. Wood, good citizens are the riches of a city. And we're very fortunate here to have many good citizens today. I'd be remiss if I did not thank the key staff who helped develop the agreement: Ben Walters, of the

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City Attorney's office; Alex Bejarano of PBOT; Gail Shibley of the mayor's office; and Brendan Finn of Commissioner Saltzman's office. Their wise counsel and expertise was invaluable in this effort. The proposed franchise agreement is 10 years, and it's for deployment of Google's fiber network. Once activated, Google's state of the art fiber network will provide a variety of high speed two-way internet services and applications, including video and data. As proposed by Google, the system will not be providing cable television or telephone services, as those terms are defined under federal law. The agreement calls for a 5% franchise fee on gross revenues. There are other standard franchise provisions that we include in all of our agreements: language about compliance with laws, financial reviews, insurance, indemnification, and bonds. Google has agreed to provide a variety of significant public benefits above and beyond paying standard city franchise fees. Direct benefits include plans for up to three public Wi-Fi nodes, complimentary gigabit connections to qualifying community organizations for up to 10 years, and a free basic broadband service upon payment of a one-time installation fee for up to seven years. Google has additionally agreed to interconnect the fiber system to other public systems used by Portland citizens and institutions in order to facilitate carriage of public education and government cable access channels, and institutional connections to the libraries and schools. In addition to the direct benefits, the city expects substantial indirect benefits to the community as a result of this substantial investment, competition, and innovation that Google Fiber will bring to Portland. The experience of other cities is that such competition and innovation benefits the entire community in terms of jobs, lower rates, better service, and a boost to economic development in a global marketplace. Portland's broadband plan called for ultra high speed symmetrical fiber optic connectivity to homes. Google's gigabit broadband is today's world-class standard. The city has been planning for this kind of state of the art technology for years. Digital inclusion is a major element of our broadband plan, and staff have been clear with Google from the beginning how important this issue is to Portlanders. Under the terms of the agreement, Google is not required to build out the entire city. However, we and they are interested in as wide scale a deployment as possible. We are looking at other Google deployments through an equity lens to see where the city and our community partners, like the libraries and Portland Community Media, might play a role to ensure that anyone who wants to get connected can get connected, and that everyone understands how important being connected is in today's world. Technologists have noted that gigabit fiber networks, as they emerge, will affect our way of working and playing as profoundly as did the telegraph, telephone, railroad, and original internet. Fiber, like access to roads and waterways, is a key tool for economic development. Construction of a next generation gigabit-capable communications network in Portland will create a range of benefits from economic development, improved educational achievement, expanded workforce opportunities to advances in health care and support for aging in place. By delivering truly high-speed, abundant, unconstrained fiber connectivity, this infrastructure holds the promise of expanding on existing innovations and acting as a springboard for innovations that we cannot yet imagine. The next steps for the franchise approval process. Today, we have the first reading with public testimony. The second reading is scheduled for June 11th, when council will vote on the franchise, but there won't be any public testimony. We welcome comments from the public between now and June 11th, and comments can be sent to the Office for Community Technology. I believe that our email is on the screen. It's comtech@portlandoregon.gov. And I'm happy to answer any questions.

Hales: Thank you. Questions for Mary Beth? We might want to let this panel speak and then take questions for any of the three of you. Darcy, welcome.

Darcy Nothnagle: Thank you. Thank you, Mayor. Thank you, Commissioners. Thanks for allowing me to speak this afternoon. My name is Darcy Nothnagle, and I'm here on behalf of Google today, along with my colleague, Gil Gallardo. And we'd like to thank the city council for considering the franchise agreement that is an important step in bringing gigabit internet to Portlanders. At Google, we're pretty excited about Portland. This is a city that understands the power of high-speed internet

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and its importance to the future of the community. You have taken a national leadership role in the development of your broadband strategic plan. And I would also like to say that throughout all of our discussions, we have really appreciated the shared enthusiasm about this exciting process. We believe that the franchise agreement before you today offers significant value for Portland. It offers a framework to be able to build a brand new fiber network on a fast time line, which is a huge and complex task. At the same time, the agreement is constructed to do so with the least disruption possible for residents, neighborhoods, and the community as a whole. As Mary Beth mentioned, it provides for a 5% franchise fee on the revenue we generate from our video services. We are not asking for exclusivity, we are not asking for subsidies, we are not asking for free use of public property. What we will provide is a variety of public benefits above and beyond the franchise fee, including, again, as Mary Beth said, public Wi-Fi networks, free connections for qualified nonprofit organizations, and access for Portland residents to the most affordable in-home broadband available today. If you will bear with me, I'd like to give a little more context on the broadband plan. For broadband, Portlanders would pay a one-time installation fee and have access to basic broadband in their homes for no monthly service costs for seven years. Everybody can sign up for this, there's no special criteria, there's no income level. And we found this plan to be popular for folks of all walks of life, particularly in Kansas City. I also want to be clear that everyone in Portland would have the chance to get Google Fiber. We would build the backbone of our network throughout the entire city. Then we'll hold an open and transparent sign-up process for neighborhoods throughout the city. Residents would have several weeks to sign up, and each neighborhood -- which we call a fiberhood -- would have a goal of a specific number of households that would need to sign up for fiber in order to get service. This goal is based on the area's population density. For example, in Kansas City, the population density goal was 5% to 25% of each fiberhood. We don't use income or any other socioeconomic benchmarking to determine which area gets service. Here in Portland, we will build in every fiberhood that meets its goal, even fiberhoods that only want our free service. In closing, I would like to say that we are excited about finding ways to work with the city, and community groups, and others to find ways to forward the policy goals of the broadband strategic plan. There are a number of steps we still have to take as we are evaluating the elements it would take to bring Google Fiber to Portland. We respectfully urge the adoption of this agreement as a critical step on that path. We'd also would like to express our appreciation for the work that the city council and the staff have done thus far and we'd be happy to answer any questions that you might have.

Hales: Thank you very much. Gil, welcome.

Gil Gallardo: Thank you, good to see you again. I'm here just to answer questions with my colleague if anyone has questions.

Hales: Any questions for the Google representatives or for Mary Beth at the outset? We may have some later on. Thank you very much.

Nothnagle: Thank you.

Hales: Let me call the next panel. We have a number of great panels this afternoon to talk about the implications of this potential franchise. First, we have some students and a representative of one of our institutions of higher education. We have Edward Szczepanski from Portland Public Schools, and Raichle Dunkeld also, and then Miles Ellenby from OHSU. So, if you three would come up. Welcome. Who is on first?

Edward Szczepanski: I believe I am. First of all, I would like to thank everyone for this opportunity. It's really cool to come up here and voice my opinion. So, with that being said, I want to talk about why it's so important that we have Google Fiber. Obviously, internet is very important. A couple of years ago, I really wanted high-speed internet. Why was this? Well, it wasn't for a noble goal, it was because I wanted to play online video games without lag. But as time has gone by, I've realized how important high-quality as well as low-cost internet is for everyday lives, and most importantly, our education system. Especially today, if you look at our education, if you look at

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internet, they are so closely linked together. Whether you are doing things online, such as turning things in on turnitin.com or doing math homework on MathXL, or doing courses on sources such as BYU or looking up different ways to learn different things on YouTube or Khan Academy -- it is so closely linked together. And it's very important that we have this internet. When I was trying to cooperate with a couple of other friends working on a computer science project, we were trying to talk over Skype. Now, they live in pretty affluent neighborhoods where we think our internet should be strong. But even so, I have trouble trying to connect to them sometimes, and this really hurts our ability to cooperate and to move forward in the future. But when we look to Google Fiber, we shouldn't look to our current infrastructure today, because we have to look to the future and all the different things that 100 times faster speeds could mean for our innovation. If you look at the difference between dial-up and broadband, think of the same type of innovation explosion from broadband to this Google Fiber infrastructure. So, it's just a lot of opportunity. I also want to talk about a bigger scale, because obviously education is important, but I really like the big scale. And you know, I wasn't born in the United States -- the United States and obviously Portland is my home, but I'm a little scared. I see innovation not necessarily happening in the United States. Although we've been lucky to have innovators create things such as Google itself, or let's say Facebook, we might not have this opportunity in the future. If we let our infrastructure go down in very critical cities such as Portland, maybe the next innovation happens in Singapore, or South Korea, or Japan, and maybe not the United States. If I've learned anything from my macroeconomics class, it's obviously that innovation comes from competition, and trying to break down an oligopoly or trying to break down all of these different barriers that we have in increasing competition as well as increasing infrastructure is obviously the best way to go. So I'm really excited for the new opportunities that Google Fiber can bring to Portland, and hopefully this will be a model for other cities all around the United States so that we can help move forward with our internet infrastructure.

Hales: Great. Thank you, Edward, thanks very much. Raichle, welcome.

Raichle Dunkeld: Hi, I'm Raichle. You already know that. I'm going to focus more on the cost changes that Google Fiber would bring. There's two things that are really beneficial about Google Fiber that I am aware of, and the first is its increase in speeds, and the second is how cost-effective it is. When you look at a community like southwest, where my school is located, sometimes you can skip over the fact that even in our community, there are students without access to the internet. And I know people in my school without access to the internet. Another example is looking at Multnomah County Library. Just walking into the library, all of the computers are completely full, being used 24/7. And that is really -- it shows that we do need a faster, more efficient, and most importantly, cost-effective internet for all of the people living in Portland. Southwest is known as one of the more affluent neighborhoods in Portland. So just imagine how much more beneficial it would be in other neighborhoods as well. With that, I have a lot less to say than Edward, but that's pretty much my main point. Thank you so much for having us.

Hales: Thank you for being here. Miles, welcome.

Miles Ellenby: Thank you. Good afternoon, Mayor and Commissioners. My name is Dr. Miles Ellenby, I'm a pediatric ICU doctor at OHSU's Doernbecher Children's Hospital, and the medical director for the university's Telehealth program. Imagine a future state where patients with chronic disease such as Parkinson's, diabetes, or congestive heart failure can continue to live independently with the comfort of knowing they are being well-monitored remotely by physicians and health care team. That future is here today, only possible where robust broadband exists. Patients connect via simple tablet devices, augmented by Wi-Fi enabled monitors, not very different from the fuel bands and Fitbits that many of you are wearing today. Currently, when we discharge patient recovering from heart failure, they are sent home with a health buddy, a tablet device that they interact with daily, answering questions about symptoms, uploading their weights and blood pressure to our case

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manager. These individuals are extraordinarily high risk for decompensation, resulting in hospital readmissions or worse. The data sent to their medical team allows the providers to identify those who are worsening well before they would under the old system of waiting for the patient to self-report problems. We can now adjust their care before the situation becomes acute, often saving an ER visit and/or readmission. Telehealth, or e-health, is a transformative model for health care delivery. We know it increases access, improves outcomes, and reduces health care costs. Full realization of Telehealth's potential is dependent on high-speed, reliable connectivity to the home which unfortunately does not uniformly exist at this point, especially for those at greatest risk socioeconomically. This equity issue needs to be addressed. We need to allow all patients access to tele-medical care and give them the freedom and peace of mind to live independently. Another major benefit will be significant cost savings by shifting people out of institutional settings. And as our population ages, the ability for us to continue to safely live independently will be all the more important. Ground-breaking research is currently being conducted at the Oregon Center for Aging and Technology, showing that in-home technologies can detect the earliest phases of cognitive decline in otherwise healthy seniors, leading to earlier diagnosis and treatment. Nearly half of the U.S. population suffers from at least one chronic condition. The graying of America is necessitating a reinvention of how we live into our golden years. Telehealth is part of that solution. Fiber to the home will allow robust, big data exchange and HD video visits with health care providers. All of this is transforming health care delivery in our futures. Thank you.

Hales: Thank you very much. Any questions for this panel? Thank you all, really appreciate you being here today. Thank you. So we have the next panel, also educational representatives and someone from our library system. Josh Klein from Portland Public Schools, Leslie Riester from the Portland Community College, and Matthew Timberlake from Multnomah County Library, welcome. Josh, I think you're on first.

Josh Klein: I'm on first? OK. Good morning. Portland city council members, my name is Josh Klein, and I am the chief information officer for Portland Public Schools. Prior to coming to the district, I spent 11 years with the Oregon Department of Education, the last four as chief information officer. I am a certified information system auditor and have worked in the information technology industry for 17 years. I am here today to ask that you grant the franchise agreement to Google Fiber of Oregon, and that you address the digital divide that exists in our city. Portland Public Schools believes that access to reasonably priced, high-speed broadband for all students and families is a requirement of the modern learning environment. Open and ubiquitous access to the internet supports racial equity, social justice, and digital citizenship. Today's students will be our future leaders, and it is critical we provide them with the necessary tools to succeed. When properly empowered, Portland students will create technologies, systems, and services that our city and country need to compete in a digital economy and a connected world. PPS played a key role in the development of Portland's broadband strategic plan. As outlined in the plan, the district continues implementation of our EdBox initiative, which provides online access to assignments, grades, lesson materials. EdBox provides teachers with the platform to improve family engagement, it provides parents with the transparent information they need to help their children succeed in school, and it provides students with the ability to take control of their own education. The EdBox initiative will only be truly successful when all families have hard wired broadband access at home. It is our belief that a franchise agreement with Google Fiber moves us closer to this goal. In addition to supporting this franchise, I would like to take the opportunity to ask the council to direct a portion of the revenue generated under this agreement toward a reduction or elimination of the cost of broadband for low income families. Helping families access the internet levels the playing field for students who have been historically underserved and helps to close the achievement gap that makes student performance predictable by race. Digital inclusion is just the right thing to do. I am truly excited about this historic opportunity for the city and families of Portland. Portland Public Schools looks

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forward to continuing and depending our broadband planning partnership with the city, with Google, and with other local government agencies. Thank you for the chance to voice my support for digital equity, equity, and a Google franchise.

Hales: Thank you.

Leslie Riester: Thank you, Mayor and Commissioners. I was a member of the broadband strategic planning group and fiber to the home was one of our goals. And I'm very excited that we may actually achieve that goal. 20 years ago, I was in Arizona trying to bring a network to my college that would be 10 times faster than our existing connection. A colleague told me that we didn't need more than 9600 baud modems because no one could type that fast. [laughter] In his defense, the internet was relatively new and mostly text-based. He struggled to understand the effect of adding images and having voice, video, and data using the same bandwidth. I feel like I'm back in that place today, where people ask me, why fiber to the home? They say they can get up to 40 mega speeds even on their phones. Why do I need something that is 25 times faster? I answer with this. High definition, high quality interactive video running simultaneously with your whole family using the network for voice, video, and/or data, along with numerous services, like household automation, medical monitoring, and security. The potential to change the way we work and live is incredible. And I understand why people struggle to imagine the possibilities. We still can't type that fast, right? Fiber to the home extends educational opportunities and support services in ways we've only dreamed about. Students can meet face-to-face with advisors, their professors, and each other without leaving home. They can attend and interactively participate in classes and study groups from home. Students can collaborate with researchers from around the world on projects that require high bandwidth and time commitments that make doing it from home more practical. Truly high speed access to the internet enhances the quality of experience in ways that make interacting with the world exciting and empowering. It opens the door to new ways of teaching and learning which may seem like science fiction, but are actually available today with sufficient broadband. Holographic computing, gestural computing, simulations, virtual reality, real-time data manipulation, video and music, creation and editing. All of this is possible today if you have gigabit speeds available. Our workforce training and continuing education departments are excited about providing experience in the future of work. The rest of the world has already begun to work online, frequently from home, and facility with interactive technologies is already a basic required skill. We have a lot of catching up to do, and robust connections to the home will help us close that gap more quickly. Finally, why is having access from home so important? Child care and sustainability. Child care and transportation are major concerns for many of our students. High speed connections to the home could provide options for students that will enable them to fully engage in educational and employment opportunities. Portland will attract and retain employers because we will have an educated and employable citizenry. Approving this franchise will help to make all of this possible. Thank you.

Hales: Thank you. Good afternoon, Matthew.

Matthew Timberlake: Good afternoon. Thank you, Mayor Hales and Commissioners for inviting Multnomah County Library to contribute to the dialogue around Google Fiber and internet connectivity for the citizens of Multnomah County and our ongoing efforts to bridge the digital divide. Multnomah County Library has been very concerned about issues of digital inclusion for many years, offering access to technology, one-on-one help, and targeting resources to ensure that everyone can have an equal chance. We are interested in how those might be addressed as part of the Google Fiber effort in our community. The franchise agreement is an encouraging step, and sets the stage for a deeper conversation among a variety of stakeholders about the process for rolling out this service and understanding how digital inclusion affects people and the communities in which they live. The Multnomah County Library is not a party to agreement, so we won't offer opinions about its terms. Our role is about advocating for inclusion and increased access for those with the

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fewest resources. In the 21st century, digital inclusion is a basic requirement for individuals to thrive and contribute. It's also the cornerstone of a vital, healthy community and with direct impacts on workforce development, economic stability, and civic participation. We know from Pew data that the pace of Americans becoming digitally included is slowing. We also know that this disparity has the greatest effect on those with the fewest resources and opportunities. Nationally, half of households with incomes of less than \$30,000 do not have broadband access. While many lower income people are requiring smartphones and other devices, most online job applications, including those for Multnomah County and city of Portland, cannot be readily completed on a smartphone. Libraries are one of the last free public places to get access. Multnomah County Library hosted almost one million sessions on our public PCs last year, and library patrons used our Wi-Fi in over 725,000 sessions. We have been in touch with Google and with the city to offer the library's perspective and voice in the discussion, and we've been pleased by their responsiveness. We have been in touch with library colleagues in other places like Kansas City to hear about and learn from similar efforts. Those conversations have been informative, and will help us hit the ground running as part of a collaborative effort to increase access to technology and digital inclusion. And we look forward to contributing further as that discussion moves forward. The library would like to thank and acknowledge the city and the Google Fiber team for bringing us to the table. This issue directly relates to one of our key missions: free access for all. Thanks.

Hales: Thank you. Questions, comments? Thank you very much. Appreciate you being here and being good partners in this work. Our next panel are about transportation, sustainability, and economic development. Chris Smith, from our Planning and Sustainability Commission; Doug Gastich, from BlueVolt; and Robert McCullough, from McCullough Research. Welcome. Commissioner Smith, you're on.

Chris Smith: Good afternoon, Mayor, members of council. Chris Smith, member of the Planning and Sustainability Commission -- although the nexus for my participation today is my work on the transportation subgroup of the broadband strategic plan. I want to hit a few points. The first is transportation-related. I am a teleworker, and this kind of technology is like hitting the gas pedal for teleworkers like me, and I believe it will also enable new kinds of telework and help reduce some of the load on our transportation system from daily commuters, some of whom will no longer have to go to offices to do their work. So there's a transportation system benefit for sure. I've also done a lot of work at the metro level where economic competitiveness is an issue. And I think this is, in fact, a key factor for regional economic competitiveness. We don't compete with Hillsboro, we compete with regions around the world, whether that's Singapore or Austin. And this kind of technology is already in place in urban centers in Europe and more developed parts of Asia. So we are behind the eight ball on this with a lot of our worldwide competitors, and this is playing catchup for us. Because it's me, I know that Commissioner Fish would be deeply disappointed if I didn't mention the Portland plan. So let me read you policy P-9. Pursue universal, affordable, and reliable access to high speed information technology and the devices and training to use it. So, the Portland plan very much supports this initiative. I want to underscore one word, which is universal. This agreement does not get us universal. So, we are not done. It's a huge step that we have a market-based player who is willing to invest in this infrastructure. That's uncommon in the United States. That is a failure of national policy, so if we can get past that here, that's a good thing. But Google has not committed to build out in every neighborhood. If we get enough sign-ups, they might. But I want to challenge this council to make sure that you don't stop your efforts until we offer this service, or one like it, in every single neighborhood in the city. Thank you.

Hales: Thank you. Welcome.

Douglas Gastich: Hi, there. Thank you, Mayor, Commissioners. My name is Douglas Gastich, I represent a company called BlueVolt. We are a small Portland, Oregon company of about 25 employees, and I thought I would bring a small business perspective today. Before I do, I wanted to

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make one comment to a previous panelist. Ed, if you have ever watched a six-year-old play Minecraft like I do with my son, you know that reducing lag is an absolutely noble endeavor. The frustration gets a little unmanageable at times. But back to small businesses. We at BlueVolt, our work is all around online learning. We work primarily in the trades and services industries to provide online learning opportunities for workforce development and for employee development. We see that this project as a valuable for a couple of reasons, primarily the two ends of the spectrum that we have discussed already today. First is the available of a dramatically-reduced cost option. It's not quite free with the start-up fee that I've seen, but it's the lowest I've seen for a five megabit service offered. And the second is the opportunity that you get from the dramatically improved speeds, and what you can do with the speeds at the home from the perspective of a small business. As a small company, we hire based on values. Primarily, we look for motivated employees, self-starters with great attitudes, and we're lucky to have the employees that we do. And what we do is we work with them and we let them take their native key to develop themselves, and they do so with us in the office, but they also do so online. They're constantly looking for ways to find out about new products, to improve their own skills, to grow, learn more sales skills, find a new accounting course. That takes bandwidth, that takes access, that takes availability. I imagine that a lot of companies like us are of the same mind. We certainly see the value, and we believe with a project like this you're going to get the kind of accessibility and bandwidth at the home that's going to help motivated employees bring themselves up. And it's going to support all businesses. We also, as a small business, we highly value the ability and flexibility that you get when you can have an employee base from around the region that can work around the home occasionally and as needed. We try to offer that flexibility to our employees, and we see this project as absolutely supporting that goal. We've heard from earlier folks from educational institutions, and I would like to offer the perspective of on an online learning company. This is more about our customers and less about our employees. But really, regardless of where you exit the formal institutions of learning in our community, those who continue to learn, those who have the drive and the means to continue to find ways to learn are the ones who are going to contribute back the most to the economy and community. We see this in Oregon with some of our customers. 3500 of Oregon's electricians, in the last electrical code cycle, which runs for about three years, chose to use BlueVolt to get their online training and subsequent certification with the state to keep doing their job. More often than not, they didn't do that in the back of the work lounge. They didn't do that at the library. They did that -- and we know this from looking at our records -- at home. They did it after probably what was probably a very long shift, or maybe on the weekend when they should be playing with their kids. And so really, I come to present a picture of the reality of the future of workforce development. We see it with our own employees, the customers that we serve. Access at the slower and lower levels of service, and the opportunity for what you can do with the high speed levels is tremendously exciting to us as a small business. Thank you.

Hales: Thank you. Mr. McCullough, welcome.

Robert McCullough: Hello, Charlie. Good day, Mayor. Good day, Commissioners. Thank you. I'm here today to endorse the project strongly. We have been through the franchise agreement line by line. That's what we do for a living. It meets our standards. I've called Mary Beth, raked her over the coals, got the answers that I need. As you know, we work for most of the cities along the I-5 corridor. We're 20 years behind Tacoma, with all due respect -- my client in Tacoma was putting in dart fiber in the streets 20 years ago. It's now lit up. And so we have a lot of catching up to do. This is a good way to jump start. Mary Beth begged me not to say this, but I've noticed for many years where you find the communications and electric closet in City Hall is next to the men's room. I would like to move that out into the wider terrain. So, in this case --

Hales: In this case, it's not, but that's good. [laughter]

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McCullough: Like young Edward, I play video games for a living. In my case, because it's energy policy, billions of dollars are often at stake. This is entirely internet-driven. When we are testifying at FERC or Congress, we are moving big data back and forth at very high speed. We're building dams in Quebec, handling market manipulation in California and the Northwest, arguing about the fate at the nuclear plant at Hanford -- all of these things are big questions. The limiting effect is often speed. Simply put, Eastmoreland has five, seven figure small businesses based on the internet. Bert Sperling's Places is the best known, ours is the second best known, we both have more hits than you do, Mayor, but I'm sure that will change.

Hales: [laughs] I don't know.

McCullough: Let me talk to, however, the home-grown side. We have established two emissions monitoring stations. Like the U.S. embassy in Peking, we are going to post the NOx, SOx, and black carbon levels. It's long overdue. We have surveillance cameras maintaining the compliance of the Union Pacific Railroad with federal court orders. That's also internet-based. We have an aging population, many of whom are losing their communication access to the city, especially with the decline of the Oregonian. We actually have to do our best to keep the gray hairs in the mix, and that \$300 offer may help in that case. I noted to Commissioner Amanda on land use issue the other day that we have 3200 hits on our Facebook page on demolitions. Amazed -- because we thought only kids were on Facebook. But what we discovered is that aging is changing entirely. So, good show, good contract, what we need to continue. Please do approve this.

Hales: Thank you very much. Thanks, all three of you. We have one more panel. A couple folks from the private sector. Marcelino Alvarez from Uncorked Studios, and Amber Case from Esri's Portland Research and Development Center. Welcome.

Marcelino Alvarez: Mayor, thank you for having us this afternoon. Esteemed Commissioners, thank you as well. Thank you for the opportunity to testify before you. When I last spoke about fiber to the home, I talked about the area of accessibility for people, for their devices, the content that they access, the economic and social development that fiber represents, and the opportunity to put Portland forward towards the future. Across all of those areas, Google Fiber's increased speeds, lower price points, and wide expanded public coverage all provides citizens with greater access to the internet. Today, I wanted to expand my thoughts on two of those areas: on people and on the economic, social development aspects of it. As some of the other panelists have mentioned, fiber to the home really represents an opportunity to bridge the digital divide. That lower price point option with the small set-up fee and effectively free internet for seven years really means that students, economically disadvantaged homes, people who are running small businesses can all connect to the internet and have the opportunity to be connected online at commercially viable speeds from today. It also means that those who are able to pay the higher price points can enjoy the benefits of more connectivity and more accessibility. So whether that's accessing content, journalistic sources, whether e-learning or working from home, the opportunity to provide an unprecedented level of access is really the basis for what Google Fiber brings. To reiterate what some of the other panelists said, what's coming ahead is really an uber-connected world. If we look at the proliferation of smart devices, if we look at all of our appliances and things that will be connected to the internet, whether convenience factors such as the ability to automate the homes and turn off the light from here, or whether it's home security, home monitoring, child monitoring remotely, or whether it's just having a better understanding of what our energy usage is and being able to be more conscious of how we use our energy and what degree. There's really a tremendous level of opportunity for fiber to the home to increase our understanding and knowledge of both of those. On the economic development side of things, there's four main areas that I think are really relevant for us to consider. I think the first is competition. Competition both from an economic standpoint as well as from an innovation standpoint. Whether a consumer chooses to sign up for Google Fiber or maintain their level of coverage, the fact is that a free service for the speeds that we're talking about means that everyone

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else needs to catch up. It means there needs to be an opportunity to introduce other options for folks to connect. It's going to increase competitive desire for innovation amongst other providers of technology. Secondly is the ability for telecommuting and working from home, whether it's a business that is based here in Portland, or just offering folks the ability to stay home with their children or to work from home because they are expecting a package delivery. Being able to connect at the speeds that we're talking about means that people can upload content, whether photos, videos, or do large scale amounts of effort which today can be a burden. From a recruiting standpoint as a small business owner, being able to say that Portland is a fiber city will help my small business bring more people to Portland. Really, it's a badge of honor for city and one that we should all be proud of. And finally, the idea of start-ups. Many start-ups are born in garages. It is part of the mythology of the start-up. And think about the 16-year-old right now that would have fiber in their home. What types of innovations he can come up with a smart-connected home, with the ability to have gigabit in his house? It would be great for Portland to be the birth place of the next large tech company. It would be great to attribute that to the connection speeds of fiber. Google Fiber for business, which hopefully will be around the corner, would also help our businesses evolve, help small businesses maintain relevance in Portland, as well as part of the larger technology ecosystem. In conclusion, please consider signing this agreement. It would be a tremendous opportunity for both people and companies here in Portland.

Hales: Thank you. Amber, welcome.

Amber Case: Hi, my name is Amber Case, and I'm from the software development industry. I started a start-up here about four years ago, and two years ago it was bought by a \$30 billion company. One of the things that I talked about with the executives of that company is the strategic idea of keeping the development center here in Portland. There's a difference in how software is developed here, there's a difference in how the city shaped, there's a difference in how quickly things can get done. We are increasingly being seen on not only the national but global level as an innovative city in many different industries, in many different sectors. But we're not seen as an innovative city on connectivity. This is one of the missing pieces that we need to address in order to compete with the increasing unpredictability of the world that we'll see in the future. One of the increasing non-predictable things that we'll see is the environmental change. Being able to track that, and map that with a variety of different sensors is very important. If Sony Ericsson says that we'll have 20 billion devices in the world talking to something, talking to the web by 2020, then we need to start preparing for these things to be talking to each other. The giant amount of data that any of these things are going to actually bring into databases, and the ability to actually analyze and make sense of the databases -- that's not something that we are going to be able to do just a few of us. Students -- as young as middle school students -- need to be able to take this data, make use of it, and actually start to understand how things are going to change. We have this company here because I believe in Portland. I raised all of our funding for this company in Portland, I refused to take any investment from Silicon Valley. I believe in Portland, I'm staying here. I have lots of reasons to go anywhere else. I get flown around the world to different countries to see their different start-up environments. This is one of the friendliest ones out there, but we have this missing piece of connectivity. This is one thing that we can add to be known on the landscape to differentiate ourselves from all of the different other entrepreneurship communities and actually be sister cities with some of these global communities that are pushing things forward. Just going to South Korea, where there was a new infrastructure installed very recently, having really fast connection speeds. Going to see a college of students who are downloading giant data sets and doing analysis with them in class, doing graduate work at the undergraduate level, and then realizing that at our own place, PSU, we can't give that to students. That we can't give them access to that data and help them understand how to understand the world around them. That's pretty unfortunate. So there's this amazing opportunity that we have. It's really simple. All we have to do is take this initiative really

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seriously, and know that we outperform on the global and national landscape in many different segments -- in food, in environmental responsibility and sustainability, in urban growth boundaries, in urban development. If this is that one last piece that we need to ensure that we will be very, very well set for the future in an information society -- not an industrial society -- then I suggest that we really, really consider it. So, thank you very much. I really believe in this and I am here on behalf of Mary Beth and Sheldon who couldn't be here today.

Hales: Great, thank you. And I understand your company just increased from something like 6 to 20 Portland employees.

Case: Yes, and we're having an open office party tonight. So if you want to come by, it's 5 to 8 p.m.

Hales: Something to celebrate.

Case: It's in Portland's oldest office building, the 100-year-old building next to the column.

Hales: How appropriate.

Case: Yes, very appropriate.

Hales: Thank you very much. Congratulations. Thank you all for our invited speakers this afternoon. I know that we probably have some other people signed up to speak. Do you have a sign-up sheet, Karla?

Moore-Love: I do. I believe we have 10 people left. The first three, please come on up.

Hales: Good afternoon and welcome.

Frank Hilton: Good afternoon. My name is Frank Hilton, I'm on the board of the Fontaine condominium owners association. The Fontaine is that 16-story green building on the east edge of the Lloyd center, it's 88 units. I'm here to support this franchise request and to support competition in general. More competition is coming down the road and it's going to be good for consumers. But why I'm here today is I'm concerned about what Comcast is up to block competition. About a month and a half ago, we received a solicitation from Comcast to "renew" our service contract, which was several decades old and one page. I'm a lawyer, and the board asked me, Frank, what does this mean? And I didn't know what it meant. So I sent it to Mary Beth and said, Mary, what are the components of this contract? Bottom line, the key thing that concerns me is Comcast requested a 10-year exclusive use agreement for the home-run wiring portion of the system, which we own, and which apartment owners own. It's the wiring in the building. That exclusive use was for all purposes -- data, TV, and every other purpose. It prohibited us from allowing any third party to tap into that wire from the edge of the building to the unit. I think that type of clause should be prohibited. I think a condition of any franchise should be that you're not allowed to have an exclusive use of the home-run wires in a multifamily building. I don't know what the city can do about that going forward to prevent the enforcement of those kinds of clauses, but that needs to be looked at. And if you can prevent enforcement, Comcast needs to notify every building owner, sorry, we are not going to enforce that clause. I know they're soliciting apartments, and when you get a multifamily building, you're talking about a lot of household units. I know that because one of my clients manages 9000 multifamily units in Oregon and southwest Washington. And when I saw this contract, I called them up and said are you getting solicitations like this from Comcast? They said yes. I said, watch out, here's what it means. So that's my concern. And I support competition.

Hales: Thank you for raising that.

Fish: Can I ask a follow-up question on that?

Hilton: Yes.

Fish: So, we'll ask our team whether that is a question of federal law, state law, or whether we have authority to regulate. But is your recommendation that we look to prohibit that, or that we make sure that disclosures are such that people understand the consequences of it?

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Hilton: The best thing is to prohibit it, and to just say that a condition of your franchise to operate is that you will not have exclusive use clauses of the home-run wires that are owned by the building owner, not you, Mr. Comcast, or you, other cable provider.

Fish: Did they, by the way, offer you any consideration?

Hilton: Oh, sure, that's what makes it look good. You get a percentage of the gross billings. You get past that, and what concerns me that's really a breach of duty to all of your residents to block them from using a competitor.

Hales: Thank you.

Mike Burnett: Mayor and Commissioners, my name is Mike Burnett, and I am a Portland citizen and a member of the broadband strategic plan round table. America was first settled along the coast, then up the rivers. Why? Because these were the pathways of commerce. Along came trains and cities with visionary leaders who fought for depots. The cities that won thrived, while those that lost out declined. The same thing happened with the interstate highway system. Cities that secured the infrastructure of commerce boomed, while those that did not were doomed. Broadband is the infrastructure of commerce in the 21st century. Remember dial-up modems? No one at that time conceived of Amazon, Facebook, and Netflix. The jump in speed from today's broadband to tomorrow's fiber to the home is of the same order of magnitude. We, too, probably cannot envision the benefits that this next jump will bring. But we do know two things for sure. First, whatever it is, it will define commerce in our age, and be the predominant engine of economic growth. Second, cities with full fiber infrastructure will both contribute and benefit while those without will languish. When the potential for Google Fiber was announced, I researched broadband speeds for cities throughout the world. Portland was 200th on the list. The trains are coming, and we are a city without a depot. But you are in a position to get us one built. Portland has been blessed by visionary public leaders. Harbor Drive, the major pre-interstate north/south highway on the west coast, became Waterfront Park, recently named one of America's 10 greatest public spaces. The Meier and Frank parking lot became Pioneer Courthouse Square, recently named as the fourth best public square in the world. Portland leaders do world class. And another such opportunity now presents itself: Google Fiber, which would install bidirectional gigabit fiber to the home. The total footprint of the 15 fiber huts and 250 telecom cabinets is around a third of the acre. This is around one third of the size of Pioneer Courthouse Square. Dedicating the small amount of public land to the google fiber project catalyzes a third of the billion dollar investment, conservatively, and around 500 construction jobs for the Portland economy. Leveraging a third of an acre into a third of a billion dollars is brilliant policy. And it provides Portland with world-class broadband. Portland rejoiced in Damian Lillard's game-winning shot not because it gave us a chance to be number 200, but because it gave us a chance to be number one. With Google Fiber, we have the chance to be number one. The choice is yours. Do you want Portland to be a world-class city, or an outclassed city? Thank you.

Hales: Thank you.

Jeannie Fisher: Hi. My name is Jeannie Fisher. I am here to talk about how important this issue is. Four years ago, I was actually a homeless person, and had never actually had access to the internet. I was approached by an organization that was working with Portland Community Media, and asked me if I would like to learn some skills. I took a few of their classes, and within four months, I had been able to search the web and find a job, which was the first time in three years. It didn't matter that I didn't have an address or phone number, because just being able to have that email address put me on the same level with so many other people. And to have that access is very important. People don't realize -- a lot of folks my age, especially folks on the street, we didn't have computers in high school. We didn't have that opportunity to learn like folks do now. And to be able to take a low cost or no cost class to learn this stuff? It changes your life. And since then, I have just continually

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moved forward and it's because I can now surf the web, because I can now compete with everybody else on the same level where I could not before. So, I really urge you guys to push this forward.

Hales: Great. Thank you very much. Appreciate it.

Moore-Love: The next three, please come on up.

Hales: Welcome.

Carl Vander Zanden: Hi, my name is Carl Vander Zanden. And first, I want to say that I hope you approve this agreement. In the broadband plan, the city's strategy is to provide internet through the private sector, and I think this agreement would further that a lot. It's not a done deal yet. I want to spend my time talking a little about the current situation. A colleague and I recently did a simple analysis of internet in Portland. We asked three questions. One, what would excellent internet in Portland look like? Two, do we have excellent internet? And three, how do we get there? We came up with 13 criteria for excellent internet, and we concluded that our current situation with our dominant provider meets none of the criteria for excellent internet. The upshot is that Portland does not have excellent internet service. It's clear to us, from Comcast's behavior as a company, that Comcast only values profit. From their behavior, it is clear that Comcast does not care about product, doesn't care about customer service, integrity, or honesty, and does not care how their product affects our city, our people, our economy or our future. Further, as we're talking about inclusiveness and equity. Comcast -- if you had experience working with them on the telephone -- is predatory. And what we found is that if you're not alert, if you're not tech savvy, if you don't have good negotiating skills and plenty of time, you will pay more for your Comcast service. So, people who don't have that set of skills, people who can't track the complexity of what Comcast is doing, don't have the time or skill to negotiate with them pay more for their internet service. They're basically ripped off. It also appears to us that the city has not done anything to encourage Comcast or the other current providers to improve. I realize that the city is constrained by federal law, but there are some actions that the city could take to address the current situation. I don't have time to go into that in three minutes, but there is some things that the city could do. And I'd think about that, because we don't know for sure if Google is going to go this way, even if this agreement is approved. So in conclusion, I just want to say that I believe that excellent internet is becoming more important than a library network. Excellent internet is becoming as important as an excellent transportation system for which the city has an entire bureau. And it is our local government's role to ensure that this essential service is excellent. I want to encourage the city council to approve this agreement with Google and put more attention, more support, and more funding into ensuring excellent internet service for Portland in the future.

Hales: Thank you very much. Good afternoon.

Michael Pouncil: Thank you for the opportunity. I don't have much to say. I'm just -- I am a local -

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Hales: Put your name in the record.

Pouncil: My name is Michael Pouncil.

Hales: Thank you.

Pouncil: I don't have much to say just that I'm a local Portland resident who cares about internet accessibility in our great city. I just want to also say that internet is -- I believe -- is an essential utility, and just as important as telephone system was in its infancy, and that competition is very important in stirring innovation for Portland, and we need both when it comes to internet. So, I ask that you please grant Google this fiber franchise. Thank you.

Hales: Thank you. Thanks. Hi, welcome.

Jason Kersten: Mayor, Commissioners, my name is Jason Kersten. I, too, am a formerly unhoused resident of the city. I was also approached by an organization that works with Portland Community Media and I was taught how to use basic internet. Classes, you know, which helped me get housing, employment. It taught me to better myself. So, this project I think will help not only the folks that

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are in schools, but also help the unhoused community and other folks find gainful employment, find housing. I think the gentleman earlier said that we need to move forward and this is a way to help everybody, whether they're in the corporate or in the unhoused community. It makes our city a better and stronger place. We always say we're a friendly city. I agree with everybody else, I think we need to move forward with this project. Thank you.

Hales: Thank you. Thank you all three. Appreciate it.

Moore-Love: The next three.

Hales: Good afternoon, Lightning.

Lightning: Good afternoon. My company is Think Lightning company, and my name is Lightning. Now, Google, don't be evil. You want to come into the city, and I think that's good. I think this agreement should be approved. But I really want to see more focus on -- we heard some statements that people that may not get Google Fiber will languish. Well, see, what I do in this city is I try to end chronic homelessness, and my concern is that these people are already languishing, and they need a way to get Google Fiber, they need a way to get into homes, and what I want to start seeing is that when we see large corporations, such as Larry Page and Sergey Brin -- you've done quite well for yourselves. When you decide to come into certain areas, what is your plan for these people that really need help? I can hear all day long on faster service, it's going to help all of these people. But let's face it, somebody that is outside sleeping on the sidewalks and in the doorways may not benefit from this. And I'd like to have the larger corporations, when they begin to step up and want to provide service, understand that we also need to protect the interest of the people that really need your help when you entered this city. And I want to hear a little bit more from Jared Cohen of Google ideas, and I want to hear a little bit more on how that's going to happen. And I absolutely do agree that this agreement should be signed, and I'm an absolute supporter of Google. I like your futuristic ideas, the directions that you're going in a lot of other areas. And I know it's going to be great, because you're Google, and it will be great. But I want more assistance for the people in this city that really need your help. And I want to see what type of ideas you're going to come up with to end chronic homelessness in Portland and Multnomah County. And I challenge you. I challenge you to do that, because I would like to see this service brought into this city, but I also want to see chronic homelessness ended. Thank you.

Hales: Thank you. Hi, good afternoon.

Dunetchka Otero: Good afternoon, Mr. Mayor, members of the council. My name is Dunetchka Otero, I'm the Portland Community Media program director. Our mission is to provide technology access for the purpose of having technology and training for the individuals to share their stories with digital inclusion and digital literacy. These opportunities at the heart of what we promote. The way I personally see it is that when I was a kid, my family had an Encyclopedia Britannica. I bet you guys had it, too. It was everything for my brothers and I. We would look at it every day, almost, every week, all the way until we were high school. Today, I do not have an Encyclopedia Britannica at home. I have internet. And I cannot imagine my daughters not having access to it, not in a million years. Now, 40 years ago, you would not imagine putting a 20-volume encyclopedia in every household of Portland. But what we could imagine today is to have access to internet and information in every single household of Portland. That's a huge thing for me as I see families and kids. Because even then when I was a kid, I could see there was a difference between my family with an encyclopedia, and those families without. So today, I totally dream this big, not only so people could have access to information to do their homework, but create content and share stories. Thank you.

Hales: It's funny you tell that story. My house is full of books. The other day, in an effort to secure more shelf space -- because we're always finding more books -- we realized that no one had opened the set of encyclopedias that we bought for the kids in at least 10 years, and it was time for them to go.

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Otero: Now you have Google.

Hales: Yes, we do.

Arturo Colorado-Munoz: Hello, my name is Arturo Colorado-Munoz and I am the community engagement coordinator at Portland Community Media. I just have a couple of things to say. Let me tell you about the human part of this history. When you put in somebody else's hands a computer, sometimes it's something expensive, sometimes it's something with access to the net. But when it is in somebody else's hands, especially grassroots organizations, day laborer centers, homeless, LGBTQ community, immigrants -- that means a lot because they have something else to say. Sometimes, when I'm talking about immigrants, somebody says, well, in Mexico, you only speak Spanish. Well sometimes, Spanish is the second language. Sometimes, Spanish is the second language, English is the third language, technology is the fourth language. So it's kind of complicated to say this is the future, believe it or not. It is like when sometimes we just like to read books or something like that to know about anything. So, now, with the technology, it's not just approach to schools, friends, or something else. It opens the door for you to the world, to communicate with other parts of the world, not just my friends on Facebook. So, that's all I want to say. And I really appreciate your time, thank you for listening.

Hales: Thank you. Thank you all. Anyone else? Come on up, please. Hi.

Robert Soper: All by myself up here.

Hales: Don't be nervous, it's OK.

Soper: Thank you for the opportunity to provide testimony. My name is Robert Soper, and I play music for a living. I also share my music online. The only broadband internet available in my neighborhood -- and most Portland neighborhoods -- is via one company which is now the primary residential ISP in the United States. In other words, we currently rely on a commercial monopoly for this vital public good. They are harvesting billions of dollars a year from U.S. broadband subscribers, yet they refuse to adequately invest in upgrading to fiber speeds because they know that we have nowhere else to go. The cable monopolies create artificial scarcity in order to gouge content providers like Netflix into signing contracts. In March of this year, level three, one of the large global tier one service providers, which forms the backbone of the internet called out this cable monopoly for deliberately harming the service they provide to paying customers. Instead of upgrading the network to meet increasing data demands of consumers, the cable monopoly funnels the fees it charges to pay generous shareholder returns, executive salaries, and lobbying of our elected representatives and regulatory agencies. I am pleased that Google Fiber may wish to expand to Portland and great to see Ms. Henry, the mayor, and others in this city have achieved a preliminary franchise agreement with Google. Personally, I would prefer to see Portland create its own fiber network, and I urge the city to move in this direction if a Google Fiber rollout fails to materialize. The City of Chattanooga, Tennessee -- thanks to public investment -- now offers residents symmetrical one gigabit service for \$70 a month. That's less than what we pay for service that's a lot slower. I believe the citizens of Portland would love to invest in a public network. However, I strongly believe that the competitive environment created by a Google Fiber rollout would still be much better for the citizens of Portland than the status quo. Internet is a vital public good. It is too important to be left in the clutches of a monopolistic, bad corporate citizen. Competition is in the public interest. Thanks.

Hales: Thank you. Any questions from the council?

Saltzman: I have a question for Mary Beth.

Hales: Could you come back up, please?

Saltzman: I just wanted to get on the record, which I -- well, I'll let you answer the question. So other providers -- Century Link, Comcast -- with respect to their desires to use public right-of-way for the equivalent of fiber huts. They will be accorded the same terms and conditions as we are according to Google?

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Henry: Yes. Today's franchise agreement is just for the use of the right-of-way, and it outlines the responsibilities for that. Staff is still in the process of working through the details of a fiber hut license.

Saltzman: So when you do reach agreement on a fiber hut license, will those same terms and conditions be available to other franchise holders?

Henry: Yes, that's my understanding. And you'll have the opportunity to look at it in more detail as we will bringing back that license for council consideration. It requires your approval.

Saltzman: But going into those discussions, that is our intent, is to be fair to all comers?

Henry: Yes.

Saltzman: Thank you.

Fish: Mayor, I have a couple of questions. Mary Beth, we heard from one person who testified from a public school about the benefits for students to have high-speed internet, and my 10-year-old is exhibit A in that. He plays video games but has three screens going at once, and they're all talking to him. I'm not sure who is actually talking to him. I probably should be screening that a little more carefully. But I guess that prompts the question, what obligation does Google have under this agreement to actually provide services to schools at a discount or under -- at a discount.

Henry: Under the current franchise agreement, there are no requirements for Google to provide services to schools.

Fish: Is that different than the current agreement we have with Comcast?

Henry: Yes. But I think it's important to understand that Comcast operates under a cable franchise agreement, which has a particular regulatory framework under Title 6 of the federal law. Google's franchise -- and Google is representing the services that they plan to deploy in Portland, which are not cable and not telecommunications. So, we didn't have that framework to make those kinds of requirements. We're hoping if Google does decide to deploy here, since there are schools in fiberhoods, that there may be a possibility to provide that second wire to the schools. But that is not required under this franchise agreement.

Fish: Just so I'm clear about that. Are you saying under federal law, we can't mandate it, or we can't even discuss it?

Henry: We can certainly discuss anything in an agreement, but we don't -- the regulatory framework under Title 6 provides us with more oomph, if you will, on the cable act. And it may be that Ben Walters, our attorney, wants to come and answer your question. I see him walking up to the dais. When I stray too far, he comes to the rescue.

Fish: When Ben gets that look, we all have to stop --

Henry: Exactly.

Ben Walters, Chief Deputy City Attorney: So, the franchise that is before you represents the best deal that staff was able to negotiate with Google in terms of the public benefits package that they were willing to offer. The question about whether or not they will be willing to expend to schools, that's up to them. It does allow them to identify 100 or perhaps more community organizations that they would connect with, and those might include schools. It might include others. They're going to go through a process of identifying those if they decide to go forward with building a system here. To the extent that -- the deal that is being offered is really the flip side of connectivity. You've got kids. I've got kids. Right now, those kids enjoy very high speed internet access at the schools, and then they come home, and we suffer by comparison. And the frustration that they experience because of the delays they get at their residential locations in comparison with what they are able to obtain at the schools causes us, as parents -- and I guess me especially, given my teenagers' expectations -- to look badly. For these, among other reasons, I suppose. So, but this --

Fish: I could give you some strategies for dealing with that.

Walters: We'll talk. But this is really on the flip side of that equation. It allows the students to get access to information that is commensurate with what they are able to do at school, only on a home

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basis. So, for those children who are home-schooled, they'll obtain benefits that are commensurate with folks at public schools. Those who are in distant learning situations, and even for programs like PCC which are trying to do more long-distance learning programs, it would benefit them as well.

Henry: I think it's also helpful to point out the primary focus of the broadband strategic plan was to get gigabit fiber connectivity to the home. That really was our focus.

Hales: Yes, I guess I was assuming, given the voracious habits of the teenagers that you both described, that schools are going to be an attractive site for Google or anyone else to serve, because of the hunger for bandwidth there.

Fish: Mayor, I was thinking, like at the Rosa Parks Elementary School, there's a special dedicated space for families to gather and parents while waiting for their kids to access computers and do work. And we increasingly see the technology in the schools, and we're moving to schools as community centers. So, my hope is that there is a way to link up the schools as part of this roll out.

Walters: One other thing to add. My teenage son would be the first to tell you that, technologically, I'm not the most advanced person on the block. But my understanding is that the residential offering that Google is rolling out -- or has rolled out in other cities -- is of a nature different than a commercial offering. The requirements for providing service to an institution are different from those of offering service to an individual home or apartment. And so, I anticipate that they're going to have to do some other types of technological approaches in order to connect up with the community organizations, the schools, etc. So it may be that they'll start with the homes and then there is talk -- and I think one of the witnesses previously referenced that there's word out there that Google is examining or starting to develop a business-based service, and we might see that, you know, if this rolls out here.

Fish: Two other questions. Once Google is up and running in Portland, and we have robust competition among a number of providers, will there be any substantive differences in the baseline privacy connections among customers?

Henry: That's a really good question and I'm not sure of the answer at this time.

Fish: I guess it is prompted in part by what we read in the newspaper about data mining by the government through all kinds of providers. Between now and the next gathering, could you give us just, you know, a thumbnail sketch about if there are any differences in privacy standards that are applicable and whether that raises any issue that you want us to consider?

Hales: And anything else that's come up today that you think should be followed up on in terms of information to the council, the issue of the home-run wires, for example, it would be good to get both of your perspectives on those issues or anything else we heard raised.

Walters: I can address the home-run wires at some level. I did look into that when that question was first brought to our attention. So, the FCC has actually addressed this previously. And their first initial approach was to say that a cable system operator could not enter into an exclusive arrangement for the wires themselves. And so, the ability to say only one entity can run wires into a building, if they try to enter into an arrangement on that basis for exclusivity, then that would fall afoul of the FCC's restrictions. Subsequently, a couple of years later, after a change in administrations, the FCC came out and said, however, we will allow cable system operators to enter into exclusive marketing arrangements. So, I will be the only entity that can approach somebody to market that service within an apartment building. And so to the extent of what Comcast is alleged to have done, it seems like they may have threaded the needle on this and come to where they need to be in terms of the FCC. I have not gone through that, and frankly, the city has no role at this point in time in the enforcement of that. That would be something to take up with the FCC

Fish: Mayor, I get these disclosure forms about all my credit cards -- this is post reform -- and I can't understand them. But this may be something you want to take up in terms of disclosure. Because the person who testified was a lawyer who had to sort of unravel it. And these are very hard things to read, they're usually in small print. I have one other question to ask. We had someone

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testify about the \$300 charge and whether it could be subsidized. And I'm thinking about the different ways that we sometimes subsidize upfront fees, either through having a fund -- I think the testimony was, could we take a portion of the fees we're generating and create an equity fund? Or it could be financing at overtime. But for someone who wants to take advantage of that great deal but has a problem coming up with \$300, will we offer any option?

Henry: I think we have the opportunity to develop that program in partnership with some of the community-based organizations. And indeed, the broadband plan did call for allocating a percentage of fees to digital inclusion. That plank just has not been implemented. So, if that's something that the council would like us to bring back a proposal on, we can certainly do that.

Fish: As long as it doesn't appear on the water and sewer bill, at least for the next month. But I would say I'd be interested in knowing what those options are so that what seems like a pretty good deal doesn't flounder on the fact that someone has a problem making up-front costs, and is there some way that we can help someone either by diverting a portion of the fees that we're getting and putting in a fund and subsidizing. The water and sewer utilities, for example, do offer discounts and other programs for people on a hardship basis, or people at certain income levels. I don't know whether we would have the same opportunity to construct a similar program, but I'd be interested in knowing what the options are.

Hales: Worth exploring. What should people be doing in the time between now and the next hearing in terms of both transmitting questions and concerns to the council and to you, and indicating the interest in Google Fiber to their home? What should citizens that may be watching this or hearing about this be doing for the next, whatever that is, 30 days?

Henry: We would welcome comments and suggestions from citizens. And Portland Community Media has put our email address on the screen, so definitely send your comments, and I'm happy to forward those, if they're directed to the entire council, to you. We will prepare a summary of those comments for you to review prior to the next hearing on June 11th.

Hales: Other questions?

Walters: In the interim, just the second part of your question. And I'm going to remind Mary Beth that there is a preliminary sign-up approach. I'm not the marketing person. I'll let Mary Beth handle that.

Henry: If you Google google fiber cities, Portland is one of the next batch of cities. And you do have the opportunity to put your zip code in if you would like to keep apprised of Google's plans. That's not the city of Portland, but that's Google's plans, and there are some people who want to know what they're up to. And that's one way to do it.

Fritz: Thank you. I would very much like to see a proposal for how we might apportion some of the franchise fees from this franchise to making sure that people can get access. So I'm looking forward to that coming back. We heard from Ms. Fisher and Mr. Kersten about how they were helped by Portland Community Media and, indeed, the commitment from Portland Community Media staff. I'm concerned about the history in Kansas City, where Google has taken market share from existing cable companies. And if that happened here, it would have a significant on the Public Education and Government, the PEG fee that we currently charge, the 3% fee. So why is Google proposed to be allowed to provide the equivalence of cable TV, the video services, with no PEG fee attached?

Henry: Well, as Ben outlined, this is not a cable franchise agreement. I think there are -- it's really a completely different order of magnitude in terms of what this might mean for our community in terms of gigabit to the home. So, we were looking at this agreement as a way to begin to fulfill our broadband strategic plan. A deployment like this would go a long way towards doing that. Regarding digital inclusion, I would characterize it as a preexisting condition. It wasn't caused by Google, it exists in our community today. And whether or not Google deploys, we should be addressing that issue. I'm hoping that, if council is interested, that we can move forward with allocating some of the funding that will be generated by this agreement towards addressing digital

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inclusion, and I'd also say that the landscape and environment for PEG fees and what's happening is such that it could change at any time through a court case, a court ruling, at the FCC, or in Congress. What we really have is a regulatory framework that is lagging behind technology innovation. We think the PEG program is fabulous. It's given many, many benefits to the Portland area. I don't know that it's going to continue forever. It may not, given some of the proceedings that are currently going on. And I think we need to take our future into our own hands at the local level and fund things that we think are important.

Fritz: Will the Google service be able to allow customers to watch television?

Henry: Yes. They offer a video product.

Fritz: So why wouldn't we put the PEG fee on that portion, especially for --people to sign up for which packages they want, is that correct?

Henry: I don't know the exact types of packages that they offer. But I know that they do offer a video package.

Fritz: So, is it not possible, like we do with other service providers, to portion out the number of customers who are buying that package and ask for the PEG fee?

Walters: So -- Commissioner, there are two levels of the PEG service. The council receives franchise fees, those go into the general fund. The council then allocates, on a budget basis, the amount of moneys that it will set aside to support the operation of Portland Community Media through a contract. So that is on the operational side. The PEG fees that people have identified provide for grants to invest in infrastructure, and those are for -- under the franchise -- the cable-related services. And those are specifically provided for in Title 6 of the federal statute relating to the regulation of cable franchises and the cable franchise process. So the city went through a process, as provided under cable law, of going out and doing a survey of the community and asking, in the context of cable services, what kind of a benefits package would you like to see? The response was we would like to see continuing access to community media through the provision of PEG access channels. We're getting that in this Google franchise. And we'd like to see a continuing support for PEG services on a cable service side through a PEG fee. But now that we're in the context of Google franchise, this is not a cable service. They have specifically indicated and the franchise identifies that they are not providing telecommunication services and they are not providing cable services. And so, we're outside of that context. And really what we're in is the context of, what did we identify as being the goals under the broadband plan? And that was the framework that staff worked under in terms of trying to identify what an appropriate public benefits package would be.

Fritz: Would you be allowed to charge a PEG fee on the video services?

Walters: If you wanted to do a PEG fee, it would require us to amend the franchise at this point, which would require us to go back out and republish, and it would require that the entire process would be set over for another 30 days. There would be another reading. It would delay the project.

Fritz: But it would be legal.

Walters: Well, it -- we would have to see if they would agree to it. That would be the other part of the process. We would have to go back and ask them, is this something that you would agree to in terms of an additional financial commitment?

Fritz: So, I think the council has some challenging -- I mean, this is a great occasion, and I certainly am glad that we got to this agreement. Knowing the history in Kansas city, knowing that 75% of the homes that subscribe there were in middle to high income, and only 30% in the lower income areas, it seems like we could be dedicating all of the franchise fees from this franchise to doing the good works, and that may be what we are going to need to decide. But certainly supporting the Portland Community Media and the regulatory commission and their grant program seems to me part of what these information technology services do.

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Henry: It's really about change, and actually [indistinguishable] had planned to testify today but she was called away for a family emergency. She is very supportive of the google franchise agreement.

Fritz: Thank you.

Hales: It will be good to hear from her when the family emergency is resolved happily, and she can follow up with Commissioner Fritz and others on the council on that.

Henry: Mm-hmm.

Hales: Other questions, comments? This comes back to council action on --remind me of the date --

Henry: June 11th.

Hales: We will take a vote then. I guess I just want to say thank you, Mary Beth, to you and to Ben, and to our staff who worked so hard on this. Thank you, Darcy and Gil and the others from Google who have worked so hard with us. I think this has been a very productive negotiation, and you've given us a great proposal. I guess I want to close my thoughts on this for the moment by saying that I've got good news and bad news. The good news is I think this is one of the most thoughtful public hearings that we have had in a while. Excellent testimony from both our invited panelists and from citizens about the implications of this incredible change in how we are connected to the world for people in their lives. And the bad news is for both Commissioner Fish and Ben, from personal experience, I can tell you that even after Google Fiber has arrived, and you have a massive increase in speed at your home, and even if you're fairly cognizant of how all this works, no matter what you will still be, in the eyes of your teenagers, hopelessly behind the times. You are in a losing battle there and you will not win until they are 23 or 24. So, bear with that and good luck. Any other closing comments? We will take a couple of minute break and take up the second item this afternoon. Thank you all. We will be back here on the 11th. Thank you. [gavel pounded].

At 3:38 p.m., Council recessed.

At 3:48 p.m., Council reconvened.

Hales: We will begin.

Item 418.

Hales: I have an uncharacteristically long introduction, but this is a really important piece of work and a significant change in how we do business in Portland. So I want to make sure that we cover important aspects of this proposal. At our budget work session in April, we talked about three aspects of PDC's work. That is, what, how, and where PDC does its business. What type of work, how it does that work, where it does that work. Today, this resolution is about the where. First, I want to recap the other two aspects. That is, what type of work PDC does. Of course, PDC is going to continue to do economic development, but we are refocusing a greater level of effort on its traditional role of redevelopment. We'll start soon on update of PDC's five year strategic plan, and that will help us answer those questions. Secondly, in terms of how PDC will be doing its work, we will, in partnership with local stakeholders, be developing targeted strategy for each of the urban renewal areas that we will have going forward after this action, instead of using a sort of a one-size fits all approach to those URAs. We've completed a five-year action plan for Lents, we're working on one and wrapping one up soon for Old Town/Chinatown, and starting one for Gateway. Again, each of these districts different places, and the place-making and development strategy for each one needs to be customized to its own culture and reality. The Portland Development Commission, the Bureau of Planning and Sustainability, and PBOT -- the Portland Bureau of Transportation -- are all involved in a year-long effort to plan for the central eastside, where we've invited in the urban land institute to work with our professionals to come up with a great plan for some really exciting opportunities there with the expansion of light rail. There are three key elements of the plans. One, PDC will work with multiple city bureaus, it isn't just a PDC plan. Secondly, we will work to attract private investments to bring jobs and develop buildings by providing certainty about what the plan

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is and other incentives. And we're going to set measurable goals. What are the problems we're trying to solve and how will we measure their solutions? Now, as to where PDC will be doing its work, that's the focus of today's resolution. And that issue is really at the core of urban renewal under Oregon law. When we create an urban renewal area, we make two promises. First, that we'll use public investments to stimulate improvements in an area of the city that has been rundown. Secondly, when we use tax increment financing in an urban renewal area, we're going to make improvements that produce more tax revenues in the future for the city and county and schools. It's a boot-strapping scheme, it needs to add value. And those are the two promises that our citizens are concerned about. To justify using the tool anywhere, we have to be able to say there's blight, we can successfully intervene -- and then we have to put that area back on the tax rolls when we're done and deliver more property tax revenues to the general good. I heard over and over during my campaign that citizens were concerned that we weren't delivering on those two core promises of urban renewal. So, last year, we started to take a hard look at our 11 existing urban renewal areas. And there's a mixed bag. Some are doing fine, there are some that need changes, and there are some that are not going to be cost-effective. So, what we have tried to put into that package -- putting urban renewal to work where we need to address blight and where we can create jobs and grow tax revenues, get more money on to the tax rolls for our jurisdictions sooner than the status quo would, reduce the amount of acreage that is locked up in urban renewal areas, honor the spirit of the council's commitment to Portland State University, and protect the amount of funds available for affordable housing. So all five of those. Address blight, put more money on the tax rolls, reduce the acreage, keep our commitment to PSU, and keep our commitment to affordable housing. The proposal that's in front of us meets all those goals and puts \$1.06 billion -- that's billion with a b -- of property back on to the tax rolls, and gets \$158 million more revenue flowing to city, county, schools, and libraries over the next 30 years. Today, we will vote on a resolution that does two things. First, it starts the process of preparing all of the specific amendments that are needed to make this real, and to bring them back for votes in the fall on the full package. Secondly, immediately directing the Portland Development Commission to collect fewer taxes this year, collecting them as if all of the amendments have been approved in order to get more than \$3 million back to the city and the county in the coming fiscal year. So, we have to be able to tell the county, essentially now, we're not going to collect this much revenue because we're making this package of changes. This is a non-binding resolution, but it's important that we state our intent very clearly to reassure our partners, including Portland State, and including the constituencies of all of the urban renewal areas, that they can count on us. But we may learn something in the public involvement process ahead of us, and that's why I am going to propose a minor amendment that says, in the first resolved, that if there are modifications which equally or better meet the goals that we've outlined, we will consider those as well. So we'll have that amendment in front of the council here in written form so that you can take a look at it. Actually, I think Ed has given me a couple of copies, but I'm sure there are copies for the council. This whole effort has taken a lot of work over the last year. I would like to thank a few people who've helped and who've been part of the discussions. Portland Development Commission staff. First of all, Patrick Quinton, who is away, Kimberly Branam is here, and Lisa Abuaf is here. Tony Barns, Fey Brown, and Robert Smith -- the team of people at PDC who've worked very well. The Office of Management and Finance, Jonas Biery, Patti Tigue, Fred Miller, Bob Kieta have all contributed to this set of solutions. Multnomah County Chair Madrigal who is here, and who we'll hear from shortly. Emerald Walker, from her office. Portland Public Schools, Superintendent Smith, David Wynde. PSU President Wiewel, who is out of town this week, but who has been a great partner and who has negotiated in good faith a set of solutions here that will work as well or better for PSU than what we had previously committed to. Monica Rimai, Dan Zalkow are here from PSU to speak today. The League of Women Voters, Debbie Aiona and others who were integral to this work. Thank you. My city council colleagues, and

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particularly Ed McNamara on my staff who has worked patiently to bring this good idea to this day. Thank you, Ed. Now I want to turn this over to PDC and to our invited guests for a presentation. Because there is a lot of information, I guess I would like for us to hold our questions, if we're willing, until the formal presentation is done. I'd like to start with Chair Madrigal and Scott Andrews. We have a couple of wonderful people who unfortunately are short-timers here, Ed McNamara and the two of you, at least in your current roles. But we're so glad that you're here today. We want to give you first opportunity to speak, Chair Madrigal, because we know you have other commitments, and we'll take it up from there.

Marissa Madrigal: Thank you, Mayor Hales and Commissioners. First, I'll say that there was a time not too long ago that the only reason that a County Chair would be testifying before city council on urban renewal would have been to oppose it. We've come a long way as partners and collaborators over the last half dozen years. In 2008, PDC and the county agreed to make sure that any expansions or new urban renewal areas would be created in collaboration with the county. We went down to Salem and negotiated legislation that created the revenue-sharing mechanisms for new urban renewal areas and expansions. We partnered on the neighborhood prosperity initiative and the micro districts and business neighborhoods that really need our help and align very well with the county's mission -- in fact, so well that over the life of those districts, the county will invest the revenue sharing that we would receive back into the districts. Urban renewal is helping us build our new health department headquarters so that we can be partners in revitalizing Old Town. So, we have done a lot together. We have some so far from the place where we were where it felt often that urban renewal was something that happened to the county and to other jurisdictions, and we didn't have a say and we didn't have any influence. So it's in that spirit that I am here today supporting this concept that you'll be discussing today. I believe it's absolutely a step in the right direction. We are very grateful, of course, for the additional revenue that would be coming back to the city -- excuse me, to the county -- and just feel that the refinements that you've made to the plan and the opportunity for additional public comment and testimony as you go forward. You will debate the particulars, but in concept, I'm very personally supportive -- and I know that members of my board are also supportive as well -- and look forward to partnering with you however we need to, whether it's in getting additional public input or helping shape how these exciting new investments will come.

Hales: Thank you. Thanks very much. Appreciate your partnership in this and quite a few other things as well. Thank you.

Scott Andrews: Since she has to leave, why don't we call up the rest of the team that will be helping me. I will get started. Thank you, Mayor, and good afternoon, Commissioners. Since the adoption of the city of Portland economic development strategy, PDC and city council have worked very hard to achieve our economic and redevelopment agenda and to maximize the impact of our investments. I believe that we have been very successful in this effort as a community. Portland was hit very hard by the recession, but we have emerged among the top metropolitan centers in the country from a recovery standpoint. Mayor Hales' proposal today represents another step in the right direction. It allows for the strategic investments we need to continue to strengthen the central city as a regional asset and employment hub. It also supports the central eastside industrial district and north Mac, two employment districts with considerable development opportunities. I'm very optimistic that the new and reuse development in these two districts will meet unmet needs as our economy continues to grow and evolve. We're shifting these days from traditional office and industrial uses to innovation, knowledge, and craft manufacturing based industries that need new real estate models. Seeing this as a commercial real estate broker firsthand, firms want the kind of space that's in central eastside, and we can't find it fast enough. This proposal is also an example of continued productive relationships between PDC, City, and the other taxing jurisdictions. It delivers immediate benefits to the taxing jurisdictions, and helps the city and PDC make investments where

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they'll have the biggest impact -- truly a win-win. It also builds on other recent examples, including the innovate neighborhood prosperity initiative districts, which created no long-term debt, and revenue-sharing legislation, which ensured that the taxing jurisdictions receive some benefit when there's early success in urban renewal area. And this approach also provides time to continue to solicit input from the community. I have every confidence PDC and the city partners will work with stakeholders to craft a final proposal that has widespread support. Finally, I believe this proposal preserves our critical partnership with PSU. I personally supported and advocated for the creation of the education URA, and I was as concerned as anyone about backing from our commitment to PSU. However, I believe the end result of this proposal will be as good if not better than the original proposal, and PSU will receive resources both sooner and with more certainty. PDC will continue support PSU as a key anchor institution in our central city that drives significant economic activity, produces a skilled workforce, and becomes a world-class institution. Although this is only an advisory vote, this vote is very, very important to PSU in particular to give them the confidence to move forward and negotiate the details of the agreement with them. So with that, I urge you, personally, to support this proposal. Thank you.

Hales: Thank you.

Fish: Would you have an objection if we put a friendly amendment on here to extend your term an extra year?

Andrews: You would have to talk to my wife about that. [laughter]

Hales: OK, Kimberly.

Kimberly Branam: Good afternoon, Mayor Hales, Commissioners. I'm Kimberly Branam, deputy director at the Portland Development Commission, and I am joined by Lisa Abuaf, who's our central city manager, and a team of experts behind us who have done all of the number crunching who we will probably be bringing them up at some point to answer any questions that you might have around some of the specifics. We're here this afternoon to present the proposed package of changes, discuss the impacts of each urban renewal area amendment, and then talk about the process ahead. As the mayor mentioned, the proposed package of URA changes is intended to meet and balance multiple objectives. The first of which is to reduce the impact of urban renewal on taxing jurisdictions and provide additional revenue to the city of Portland, Multnomah County, state school fund, and others. The second is to provide resources to meet our redevelopment, economic development, and affordable housing objectives where TIF can be an effective tool. And the third is to continue to support PSU. To achieve this, the proposed package closes or reduces four urban renewal areas, Willamette industrial, river district, Airport Way, and education urban renewal areas, and extends and expands both the north Macadam and central eastside URA. It also solidifies the partnership with PSU through entering into a development agreement.

Fish: Ms. Branam, can I ask you a question about that? For those of us who have trouble conceptualizing, could you put it in plain English around how many acres are currently covered by urban renewal, and net of the changes, what's the difference?

Branam: I'm going to look to my numbers experts.

Andrews: So a net of the entire package?

Hales: Of new acres reduced --

Fish: Let's say we have two acres today and after this, an acre and a half. What's the existing and then net and then the net.

Branam: Yes, so existing is about 13,000 acres. 13,000 acres are currently on, and it will be reduced by about 1600 acres. So, what's the math on that --

Hales: A little more than 12%, something like that.

Fish: And the cap is 15,000?

Branam: 15%.

Fish: OK, thank you.

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Branam: So, as a result of this resolution, if approved, city council would submit a form to adopt in the 2014-2015 budget, which would direct the tax assessor to return less resources to PDC, as if the Willamette industrial and river district amendments were effective. And we would take next steps to move forward with the staff work, which is technical analysis, the findings, the documentation, as well as conduct public outreach and coordinate with our partners. We would anticipate bringing the amendments to the PDC board and city council for approval this fall, and would make sure the education in the north Mac districts would follow the completion of a development agreement with both PSU and ZRZ. The net impact of the package is to return over a billion dollars to the tax rolls for fiscal year 2015-2016, to provide \$5 million to taxing jurisdictions in fiscal year 2014-2015, provide an additional \$150 million to taxing jurisdictions over 30 years, and to maintain the investment in affordable housing through the changes in the urban renewal areas, as well as a closeout approach in the south park blocks URA that would add \$5 million of affordable housing.

Fish: Can I ask you a question about that? The resolution says, net present value of approximately \$67 million before compression. Could you explain the before compression part?

Branam: So, compression this year. I am not the expert on this one, but compression, basically ultimately reduces the amount of resources, in some cases, that are returned to the taxing jurisdictions. So for example, before compression, the city of Portland would have received, with our model, about \$1.8 million as a result of the changes in this coming year. You will, in fact, receive \$1.6 million. So that \$200,000, basically, is a result of the compression, which means that only \$10 per 1000 of general governance can be assessed.

Fish: So by saying before compression, we're saying the number goes up?

Branam: No, the number returned would likely go down. Yeah, so it would likely be less. The models in the spreadsheets that you have to use in order to actually calculate compression are somewhere in -- there's just huge calculations that go into it. So there's no model that we have that can calculate for it right now. And so it's really hard, when they are looking at it, to guess. The proposal also seizes the opportunities to implement the central city plan, and make investments where we believe that it's important for the city to have resources to invest and take advantage of key opportunities. So, Airport Way is basically closed. It's an option three district, and we're not issuing any more debt, we're only spending out the remaining dollars that are available through our existing assets. So the proposal to reduce Airport Way by approximately 40% of assessed value will release nearly 850 acres. The acreage then becomes available for use in future urban renewal areas. So, there's no fiscal impact because an option three district -- the district already returns all revenue to the taxing jurisdictions that's not needed to pay debt service. And I would just note that it's worth pointing out that the district has seen significant investments and redevelopment with the Cascade Station, Riverside Parkway, and the red line. And as a result, the assessed value in this district has grown from 150 million to 1.2 billion over the life of that district. Within the river district, the proposed reduction of approximately 30% of the amended plan value would release tax revenue to taxing jurisdictions equal to about \$30 million in the next six years, and it would maintain PDC's ability to invest significant resources into Old Town/Chinatown to create a vibrant, economically healthy neighborhood, as well as maintain resources to move forward on the redevelopment of PDC-owned regional assets, such as Centennial Mills and Union Station.

Fish: I have a question on this slide. Does our action today explicitly or implicitly set the investment priorities in Old Town/Chinatown?

Branam: It does not.

Fish: OK.

Branam: The proposed amendment to the Willamette industrial urban renewal area would amend the plan to return all future revenue collection to the taxing jurisdictions, release the acreage from the URA limitation calculation, and use the remaining existing assets to support manufacturing companies. And modestly increase revenue to the taxing jurisdictions. While the district hasn't been

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successful in generating the resources, and there hasn't been much activity, we do still believe that there's a strong need to invest in the industrial waterfront, and we remain hopeful we can put existing resources to work, especially with anticipated federal clarity around the superfund sites, and with increased manufacturing activity as the economy recovers. And we see evidence of on-shoring occurring. The proposed amendment to the education district would move approximately 35 acres from the education district to meet a set of PSU priorities through a series of investments in the north Macadam urban renewal area, and release the remaining acreage and property tax revenue to the taxing jurisdictions, closing the district. With no long-term debt issued, we could keep the district open next year to cover existing obligations and then close the district in fiscal year 2015-2016. So that's an overview of the districts that we would reduce or close. With that, I am going to ask Lisa to talk about the two that we would expand and extend.

Lisa Abuaf: Thank you, Kimberly. And thank you Mayor Hales and council members for inviting us today. I'm Lisa Abuaf, I'm the central city manager with the Portland Development Commission. We wanted to take a bit of time to not only go over the proposed amendments for the north Macadam and central eastside URAs, but also to provide additional detail regarding the projects, timing, and partnership opportunities that have been identified as key priorities for the future of Portland's central city, and which could be leveraged through the proposed urban renewal changes before you today. So first, to go over the north Macadam urban renewal amendment proposal. As many of you are aware, the south waterfront has seen significant development in what is called the central district with a public-private partnership that generated approximately one billion of new taxable value. Today, there's an outstanding opportunity in the district with the 50 plus acres of brownfield that abuts the light rail alignment and station that are under construction. With regional support, including support from the city and PDC. The Tilikum Crossing and the new light rail alignment will open in fall of 2015, improving OSHU's and PSU's connections to the central eastside and key institutions in the central eastside, like OMSI and the Portland Community College. To the north of the south waterfront light rail station is OHSU'S Schnitzer campus, which is projected in their facilities plan to be developed with educational, research, and commercialization function, including the Knight Cancer Institute and Knight cancer challenge investments, which were supported by city council as well as the state. PSU and OHSU are completing the collaborative life sciences building as part of this facilities plan, and considering future partnership projects for this particular area. To the south of the future station is the Zidell site, and ZRZ has recently completed a concept plan for future build out of their 30 plus acres. They've recently initiated development along the improved SW Moody -- that was supported with city resources -- with the 118 unit Emery, which was completed in the fall of last year and offers units that are right in line with the city's 100% MFI target. ZRZ is seeking to further develop property adjacent to the Emery and north of the Ross Island Bridge, and have entered into discussions with the city and with PDC which have focused on how best to coordinate between development and infrastructure timing and investments. Specifically, the proposed amendment to the north Macadam urban renewal area would expand the district to include the 35 acres of the education urban renewal area, as Kimberly mentioned. The amendment would also extend the last day to issue debt from five years, from 2020 to 2025. But it involves no change indebtedness within that district. The additional resources would provide PDC and the city approximately 66 million to deliver on development, affordable housing, and infrastructure objectives in the district that continue to be a priority to stakeholders. Investments like affordable housing, infrastructure needs along southwest, with the future southwest bond and the greenway, as well as working with the office of transportation to identify south portal improvements necessary to provide continued and efficient access into and out of the district. These infrastructure investments are critical to south waterfront's ability to develop, and the ability to leverage additional taxable value on the Zidell property. As I mentioned, we've been in discussions to prepare an agreement, and we would anticipate to continue those

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conversations and finalize an agreement towards the end of the year concurrent with the URA amendment work. Having covered those items that would be supported in the existing URA boundaries, I would like to now address the framework that the city has pursued to partner with PSU if the URA is expanded. The 35 acres of expansion area, which will be identified over the coming months in participation with both our stakeholders and our partners, would reflect key opportunities of priority for PSU growth. Similarly, the proposal would make key resources available to PSU on a shorter timeline needed for development projects and opportunities that have been identified by PSU as priorities. Projects like the school of business and the redevelopment of the University Place parcel owned by PSU, together with new development along SW 4th Avenue -- and that's the area that you see in the yellow on this slide. PSU is just completing a public process to gather feedback from both internal PSU stakeholders as well as neighborhood partners regarding redevelopment of the University Place site and the 4th Avenue properties adjacent to the Lincoln light rail station. The opportunity for a joint PSU-city-PDC partnership would be solidified in a development agreement, also to be negotiated concurrent with this package moving forward with technical analysis. As conceptualized in the partnership commitment letter that was shared with you as well as with PSU, the development agreement would cover projects and commitments such as a \$2 million investment in the school of business, transfer of PDC-owned Jasmine block properties, facilitation and support for redevelopment of the University Place site via a public-private partnership, including an investment of \$13 million of tax increment resources, and a commitment by the city to buy or lease 30,000 square feet in conjunction with PSU's plans for a new school of education along the south Park blocks. And in developing this commitment letter, the Office of Management and Finance did take a look at the city leases that have been presented to you -- which are terminating in the next few years -- which could be relocated to a city-owned or controlled asset while helping PSU leverage a state bond match.

Fritz: When did you send that letter to me?

Abuaf: I believe it should have come on the 5th of May. I think the beginning of the week.

Fritz: OK, thank you.

Abuaf: I think it came from the mayor's office. I think it was transmitted to the city council members.

Fritz: Thank you.

Fish: Could you stay on that slide for a second? My recollection is that in north Macadam, we have an outstanding obligation to develop about 200 units of affordable housing. So Gray's Landing was the first installment, and then we're waiting for the resources to do the second 200 units. And I guess the question is, does the amendment change either our projections around available resources to meet that commitment, or the timeline that we've been operating on at some point to meet that commitment? And I understand both were pretty gray, but I'm just curious whether this changes in some way the thinking about when we meet that obligation.

Branam: I don't believe that that it should. The additional 35 acres amount to approximately \$17 or \$18 million of additional indebtedness that we can access, so that basically supports our agreement with Portland State. And so the additional resources that we'll have access to as part of this amendment should actually help us meet our affordable housing objectives, period. I think that right now, there are a number of resources that we would be leaving on the table because we won't be reaching maximum indebtedness, so this increases the pot. And the expansion shouldn't have a negative impact on any of the previous obligations.

Fish: I guess that's what's most important for me, that it has no negative impact.

Branam: No negative impacts.

Fish: In terms of the available resources or timing, which understandably, were waiting for new development.

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Branam: Right. And right now, it's a very tight district so there are few resources in the next couple of years.

Fish: OK, thank you.

Fritz: I'm not seeing the letter of agreement in my email. It wasn't attached to the resolution, right?

Hales: We'll get you a copy.

Fritz: Has it been published to the community?

Abuaf: It is a public document, and I know it has been provided to the press. I don't know that we have sent it to wide distribution lists, but it's certainly available, and you should have received it. So we'll make sure you get it immediately.

Hales: OK. Go on.

Abuaf: So next I will review the proposed amendment and project pipeline for the central eastside. The expansion and extension proposal for the central eastside is based on similar known opportunities to spur new commercial development in one of the city's fastest-growing job centers. With limited remaining resources in the central eastside, PDC is wrapping up our investments at the Burnside Bridgehead properties at the central eastside's north end, and pursuing acquisition of the ODOT block as a heralded development opportunity for the district. As part of the central city 2035 southeast quadrant process, PDC has partnered with the Bureau of Planning and Sustainability to analyze development opportunities at the southern end of the district. Opportunities identified as part of their discussions with the district stakeholders, including the Central Eastside Industrial Council. In particular, the analysis examined options to preserve ongoing industrial and commercial growth in the district while allowing for increased job density, in particular, along the light rail alignment. Those sites are the sites that you see called out on this slide. A number of the sites considered also offer the opportunity to leverage the city's investment in light rail, and development in this area will be important to generating the fees that were projected to cover the city's financial contribution to the alignment. The proposal before you regarding amendments to the central eastside would extend the district similarly to the north Macadam by five years, and from 2018 to 2023. The amendment also proposes a 20% increased maximum indebtedness to make additional resources available to realize new development and/or infrastructure investments at sites such as the ODOT blocks or the Clinton light rail station. The expansion area will be refined as part of the technical analysis that this resolution instructs PDC and city staff to undertake. Similar to the north Macadam area, we have not yet identified specific expansion area boundaries, as we foresee these being influenced by both the Bureau of Planning and Sustainability central city process, as well as the stakeholder committee's findings coming out of the southeast quadrant planning process. However, there have been initial discussions regarding the Clinton triangle -- which is the yellow area you see here -- given the city's control over a sizable portion of that site. As part of the southeast quadrant process, the community is also looking at the two stations to the south of the Clinton station, including the Rhine station, which is off this slide but adjacent to the PGE property we did take a look at as part of the development opportunity's analysis in conjunction with the Bureau of Planning and Sustainability. Defining boundaries and prioritizing development opportunities and investments is one of the types of decisions that we will bring to the community as part of our joint work with the Bureau of Planning and Sustainability, the Housing Bureau, and the central city 2035 process as we undertake the URA amendment technical analysis that is called for in this resolution. Thank you, and that concludes my presentation.

Hales: Great. Further questions for Scott or for our staff team here?

Andrews: We'll be back.

Hales: You will be back, OK. Let me call the next panel that are here to speak.

Sandra McDonough: Good afternoon, Mayor Hales and members of the council, my name is Sandra McDonough, and I'm president and CEO of the Portland Business Alliance. I'm here to support the proposal before you. The alliance is a long-time supporter of the appropriate use of tax

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increment financing and urban renewal as a catalyst for economic development and job creation. And I underline the word appropriate because we agree with the mayor that the major litmus test should be the use of tax increment dollars result in more revenue over time for the taxing jurisdictions, and would've occurred without the public investment. This can be accomplished through the direct investment by the city and tax-generating operations, or catalytic investments that attract private sector dollars. We have also maintained for some time that the urban renewal district should not live forever, and at some point, the property must go back to the tax rolls. We have supported the creation of many of the districts in today's proposal, but, like with anything, we agree that they should be reexamined in light of current conditions and needs. As I said, we support today's resolution, but we also think that the next step in the process is very important, and that is the development of actual plans for each district and the involvement of the groups within each district in the creation of those plans. I do want to call out the education district, which this plan would eliminate. We supported the creation of that district in the first place because we believe a strong Portland State University is critical to our ability to grow and retain jobs in this region. We are pleased that you have reached an agreement with Portland State to expand the north Macadam district to accommodate the university's growth, and provide an immediate opportunities to accelerate PSU's growing role as an economic engine in this region. We believe the major focus for PDC and its urban renewal investment should be on catalyzing private sector job growth. While we have recovered most of the jobs we lost in the recession, we still have wages and income that lag behind the national average for major cities. And many families find it hard to afford to live in Portland. Looking at this proposal, we applaud the extension and expansion of north Macadam and central eastside districts, as they pose significant opportunities for job growth. We do support the use of the central eastside district moneys to include the Milwaukee light rail station areas, but we hope that you will work with the interests in that district to also make sure that it's used for other development purposes there as well. We understand that the proposal eliminates the Willamette industrial district, but we appreciate the remaining bond proceeds will support manufacturing industries in that area. We think that that's very important. And we support the proposed 30% reduction of the river district, but also retaining the other 70% for use in work that still needs to be done, particularly in the Old Town/Chinatown part of our city. We hope that at some point -- we recognize not now -- that we can consider expanding the boundaries of that district a bit to bring in more of Old Town/Chinatown so that we can address the blight areas that are in that very historic part of the city. And finally, we know that urban renewal dollars are dwindling, we think the proposal today reflects that, and we think that it's time to have a conversation among all of us about how we will continue to have funds for economic development activities and job growth in our region. Thank you.

Hales: Thank you. Welcome, Dan.

Dan Zalkow: Mayor Hales, members of the city council. President Wiewel is a few thousand miles away, and therefore I am here representing PSU. I'm the executive director of planning, construction, and real estate at PSU. He wanted me to convey his gratitude to you, Mayor Hales, executive director Quinton, members of the council, and other staff for working diligently these past couple of months in coming to terms with the university that are agreeable to both the city and PSU. So, thank you. We appreciate the collaborative effort to develop a plan that will support the growth of the university over the next ten years in ways that will benefit both our students and the development of the city. The new agreement recognizes PSU's critical role in education and research, and its economic and cultural impact on the city. It strengthens what is already a strong partnership with the city, and helps us plan for the future as we expand our urban mission. Now, as you know, PSU was a central player in the development of the urban renewal area. It's a very important to us and has continued to be since the inception. We supported that plan because it would have benefits, including bolstering growth and helping create low income student housing.

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However, we understand the education URA was just one way that the city could support PSU, but it wasn't the only way. And the agreement that's been reached between the city and PSU is a cost-effective alternative that would guide future development in the central city, including the university district. It shows continued commitment from the city to support our students, faculty, and community partners. In particular, the agreement recognizes that funding academic projects is very challenging. The joint partnerships in particular, like co-developing a building with PSU for our school education, is extremely valuable to us. So in conclusion, we support this resolution. We look forward to formalizing the development agreement with the city -- and the development agreement is what's particularly important to solidify the agreement, so thank you all.

Hales: Thank you. Brian, welcome.

Brian Newman: Thank you. Mayor Hales and members of the council, my name is Brian Newman, I'm the associate vice president for campus planning development and real estate at Oregon Health and Science University. Thank you for the opportunity to be here today to speak on this resolution. We're in favor of the resolution -- and I'm speaking on behalf of OHSU, but also as a member of the PDC central city budget advisory committee, where I've been on since that group was formed earlier this year. As part of the process, the budget advisory committee identified top priorities for the central city, reviewed next year's fiscal resources, and discussed alignment between the URA package and the budget. I'm glad to say that the priorities the committee identified throughout the central city, from Old Town/Chinatown to south waterfront and the central eastside, aligned directly with the package that's in front of you today, represented by the resolution. Similar to PSU, OHSU has been a long-time partner with the city to advance the goals of the central city and the community at large. Investments in the north Macadam urban renewal district will result in the completion of specific projects that have been long identified as needed to transform that district from a brownfield into an integral part of the central city -- an extension of the downtown, if you will. Specifically, the budget committee, as well as the north Macadam urban renewal committee before that, acknowledged the need to complete the transportation network in that district, as well as extend the greenway as a huge priority that's now becoming more and more urgent with the completion of Tilikum Crossing and the public's desire to connect bicycles and pedestrians to River Place and other areas connected by the Waterfront Park. As far as the transportation network, Bond Avenue is the priority yet to remain -- and it's not a new project, it's something that we've been working with the bureaus, PDC, and property owners like Zidell Company for some time. The completion of Bond will complete that north-south couplet with Moody, as well as help turn vacant urban land into re-developable land. Over the next four years, OHSU, as you may have heard, is planning on investing half a billion dollars -- apart from the billion dollar challenge -- in direct facility investments in south waterfront in the form of two buildings that would equal about a million square feet for the Knight Cancer Institute. The \$1 billion -- the program funds that are being raised as part of that challenge -- will help to save lives for Oregonians in the region and throughout the state by producing advancements in early cancer detection and prevention, and greatly expanding access to clinical trials for residents throughout the state of Oregon and southwest Washington. The Knight cancer challenge will produce about 860 full-time jobs. In addition to those jobs, it will produce thousands of construction jobs to build those buildings, as I mentioned earlier. But Bond Avenue also provides a critical transportation component that impacts more than just OHSU. It helps the Zidell property to leverage development on their property, as well as connects to the market and affordable housing and other businesses throughout the south waterfront district. And then the greenway, as I already alluded to -- the northern section of the greenway has been on the back burner for some time. The central district is moving forward, but it's because we've been waiting for the light rail crossing and we've been waiting for more of the ZRZ as well as OHSU development. As soon as the bridge opens, there will be a huge demand to complete that connection, and we're very much in favor of that. Much of that demand and vocal support is from our own

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students and our own employees. So we want to partner with the city to be able to advance that connection as quickly as possible to be able to fulfill that greenway dream that's been out there for some time. So with that, we're obviously in support of the resolution and in support of continuing this partnership with the city of Portland.

Hales: Thank you all. Questions? Thanks very much. We have three more people that we've invited to speak. Welcome.

Dennis Allen: Hi Mayor, Commissioners. I'm Dennis Allen, I'm the director of real estate for the Zidell Yards project. I appreciate the opportunity to come and speak in support of the resolution in front of you. The Zidell family has been on the land down in south waterfront for over 80 years, and as most of you know, have just completed an extensive environmental restoration project to rebuild the river bank and make the site ready for development. Our land is now one of the most strategic development opportunities in Portland. With the investment of the light rail bridge, which is spectacular, and other investments like by OHSU and PSU -- our partners down there -- we think now is the right time to capitalize on the momentum that's happened in recent years down in the district. We've launched an ambitious development plan a couple of years ago for what we want to develop the property into, which is a significant opportunity -- a different scale of development, really, for the city that could add several million square feet of buildings and millions, if not billions of taxable development to the tax rolls. As Lisa mentioned, we did our first project, opened it last year, which is the Emery apartments. It's a mixed-use project. As a matter of fact, I would like to invite everybody to Lovejoy Baker's opening on Monday for our first retail project opening down there. And we have two more projects in the planning stages now. So, we're excited to move forward with additional development to maximize the investment that has been done down there to date, and are working with PDC and the city bureaus on a development agreement now, and anticipate completing that with the timeline that in front of you today. So we would like to support it, thanks.

Hales: Thank you.

Fish: Can we add for the record that the apartment building that Zidell built down there is really beautiful, in addition to being very functional. And it's built in a rather interesting piece of dirt since it backs up against the highway and is on the west side of the road. Kudos to the whole team for delivering a great asset to that neighborhood.

Allen: Thanks.

Hales: Yeah, it's nice. Thank you. Welcome, Debbie.

Debbie Kitchin: Mayor Hales and Commissioners, thank you for the opportunity to address the resolution before you today. I'm Debbie Kitchin, the co-owner of InterWorks LLC and president of the board of directors at the Central Eastside Industrial Council. Our board has not taken a position yet on the proposal for the eastside urban renewal area. There are a number of details about the plan that we don't know yet, and also just some timing issues in terms of, it's gone to a couple of committees but hasn't gone to our full board yet for discussion. So today, I just want to talk about some of the details that are important to us -- and we understand that today's resolution is the first step in making amendments. While we think it makes sense to redraw boundaries, we hope that you will engage the Central Eastside Industrial Council and others in the community to prioritize the use of the resources in the district. We understand that urban renewal can provide a tool for economic development and job growth. Some of our concerns include how the money will be spent, and whether there is a focus on creating jobs and supporting development that is compatible with our thriving business district. Our business district has been one of the most successful through the recession -- and coming out of the recession -- in the city, compared to adjacent areas. We are also concerned about freight access and enhancing the vitality of the business, we are concerned about whether funds will be available throughout the district, or only available at the light rail stations. In particular, we are concerned that additional housing is not compatible with many areas of our

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business district. It's already allowed in a number of areas of the business district, and we are concerned about dealing with those impacts, but there are some areas that are in the industrial sanctuary where housing is not nearly as compatible. We want to ensure that the central eastside has and will continue to be a unique opportunity for Portland to grow its industrial and commercial job base. We're in an attractive location for startups, for growing businesses, and are home to a number of diverse industry clusters in manufacturing, distribution, and creative industries. Positive factors for our growth include the industrial sanctuary designation and zoning, stable conditions that promote long-term investments by business owners, and close proximity to downtown and the central city. As part of the central city 2035 southeast quadrant planning process, the city is undertaking a comprehensive and long-term look at how to support continued growth in the central eastside for the next 20 years. We look forward to working with you in the amendment process and beyond to address the concerns, and to assure that our thriving business district can continue to provide economic opportunities to our community. So, thank you.

Fish: Debbie, can I follow-up on something you said?

Kitchin: Yes.

Fish: I was skimming the resolution as you were talking, and it appears that the resolution is agnostic as to the issues you've raised about how the money might be spent, or a focus on jobs and the like. Do you read it as prejudicing your position, or do you agree with me that it's agnostic as to priorities within the district?

Kitchin: I would agree it's agnostic, I just think that there was a level of comfort that was not there -- in the discussions that we've had thus far with the land use committee and executive committee, there was a level of comfort that wasn't there given that it was agnostic, and there were details that they did not know about.

Fish: So the last resolve says that it will come back to us this fall.

Kitchin: Right.

Fish: After negotiations and amendments, are you satisfied that will give you a sufficient opportunity with PDC to address any concerns that you have?

Kitchin: Yes. We would like to be involved in the process, and have that also dovetail to some extent with the southeast quadrant. Which it is, it appears the timing when probably work out fine, but I think that there was a level of comfort about saying, yes, we want to go forward with this without knowing a lot of the details. So we're not opposed to it, we're just not taking a position in favor of it at this time.

Fish: So the third from the last be it resolved last clause says, and engaged community stakeholders to finalize the proposed amendments. Mayor, is it your understanding that that would include the kind of consultation that Debbie has raised here?

Hales: Absolutely. That and more. Because again, we're expanding a couple of urban renewal areas. We have property owners and organizations that are already engaged in the planning process through the central city process, but this changes the color on the map -- not in a zoning sense, but in the fact it will be in a URA where it wasn't before -- and obviously changes the duration of the URA, it adds five years. So that changes the possibilities as well.

Kitchin: I know some board members had mentioned the interest in the possibility of closing down the existing URA and starting a new one that had a different geography, but I don't know if that's been analyzed or looked at, and I don't know if it's feasible or makes sense. That was just an option brought up in our discussions.

Hales: Yeah, I don't know if the staff specifically has looked at that alternative or not. I don't think that would be proscribed, in that we're not counting on putting that area back on the tax rolls right now in order to make this whole proposition work.

Kitchin: I'm not sure that there is much interest in doing that, it's just that was one of the possibilities that was raised in our early discussions.

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Fish: Thanks for putting your concerns on the record. It's helpful to read this, hear your concerns, and then offer you the reassurance.

Kitchin: Thank you.

Hales: Great. Paul, welcome.

Paul Carlson: Mayor Hales and Commissioners, my name is Paul Carlson, senior vice president with OMSI. Thank you for the opportunity to comment on the URA changes before you today. As you know, OMSI is proposing a significant development on its property, and within what we refer to as the OMSI district. In our terminology, the OMSI district runs from the Hawthorne Bridge to the Ross Island, to the east it runs to the Union Pacific rail lines, and the highway 99-E. The OMSI district, in concept, envisions a job center focused on science and technology companies, while also creating a vibrant new destination for the community by activating the waterfront. This dynamic economic sector will benefit employment, education, and the tax base. The OMSI district will be anchored by the Oregon Museum of Science and Industry, and will be unique in its focus on education, workforce development, and evolving technologies. This focus will be evident in every aspect of the development, from infrastructure to architecture, providing a powerful incentive for companies and institutions in the science and technology space to co-locate. This vision builds on the industrial history of the central eastside, while addressing the need for more intense use of the riverfront as a destination for the community. Achieving the objectives of the OMSI district require a shared vision between the city, local businesses, business organizations, and major institutions. We've worked very closely with neighboring landowners and institutions, and have good support for this concept. We are currently initiating a strategic planning process that will integrate our programming with the jobs-oriented focus of the OMSI district and the CEID. In this regard, there will be many opportunities for public-private partnerships that serve to achieve the overall goals of job creation and the development of space for innovative companies to grow. For these reasons, we believe that the realignment of the URA programs as proposed is consistent with the goals of the city's 2035 plan and with the OMSI district plan.

Hales: Thank you. Questions? Thank you all. Thanks very much. I know we have people signed up, and I know the League of Women Voters is here, for example. How many do we have?

Moore-Love: Just Debbie Aiona.

Hales: Oh, just Debbie. Alright. Welcome.

Debbie Aiona: May I have an extra minute?

Hales: Of course, you are the League of Women Voters.

Aiona: Well, you know -- if you wanted to get home. [laughter] I'm Debbie Aiona representing the League of Women Voters of Portland. The League appreciates the steps the mayor is taking to rethink Portland's urban renewal areas. While we support the move to reduce the property tax diversions from the reduced and terminated urban renewal areas, we believe these decisions should be made in a full public process. The mayor's proposal and other alternatives deserve thoughtful consideration by city council and the public. As this effort moves forward, we urge PDC and city staff to conduct regular briefings open to the community and to post all materials on the PDC and mayor's websites. Although urban renewal issues are complex, there is growing understanding and concern about the impact this financing tool has on public services. In theory, communities utilize tax increment financing to revitalize blighted areas. The county, schools, and city forego property tax revenue over the life of an urban renewal district, including the debt repayment period.

Investments made in the district should increase property values more than otherwise would have occurred, so that in the end, taxing jurisdictions gain back the lost income and then some. For the river district, central eastside, and north Macadam, PDC should provide an analysis of the impact of planned projects on district assessed value and whether that value will be sufficient to result in a net benefit to the taxing jurisdictions. Urban renewal experts caution against the extending of districts beyond 20 years, because diverting revenue over longer periods of time can result in a net loss to

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taxing jurisdictions. If five years are added to the eastside, it will have existed for 37 years before it issues its last debt. Furthermore, information presented at the April 3rd council work session show little difference in the long-term to the city's general fund between terminating the river district in the next few years and removing 30% of the assessed value now. In addition to the analysis of the impact on the county, city, and schools, other material useful in considering the alternatives includes the following: an accounting of the projects planned in the expansion areas in north Macadam and central eastside along with their timing and cost, an explanation of how projects planned within the current boundaries of north Macadam and central eastside will be affected, a description of the cost, timing, and feasibility, and likelihood of pending river district projects. Also, consideration of city-wide projects that could be completed with general fund revenue realized by early termination. Exploration of other options for stimulating development within the central eastside station areas and an examination of the possibility of creating a new urban renewal areas there, an update of the north Macadam housing development strategy, and a determination of whether affordability targets are being met, and whether units in excess of 3000 are meeting the income profile of the city as a whole. Finally, we would like to thank the mayor for his efforts to preserve the affordable housing set-aside funds. Low income housing is such a critical need. Thank you for considering our views.

Fish: Can I ask you a question off of your submission?

Aiona: Yes.

Fish: It's because it's late in the day and we've had a long council. On page three, could you just -- in the chart that you've put in your letter -- would you just walk us through this, and particularly focus on what you have in the shaded area?

Aiona: So I copied that chart of an old copy of the housing development strategy for north Macadam. And at the time that draft was created, they were highlighting those two things, because they split those income levels at that time. And that's the only reason those are in gray. I couldn't find a version that didn't have the gray. But, do you understand what I'm saying?

Fish: Yeah, but this is an old chart as to the goals. So this isn't intended to show --

Aiona: I would say that still should be the policy right now, right, yeah. Because nobody has changed the urban renewal plan goals, as far as I know.

Fish: But this doesn't reflect what we've built towards those goals.

Aiona: And that's what we're asking for. We would like to see now a chart of how many housing units are there in the district now -- of all kinds -- and what are the affordability levels, and how are we doing on -- I know that we have Gray's Landing. And what's the name of the Zidell one?

Fish: That's market rate.

Aiona: But still, the strategy shows a broad spectrum of income levels. Not just --

Fish: You want that updated.

Aiona: Yeah. If you are going to amend the plan to this extent, I think that that should be updated.

Fish: I just wanted to make sure I understood it. Because I agree with you, I just didn't know how to read this. That seems like a rational request based on what we're trying to do, to have updated information.

Hales: We might want to get the staff to come back up and talk about how the plan amendment process will work, assuming that we've sketched out the parameters. But let's take a momentary break, and return and bring staff back up.

Fish: Maybe three minutes or so?

Aiona: One more comment. From what I'm hearing, it sounds like a lot of the discussions are going to be taking place within, like, the central eastside group, and the north Macadam group. The League would like to see something that's more broadly available than that. And I talked to Ed McNamara about this. When they did the changes to the river district in 2008, and they had a committee made up of elected officials that met at PDC on a monthly basis, and information was

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presented to them, and alternatives were discussed, and anybody could come and listen and learn and then be able to give informed feedback to the city council. OK, thanks.

Hales: Thank you very much. Let's take a three-minute break, and we'll come back and I will put my amendments on the table, and we'll take up staff and anything else that council wants to bring up.

At 4:51 p.m., Council recessed.

At 4:57 p.m., Council reconvened.

Hales: There's a number of ideas for language changes here, so I would like to take those up and maybe call on staff and see if we can reach an agreement on the amendments. So, I have a proposed amendment that I think that people have copies of -- or Karla has copies of -- that I want to put on the table that says in the first resolved, now, therefore be it resolved that they direct PDC and OMF to proceed towards implementation of the amendments to the Willamette industrial, education, Airport Way, river district, north Macadam, central eastside URAs as outlined above. And here's the new language, or with modifications which equally or better meet the goals outlined above. So I would like to propose that amendment, and maybe get a second for that.

Fritz: Second.

Hales: And then there's some other suggestions as well. So, who wants to be next?

Novick: Actually, Mayor -- OK, never mind. I would like to propose an amendment to your amendment. I think that would be the way to phrase that. After the phrase, the goals outlined above, I would suggest adding in the first, third, and fourth whereas clauses.

Hales: OK.

Novick: And in the next paragraph, after engaged community stakeholders to, I would suggest adding consider, discuss and, before the word finalize.

Hales: OK. I will second that amendment.

Novick: To consider, discuss, and finalize -- as opposed to simply to finalize.

Hales: OK. And so, in explanation -- I'll start and you should continue -- the reason that I suggested this amendment is because Commissioner Fritz and others raised the question of, in the public involvement process that is ahead in amending these URA plans, there may be other ideas brought forward. Although it's important to me that we clearly state that council's intent to go forward with this package, we are conducting a legitimate public involvement process. People will propose ideas and suggestions that deserve due consideration, and therefore if there are modifications that accomplish our purposes here, but differently than we've envisioned at this point, we want to make it clear we're open to that while, again, committing to the package as a whole. So, that's the reason for my suggestions, and Commissioner Novick, you might want to elaborate on why you suggested that language.

Novick: I suggested the language as to, first of all, as referring to the whereas clauses, I thought it seemed that some of the remainder of the document was goalsy, and some of it was prescriptive. It seemed it was the first, third, and fourth whereas clause that really talk about what the goals are. And I thought engage community stakeholders to finalize seems a bit final. And my assumption was, if we are stating what we intend, not what we have completely decided, then consider, discuss, and finalize is more appropriate. I think a statement of intent is the statement that right now, we think we're going to do it. But I think it's clear that your intent is that your intent might be slightly modified, and so, if we are allowing for consideration and discussion, I think that reflects that point.

Hales: OK.

Fish: So the other point that I just wanted to put on the table for discussion is that -- however we slice this -- ultimately, this comes back to council, and each member of council will decide whether the package before the council is appropriate. So, just as we cannot bind future councils, we can't

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anticipate every contingency. So we don't bind our votes. What we are saying is there's an intent, there's a basic road map. We're now saying that there's a community, public process that will happen in the intervening period, and there could be proposed changes during that process. Under the mayor's language, they would be tested against whether they are equal to or better than the goals above with the modifications suggested. But ultimately, it's the council's decision whether to accept the amendments when they come back. So that's the ultimate check on whether there is a robust enough public process. Am I correct on that?

Hales: I think that's a good characterization. Commissioner Fritz, do you have any reactions to this or suggestions?

Fritz: Yes, it's getting there. I would suggest one final modification to the therefore be it resolved. The current language says directs PDC and OMF to proceed towards implementation of amendments. And I would suggest it should say direct PDC and OMF to conduct a public process towards implementation.

Hales: Well, don't you have to start preparing the amendments?

Branam: We do. I think right now we've begun preparing the amendments, or we could begin preparing the amendments for those that are non-substantial. And we could move forward with those that are more substantial after a few public meetings, or after a public meeting. But it does take a while, once you have established where your boundaries are and the projects, to do the technical finding and go in front of the Planning and Sustainability Commission. We would do a super notice. So there is a process. So if we want them to be effective in fiscal year 15-16, we need to be able to come back to city council by December 1st.

Fritz: It's my understanding that you're having a public process prior to December 1st.

Branam: Right.

Hales: Yes, but if we are coming back to the PDC commission and PDC board and the council, because we have to, then maybe there may be a middle ground here, Amanda, between where you are headed and I'm stuck, and that is if we were to direct PDC and OMF to prepare amendments --

Fritz: I'm concerned about what the League of Women Voters and the Central Eastside Industrial Council said, is they have not been adequately --

Hales: I understand that, but there has to be something on the table. So if they've prepared the amendments and conducted a public process to have people respond to those proposed amendments, then that's what we do.

Abuaf: Can I help a little? I also think -- as Kimberly referred to -- there's a technical analysis that happens as part of preparing the amendments that in fact address, I think, some of the items that are called for in the League of Women Voters. And so literally, the process of preparing the amendments is a technical analysis in as much as it is a legal document. First, you do a technical analysis so it has findings about what are the projects and the opportunity sites, what are the financial analysis of the potential of those properties to generate value. And that's all part of the process that is mandated for doing the urban renewal amendment, and it would address some of the questions, and there would be a concurrent public process that would occur to share those findings, get feedback on those findings, and understand if there are any --

Fish: Isn't the public process a little different this time in any event because we disbanded the URACs?

Fritz: Well that's another one of my concerns, there isn't --

Hales: It's open to suggestions, and open to a broader potential of community involvement than just the URAC.

Fish: Yeah but we used to at least have standing committee that had a perspective, and --

Branam: And we have created the central city budget advisory committee to help us to think through that, which represents the former urban renewal advisory committee members. So it is a central city-wide perspective, but we do have that standing committee that would help inform us.

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Fish: Mayor, it would be helpful for me, even at this late hour, to better understand the concern you have. Because I understand that we want to take an action now so we'll have resources in our budget. And that requires that we notify the assessor and take some steps. But what's the concern that you have in terms of the scope of any changes that may percolate up through a public process? As long as we're under the 15% cap, as long as we're faithful the spirit of this, what's an example of a consequence that would do violence to what you're trying to do?

Hales: I might want to bring Ed McNamara up, because he also was involved with these discussions. But first, we gotta reassure Portland State that there's a foundation under this development agreement that we are working on with them, and therefore, the fact that we are eliminating an urban renewal district and moving land and adding time to another urban renewal district that encompasses much of the property that PSU cares about is foundational to the development agreement. So, that's why this is more than just a vague notion, it's an intention. Secondly, if we are going to proceed in the planning process to assume the urbanization of the two stationeries on the eastside, I think we need to signal to everyone -- the planners and the community -- that it is our intention to add them to an urban renewal area so that people start getting the work done and figuring out what they want those areas to be. So, that's why it's important to me that we, one, understand this is a package, and two, state our intention to proceed. Does that mean the community doesn't get to modify the proposal? Of course not. And in fact, as you heard from Debbie Kitchin, they've got a lot of issues about exactly how the eastside effort is going to go. Fine. That's why we're in the planning process for the comp plan and it's why we invited ULI in and why want to start this process of amending the URA plans.

Fish: You know, that almost argues -- and I'm not trying to open up another can of worms -- but as I share your concern about giving PSU certainty -- because that to me is a unique situation. They were expecting an education URA, we've negotiated something else, and you've put in a letter specific commitments. Ought we not just to reference that agreement in this resolution so the framework is clearer?

Hales: What do you think?

Andrews: You know, from my perspective, the whole package is important. To a big extent, they're tied together. For example, the north Macadam modification is part of the PSU package. You can't pull the two of them apart. And I think that the changes that are being made to other URACs -- that the folks who are at the table working at the projects and the programs that are to come out of it -- need to see that there's support for this package, and they are part of this package. Because it doesn't work on really an individual project basis. So I think it's supremely important to PSU from a confidence standpoint, but I think it's really important to everybody else, too, to have something on the table in front of them that city council says, yeah, the framework of this looks pretty good. As always, the devil is in the details.

Fish: The alternative would be for us to simply table this resolution until the fall, in which case the significant negative consequence would be we're not going to get the additional resources in our budget. Is that correct?

Hales: Right. And I think it stalls the other progress. Ed, come on up. Grab a chair.

Ed McNamara, Office of the Mayor: Mayor and city council, Ed McNamara. I think these are all good questions, and it has gone on for almost a year trying to bounce all these multiple objectives. So, I think that a couple of the issues the mayor brought up of why it's a package and changes -- why those are accurate. Another factor in holding this together as a package is to make sure that the affordable house money stays intact. So, if council wants to pick and choose, there could be consequences where there's less affordable housing money. And that was one of our commitments, to be sure that affordable housing was at least as good or better off. So the intention of the amendment to say, you know, to look at the legal and voters' ideas and everybody else's ideas and say, yeah, if there's a better way to do this that meets all those goals, let's do it. But let's keep it

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together as a package -- as you pointed out -- that shrinks the renewal area, that keeps the revenue coming, that keeps the affordable housing intact. It takes advantage of the opportunities on the central eastside and south waterfront now, because those things are happening without us. So, that was the idea of keeping this as a whole package where everybody sees all the consequences. And not that anything is carved in stone right now, but make sure that those things we laid out, that the mayor laid out -- that whatever package comes back in the fall meets all the five criteria and doesn't pick and choose among them. That was the balanced approach, which I had to take.

Fritz: In your mind, how does somebody in the general public and not in this stakeholder group get to participate in these discussions between now and when it comes back?

McNamara: I'm not an expert in this part, but I think as the staff said, super notice things, there would be the Planning and Sustainability Commission hearings. And when I had a long talk with Debbie, she talked about the 2008 process that sounded like a good process. So, I think what we haven't seen is much as much interest in this. But if we could run a process that got more people understanding what urban renewal means and what the possibilities are and what the trade-offs are -- so, I think we want a process that encouraged that as much as possible.

Fritz: So do all the changes have to go through the Planning and Sustainability Commission?

Branam: The change to the central eastside and north Macadam have to go through.

Fritz: That's good, OK.

Hales: Alright. So, it's getting late and I have two suggestions. One, if we can get something close to closure on language, let's do so. And two, let's carry this over because we have a handwritten mess of a document at this point -- and I'm happy we've had this discussion -- and carry it over next week for a vote, I believe we can do that and give the tax assessor notice in time, right?

Branam: Ideally, we would be able to give that to them today because it would need to go into our proposed budget, but I think that we can make changes until the 20th. Is that right?

Hales: OK. No one is running screaming from the room.

Fritz: Jonas is still checking.

Hales: Jonas, are you running screaming from the room? And maybe it would be better -- let's see, if we are ready to do this, if I could read this language aloud and see if the council is ready to vote on the language as amended. Again, this is a resolution that directs action. It doesn't make final decisions, but it starts the process. So, let me read what I have -- and again, Amanda, if I haven't captured what you were looking for here, let me know. This is the version of the first resolved that I have with me now with my notes. Now, therefore, let it be resolved that the city council directs PDC and OMF -- here's my new version -- to prepare proposed amendments to the Willamette industrial, education, Airport Way, river district, north macadam, and central eastside URAs as outlined above, or with modifications which equally or better meet the goals outlined in the first, third, and fourth whereas clauses. So notice that I said, prepare proposed amendments -- because that's what they are, they're not amendments until they're adopted by the PDC board and the city council. And preparing the amendments opens the door to a public involvement process, which we are free to determine and which is not pre-scripted by this resolution.

Fritz: Mm-hmm. Yeah, that's elegant.

Fish: And then I followed that, but now what about --

Hales: And Steve -- I'm assuming Steve's are there, which is to add the words, consider, discuss, after the word to in the final line of the second resolved. So let me move those as amendments, and see --

Fish: Let's move that as Package A amendments.

Hales: OK, so Package A is moved. So is there a second?

Fish: I'll second that.

Hales: Ok. Any further discussion of that?

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Fish: So, Mayor, let me make sure that I can state the legislative intent so we are all in agreement with that as well. It is the intent of the city to do a public process, consistent with its past practice, of the proposed amendments. Through that public process, there may be suggestions for changes, which would have to meet the tests set forth here. And in the fall, the amendments that come through the public process would come back to us for review and a vote.

Hales: That's right.

Fish: Have I stated the process?

Hales: Correct.

Fish: The only other thing I can see to enhance this, Mayor, is to offer a friendly amendment to fully fund the tree code. [laughter]

Hales: It is late in the day.

Fish: But I think that would be seen inappropriate, even in the absence of one of our colleagues. Ed, it might be seen as inappropriate so I will withhold offering that amendment. But do we have an agreement on that, Commissioner?

Fritz: Yeah, I think that works, thank you. In the last resolve, do we need to say -- do all the amendments have to go to the planning commission? Does the planning commission rule on getting rid of things?

Branam: They do not. Just the substantial amendments.

Hales: Yeah, if we're shrinking a district and not changing anything else, then they don't have to.

Novick: Actually, I have one final amendment. [laughter]

Fish: Can you rule him out of order?

Novick: Well, it's a typo. Be it further, the last resolved -- I don't think that we want to require things by statue.

Hales: No, I think they may have gotten that right. As required by statute, because we're following -

Novick: Well the version I have says by statue, not by statute. [laughter]

Hales: You are correct. Duly noted, it is a typo. We will change statue to statute on that one.

Novick: And like Commissioner Fish, I too refrain from offering an amendment, that I'm tempted to offer that student stakeholders we add including but not limited to those named Debbie. [laughter]

Hales: OK. I think that we're getting punchy, but maybe to some consensus, and therefore can go ahead and take a vote on this resolution as amended.

Fish: Well, first the amendment.

Hales: Yes, first the amendment a vote on the amendments as articulated, more or less, here. Is anyone confused about the language in front of us? This is important, and I don't want to be flippant about that. OK, so a roll call, please, on the amendment Package A.

Roll on motion to adopt Package A amendments.

Fish: Aye. **Novick:** Aye. **Fritz:** Aye. **Hales:** Aye.

Hales: And any further discussion? A roll call on the resolution, please.

Item 418 Roll.

Fish: Well I have to say, Mayor, this has been a day of terrific debates and public process on a number of issues. And for those who haven't had enough, we'll be taking a five-minute break -- [laughter] -- and getting into the evening session. Budget modifications out of sequence. I want to begin by thanking Ed McNamara for the shuttle diplomacy and all the time and energy put into this -- and I think that he has more gray, Mayor, now than he did a year ago. But we appreciate the -- particularly, I appreciate the focus on protecting the affordable housing dollars. And the League of Women Voters calls that out specifically in the letter to the mayor. That's very important to me conceptually, but it's also very important to me because it was the primary reason that I supported the education URA. PSU was 1B. 1A was at a time of diminished resources. We did not have a

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better option to generate funds for affordable housing. So, Ed, thanks for faithfully following through on making sure that was protected. Mayor, you were the one who put this issue on the table. Any remorse looking back? Do you wish you had done something like an easier list?

Hales: [laughs] No.

Fish: There are a lot of moving pieces here, and I think that we're signaling in our discussion and this excellent council discussion that there's a lot of work to be done, not just at the staff level, but engaging the community. We don't want to foreclose getting feedback from the community and other ideas about how we can structure this. Ultimately, the goal for me is to have an urban renewal package that meets a couple of goals. One is to create increment so we can pay off the debt. And we create increment by investing in the kind of activity that generally produces jobs and adds to the value of real estate. I would like us to be very strategic as we do that, because we have a five-year track record, in my view, of doing that quite well. Second, we have a 30% set-aside that allows us to invest in housing. This is called an opportunity area. And for those of you who were here earlier for the excellent presentation from the Housing Bureau, an opportunity area is where, under our dual track investment strategy, we want to invest in distressed areas to raise the level of the stock. We also want to invest in opportunity areas so that people who choose to live there get the amenities of an area with more infrastructure and perhaps more developed institutions. And this gives us that opportunity. It's late in the day. This has been a long and, I think, quite thoughtful process, Mayor. And you put the marker down, and I think that this has been brought to a good conclusion. So thank you for your leadership. Ed, thanks for your work. To our friends at PDC, Kimberly and the whole team, thank you. Aye.

Novick: Well, I'm honored to be part of a council that is signaling its intent to scale back one of our longstanding URAs. So to that in particular, I say, rip city, alright. [laughter] Thanks to staff, the PDC, and thanks to my colleagues for a good presentation and interesting discussion. And I'm pleased to vote aye.

Fritz: Nicely succinct. Thanks to the mayor and Ed McNamara for all the work on the proposal. PDC and everybody who has worked so hard on this, staff here. The League of Women Voters, and the Central Eastside Industrial Council are two of the groups that I always look to for expert advice, and so I greatly appreciate your diligence on this. Some of the positives of the resolution are that Portland State University and Multnomah County are both very supportive, so I appreciate the mayor working with President Wiewel on that. Glad to see that PSU is satisfied with the proposal. I'm looking forward to hearing from the public as to whether they, too, support the proposal. Some of the urban renewal districts do need to be retired, and the Willamette industrial is an example of something that we tried, and it turns out that the urban renewal isn't quite the tool to use to get industrial areas and brownfields cleaned up. So we will have to look for other strategies on that. PSU will be able to get the present value rather than waiting for decades, and the city will be getting \$1.5 million in the budget, some of which I hope will be used to fully fund the tree code. The negatives are that we're expanding the central eastside district without the council taking a position, which makes me anxious. We're expanding north Macadam, and again, we really have not had much of a public process to discuss those. The hearing has been excellent, I think, in the quality of the testimony and the debating of the real issues. And I particularly appreciate Commissioner Novick's amendment that would actually allow -- as a result of the process, we could decide that we're not going to expand some of the districts. That is a possibility. I am bowing to the obvious fact that the council as a whole does intend to do these things. I am troubled by that word in the whereas clauses, because I think there is another vote to be had, and nothing in my vote today signals that I'm going to support future votes, because I don't have enough public input as yet. But since the council as a whole obviously does intend to do it, I recognize that. And Mayor, I appreciate your partnership in that particular amendment about prepare proposed amendments and the knowledge that's going to go to the Planning and Sustainability Commission. Anyone who has been

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to their meetings recently can call that a robust public process for sure. I appreciate that, and am pleased to be able to vote aye.

Hales: You know, Commissioner Fritz and I were talking earlier today about the police bureau. And Commissioner Fish, you and Commissioner Saltzman were reflecting on being out in the campaign process. And we in this room talk to really wise and thoughtful people who come from organizations like the ones we've heard from today, who are directly engaged in city government. But the benefit of a campaign -- which you are in now, and I was in two years ago -- is you get to talk to hundreds of thousands of Portlanders who are aware, but not necessarily actively involved. There are a couple issues that I heard so much about from them. One was, we want you, the council, to rebuild the relationship of trust with the police bureau because of the tragedies that we've dealt with. And Amanda and I were talking earlier about that -- and we really are making progress. In this case, I heard from thousands of citizens who said, we want you to use the urban renewal the right way, and not take such a big bite out of my tax bill for somewhat obscure purposes. They may not know all these details that we're discussing, but they have that generalized understanding in both cases that there's a right way to do this. And I feel so good about the discussion that we have had on this issue, just as I feel good about the progress that we've made in the police bureau. Because each of us, in going out into the community -- whether it's in a campaign or otherwise -- can look our fellow citizens in the face and say, we have tuned this up and are doing it the right way. And that has great power in the relationship that we have, the social contract that we have with the 600,000 people that we work for. I think we'll find again and again, whether it's in this next couple of weeks -- blessedly now only 13 days and two hours or something of your campaign -- but after, where people say oh, good, thank you, that's what I expect my city council to be doing. So, I'm proud of this work. Ed and the other three short-timers that we've heard from today, we're sorry it's only going to be six more weeks, but we know you will enjoy getting sleep. So thank you for the great work, and thank you all. Aye. [gavel pounded] And we are adjourned at last.

At 5:26 p.m., Council adjourned.