



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **8TH DAY OF JULY, 2015** AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fish, Fritz and Saltzman, 4.

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

Item Nos. 742 and 743 were pulled for discussion and on a Y-4 roll call, the balance of the Consent Agenda was adopted.

The meeting recessed at 11:30 a.m. and reconvened at 11:34 a.m.

		Disposition:
COMMUNICATIONS		
734	Request of Ryan Lynch to address Council regarding conditions of the Pier Park restrooms (Communication)	PLACED ON FILE
735	Request of Joan Beldin to address Council regarding needed amenities at Pier Park (Communication)	PLACED ON FILE
736	Request of Keola Morley to address Council regarding Friends of Pier Park (Communication)	PLACED ON FILE
737	Request of Kelly Pergande to address Council regarding Friends of Pier Park (Communication)	PLACED ON FILE
738	Request of Winston Michael Ray to address Council regarding economic development (Communication)	PLACED ON FILE
TIMES CERTAIN		
739	TIME CERTAIN: 9:30 AM – Authorize the execution of the Columbia River Levee Repair and Accreditation Phase I to Phase II Declaration of Cooperation (Resolution introduced by Mayor Hales) 30 minutes requested (Y-4)	37142

July 8, 2015

740	TIME CERTAIN: 10:15 AM – Accept report on the work of the Village Support Network and the Interfaith Statement on Housing Justice (Report introduced by Mayor Hales) 20 minutes requested Motion to accept the report: Moved by Fish and seconded by Fritz. (Y-4)	ACCEPTED
741	TIME CERTAIN: 10:30 AM – Require activation of closed captioning on televisions in public areas (Second reading 733 introduced by Commissioner Fritz; add Code Section 23.01.075)	REFERRED TO COMMISSIONER OF PUBLIC UTILITIES
CONSENT AGENDA – NO DISCUSSION		
Mayor Charlie Hales		
742	Appoint members to the Socially Responsible Investments Committee for terms to expire July 1, 2016 and July 1, 2017 (Report) Motion to accept the report: Moved by Fish and seconded by Fritz. (Y-4)	CONFIRMED
Bureau of Police		
*743	Apply for and accept a grant in the amount of \$221,588 from the Oregon Department of Transportation and appropriate \$100,000 for reimbursement for the 2015-17 Work Zone Enforcement Program grant (Ordinance) (Y-4)	187249
Office of Equity and Human Rights		
744	Authorize exception to the City procurement process to pay Resolutions Northwest for strategic planning services to the Human Rights Commission on May 30, 2015 in the sum of \$1,705 (Second Reading Agenda 718) (Y-4)	187246
Office of Management and Finance		
*745	Pay claim of Spencer Shanks in the sum of \$178,882 involving Bureau of Development Services (Ordinance) (Y-4)	187247
Commissioner Dan Saltzman Position No. 3 Portland Fire & Rescue		

July 8, 2015

<p>746 Authorize Intergovernmental Agreement with Metropolitan Service District for Portland Fire & Rescue emergency response vehicles computerized mapping data not to exceed \$10,000 per year (Ordinance; Contract No. 30004638)</p>	<p>PASSED TO SECOND READING JULY 15, 2015 AT 9:30 AM</p>
<p>Commissioner Steve Novick Position No. 4 Bureau of Transportation</p>	
<p>747 Authorize a contract with the lowest responsible bidder for the 20s Bikeway Project (Second Reading Agenda 720) (Y-4)</p>	<p>187248</p>
<p>REGULAR AGENDA</p>	
<p>748 Authorize the City Attorney's Office to take all necessary legal steps, including initiation of legal proceedings to bring a declaratory judgment action under ORS 28.020 and 33.710 and any other causes of action regarding the impact of Charter changes, Fire & Police Disability & Retirement Board Resolutions, state statutes, and other law on Fire & Police Disability & Retirement benefits (Previous Agenda 712, Resolution introduced by Mayor Hales and Commissioner Saltzman)</p>	<p>REFERRED TO COMMISSIONER OF FINANCE AND ADMINISTRATION</p>
<p>Mayor Charlie Hales Office of Management and Finance</p>	
<p>749 Accept bid of 3 Kings Environmental, Inc. for the SW Stephenson & SW Hamilton Drainage and Road Shoulder Improvements for \$623,497 (Procurement Report – Bid No. 00000009) Motion to accept the report: Moved by Fish and seconded by Fritz. (Y-4)</p>	<p>ACCEPTED PREPARE CONTRACT</p>

July 8, 2015

750	Adopt the Disposition of City Real Property policy (Previous Agenda 725) 15 minutes requested Motion to amend Exhibit A. III C (1) notification period from 45 to 60 days: Moved by Fritz and seconded by Fish. (Y-4) Motion to accept the 7-7-15 amendment package prepared by Office of Management and Finance: Moved by Saltzman and seconded by Fish. (Y-4) Motion to amend Exhibit A. III C (3)(b) signage requirements to add "The sign shall be in languages common to the area as advised by the Office of Neighborhood Involvement.": Moved by Fritz and seconded by Fish. (Y-4) (Y-4)	37143 AS AMENDED
*751	Authorize sewer revenue bonds to refund outstanding sewer revenue bonds (Previous Agenda 726) (Y-4)	187250

At 12:40 p.m., Council recessed.

July 8, 2015

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **8TH DAY OF JUNE, 2015** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fish, Fritz and Saltzman, 4. Commissioner Fritz left at 5:12 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Ben Walters, Chief Deputy City Attorney; Kathryn Beaumont, Chief Deputy City Attorney at 2:45 p.m.; and John Paolazzi, Sergeant at Arms.

The meeting recessed at 3:10 p.m. and reconvened at 3:20 p.m.

<p>752 TIME CERTAIN: 2:00 PM – Adopt the Citywide Racial Equity Goals and Strategies as presented by the Office of Equity and Human Rights to guide City policies, plans and procedures (Resolution introduced by Mayor Hales) 1 hour requested</p> <p>Motion to amend to add Portland Policy Document statement to Resolution: Moved by Fritz and seconded by Hales. (Y-4) (Y-4)</p>	<p>Disposition:</p> <p>37144 AS AMENDED</p>
<p>753 TIME CERTAIN: 3:00 PM – Adopt the Southeast Quadrant Plan as direction for updating the Central City Plan (Resolution introduced by Mayor Hales) 2 hours requested</p> <p>Motion to accept Bureau of Planning & Sustainability amendments 1, 2, 3 & 5-9: Moved by Fish and seconded by Fritz. (Y-4)</p>	<p>CONTINUED TO JULY 29, 2015 AT 2:00 PM TIME CERTAIN AS AMENDED</p>

At 5:46 p.m., Council recessed.

July 9, 2015

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **9TH DAY OF JUNE, 2015** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fish, Fritz and Saltzman, 4. Commissioner Fish left at 5:12 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Ben Walters, Chief Deputy City Attorney; and Mike Cohen, Sergeant at Arms.

The meeting recessed at 4:05 p.m. and reconvened at 4:16 p.m.

<p>754 TIME CERTAIN: 2:00 PM – Update the Floor Area Ratio bonus and transfer provisions of the Portland Zoning Code for the Central City to prioritize affordable housing development and other targeted public benefits (Resolution introduced by Commissioner Saltzman) 1 hour requested</p> <p>Motion to amend implementation date to July 1, 2016: Moved by Saltzman and seconded by Fish. (Y-4)</p> <p>Motion to accept package A amendments 1-5: Moved by Fish and seconded by Fritz. (Y-4)</p>	<p>Disposition:</p> <p>37145 AS AMENDED</p>
<p>755 TIME CERTAIN: 3:00 PM – Revise Noise Regulations for pile driving (Ordinance introduced by Mayor Hales; amend Code Title 18) 2 hours requested</p>	<p>CONTINUED TO JULY 29, 2015 AT 9:30 AM</p>
<p style="text-align: center;">EXECUTIVE ORDER</p>	
<p>756 Assign Commissioner Saltzman commissioner in charge of the Bureau of Development Services and Commissioner Fritz commissioner in charge of Office of Neighborhood Involvement effective July 15, 2015 (Ordinance; Executive Order)</p>	<p>187245</p>

At 5:27 p.m., Council adjourned.

MARY HULL CABALLERO
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.

July 8, 2015
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.

JULY 8, 2015

9:30 AM

Hales: Welcome to the July 8th meeting of the Portland City Council. Would you please call the roll?

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

Hales: Good morning. We have some communications items up front in which we allow citizens to come in and talk about any subject they see fit to talk about, and we'll do that first, and then we have the regular Council calendar after that -- some time certain items first of all. Council meetings are open to the public and we welcome your participation. If you want to speak on an item that's on our agenda today, just let our Council Clerk know and she'll get you on a list. We typically allow people three minutes to testify. It doesn't look like we have a huge number of people here to testify this morning, so that should be easy to do. We ask that we observe basic decorum here, and that is if you agree with your fellow citizen and want to indicate that, you can give them a thumbs-up or wave your hand, and if you want to indicate disapproval, do so or with a polite hand gesture. We ask that you not make vocal demonstrations in favor or against our fellow citizens' points of view in this room so that all are heard. With that, we want to welcome you all and take up first communication item 734.

Item 734.

Hales: And I know there are several of you signed up on the same subject. If you want to come up together, you can read the next three as well and bring up another chair.

*****: [inaudible]

Hales: That's fine, that's fine. Come on up, please.

Item 735.

Item 736.

Item 737.

Hales: Welcome, and we do have your written material as well. Whoever would like to go first.

Joan Beldin: My name is Joanie Beldin, and I live three houses away from Pier Park. Living next door to an 80-acre park filled with large trees was the deal-breaker for my moving into that home. I don't know how many of you have actually come to Pier Park, but for those of you who haven't, I'd like to give you a brief introduction. And you do have some photos in your packet there.

For me, it's a park of tree-lined walkways and trails -- because I'm a walker, that's why I love the park. However, it's much more than that. It's also a park widely used by many -- by those who love to play baseball and soccer, bike riders, runners, dog walkers, teens shooting baskets, parents and children at the playground. It's a place to cool off in the pool on hot summer days, a place to enjoy a family picnic, and a place that provides world-class disc golfing. It also has a skateboard park and a tennis court with a cracked court, so it's not really useable right now. That's what Pier Park has to offer.

Unfortunately, to its users, Pier Park is also famous for what it doesn't have, which is a lack of basic adequate amenities. Our restroom and drinking fountains are substandard at best, and we'll be having some pictures to demonstrate that. There's not

July 8, 2015

one park bench for general users, not even one at the playground. I have an 85-year-old mother-in-law who loves to take walks and she would love to take a walk in Pier Park, but she doesn't, she goes to other parks that have benches that she can stop and rest on. All other park I've been to have plenty of benches.

A year and a half ago, Portland Parks built a new ADA-accessible trail connecting Pier Park to Chimney Park as part of the 40-mile intertwine trail. My question is what good is an ADA trail without an ADA-accessible bathroom, an ADA-accessible drinking fountain, or ADA parking? Pier Park doesn't have any of those.

Portland prides itself in its parks and there's a lot to be proud of in Pier Park, but there's a lot to be actually embarrassed by and ashamed of. For those of us who love and use Pier Park, we feel like we're forgotten. I'm here today to help you take notice of Pier Park and ask that we not be forgotten. I'm asking that funding be provided to help us upgrade our restroom and drinking fountains, to provide benches, and to help it to be truly a friendly park for ADA users, the disabled, and the elderly. We would love to invite you to come to Pier Park and we'll give you a tour. Thank you.

Hales: Thank you, thanks very much. Good morning, who's next?

Keola Morley: Good morning, my name is Keola Morley. I have been a member on the board of Friends of Pier Park for nearly a decade now. I have seen many positive changes in Pier Park, thanks to the commitment of my fellow Friends of Pier Park members. I want to thank you folks.

One issue unfortunately has not changed, and this is the need for working water fountains as well as working and clean bathrooms. I have two kids -- my oldest is 16, my youngest is 12. And they have -- as the whole family has -- grown up in Pier Park. And it's always been an issue, even when they were younger, to bring friends -- especially when the kids were younger -- for potty training, you have your moms group, you want to bring your friends to come to this beautiful park you live by, but it was always a decision that I hesitated on because I knew that the bathrooms either would be open but not working, or they wouldn't be open at all. And I never knew. And so it made it really hard for me for invite other people to enjoy the park because there were no restrooms for our kids during this time when it's pretty important. And even today -- you know, 13 years later -- this issue is still present at Pier Park.

I still go to the playground just to talk to the parents, and I still hear this as being a concern. They want to have the community, their families come, but the bathroom is just -- you know, it's Russian roulette, you never know. Some of the time, they just end up at Columbia Park because of that. The water fountains -- the same issues as the pictures have been presented. Those are the same bathrooms that were there when I moved in to St. Johns 18 years ago. They are pretty much the same water fountains, as well. They have been deteriorating in front of my eyes ever since I've been there -- more frequently with my kids -- and the water fountains do not work. There's one water fountain that works near the maintenance shed, but that's clogged most of the time. And so when we're playing around, that's the only water faucet we have to go to, and it's not working. And it makes it really hard for younger parents. They can't walk that far just to get water because there's no facilities next to the playground. Our water fountain there has been broken for about 10 years as well. It's just rusted and not working.

St. Johns is a rapidly-growing community. We are just expanding and it's great to see. But now more than ever, Pier Park really needs a clean working bathroom, water fountains -- just your basics for such a beautiful park that many of us have come to treasure. Thank you.

Hales: Thank you very much. Good morning.

July 8, 2015

Kelly Pergande: Hi, good morning. My name is Kelly Pergande and I live a couple blocks away from Pier Park. Joanie and Keola basically said what I'm also wanting to reiterate. I've been a member of Friends of Pier Park since about 2002, and currently I'm serving as vice-chair. Without saying the same thing that they did, I just want to reiterate that it would -- you can tell we need bathrooms and drinking fountains and we presented you with the pictures showing you the conditions of those areas.

At Friends of Pier Park, we have coordinated many volunteer efforts of cleaning up the park, removing invasive ivy, cleaning graffiti. We care about our park, we're a community that cares about the park. We're willing to do our part in keeping it safe and clean and making sure it's welcoming for all, but we're asking the City to help with some basic facilities to accommodate all people that visit the park.

I'm going skip through a lot that I wrote here since it's already been said, but basically saying that there's major development happening in North Portland, and there's going to be increased housing and retail, which means more density and changes coming to North Portland. I feel like it's time now -- it's time to repair Pier Park to prepare for that future. We need safe, clean rest rooms, ADA accessibility, but we also need more than one drinking fountain in good condition. It makes sense to install these reasonable accommodations and Pier Park should not be the forgotten park. Thank you for listening.

Hales: Thank you. Good morning, just push the button on the base of that microphone there.

Ryan Lynch: Good morning. Thank you guys for your time, I appreciate it. My name is Ryan Lynch, I'm the chairperson of Friends of Pier Park. I've handed you guys a packet, and it's got some photographs of the Pier restrooms. It's also got photographs of the restrooms at Mt. Tabor Park, Gabriel Park, and Laurelhurst Park. You can see the difference in facilities. Those three parks have beautiful bathrooms and hand dryers and adequate toilet paper -- all the things we don't have, including lights. We don't have lights, either. So, I want you to take a look at this and just note that our bathrooms are covered in rust. They don't go all the way to the ground. We don't have lights, we don't have a locking door for the stall. Our bathrooms are locked during the wintertime, which I don't believe they mentioned. So actually in the wintertime, there's a sign on the bathrooms that says, "there's a port-a-potty about a thousand yards away" and we have to use a Honey Bucket.

One of the other issues with the bathroom is during the fall months of the year, as you know, the air in Portland gets quite moist. Since our restrooms don't touch the ground and there's an opening at the top, the toilet paper gets really wet. So, if you're trying to go to the restroom when it's 35 degrees outside, you are sitting on a cold toilet and trying to use wet toilet paper. So, it's pretty awful.

I want to talk to you a little bit about the amount of people that use Pier Park. To my estimation, that park gets far more use than the other three parks that I'm talking about -- and I'm using those parks as comparable because they're large in size and they get a lot of activity. We expect a minimum of 700 people to use the disc golf course every weekend. If you think about people using it from 8:00 a.m. to 6:00 p.m. -- and of course, it goes a longer span than that, but I'm trying to be conservative here. That doesn't include the skate park, the three baseball fields, the two soccer fields, the tennis court, dog walkers, and the other amenities we have out there -- the playground and everything. We have probably at least a thousand people every weekend during the summer using this park without a bathroom, which is just crazy. I mean, there's no way those other parks are seeing that volume of people, and they have these great bathrooms. And I'm not asking for great bathrooms. We're not asking for the best. We just want some sort of amenities that are useful for us.

July 8, 2015

I wanted to talk a little bit about something besides the bathrooms. I've been working with Friends of Pier Park for three or four years, and I've really been asking for four main things at the park, and that is benches throughout the park, garbage cans on the disc golf course -- there are three -- two garbage cans on the entire course, so the park gets littered. And so my friends and I walk around the park and we pick up trash. I've asked to move some of the tee signs, they are a hazardous for safety because they are really close to the tee pads. I've asked to move the baskets periodically throughout the year so we don't erode the course. We have done tree protection that Friends of Pier Park raised the money for, we've built pathways that we've raised the money for, and we do trash pickup and all that stuff. And we the community is the one doing all that work.

The four things I've asked for in the past three to four years I've been told "no" on every single one every single time. We're not asking for the best of everything. We just want to feel like we matter. Right now, I feel like we are working for Parks, and Parks is not working for us. And it should be the other way around. So thank you for your time. I hope you consider our park and just give us a little bit of funding so that we can feel like we're just as good as the rest of Portland. Thank you.

Hales: I want to thank you for a great presentation. I'll give Commissioner Fritz a chance to respond because with her leadership and your support, we all as citizens passed a bond measure recently to fund improvements in a number of our parks, including Pier Park. It may not be sufficient to the whole lot, but want to give her a chance to respond because you've done a great job of bringing these issues forward in a way that gets our attention. So, thank you.

Fritz: First of all, thank you to you four and to the supports in the community for your partnership in the stewardship at Pier Park. We have over 100 Friends groups in Portland Parks and Recreation. It's not so much that Parks works for -- we do work for the citizens, we also work with the citizens, and it's definitely a partnership that neither side can manage without the other. That's how we've managed to scrape together keeping our parks in relatively decent shape over the course of the recession is with the help of great volunteers like you, so thank you so much for that. And thank you for highlighting that we have a lot of problems in Portland's parks. We have a lot of deficiencies. I imagine there's a number of folks watching at home who would love to have a defunct bathroom, who would love to have any kind of water fountain, because in some places we have nothing.

So the bond measure that the Mayor referred to is \$68 million. The capital improvement wish list is over \$360 million. So we have \$300 million worth of stuff that we know needs to be done -- the Pier Park restrooms are definitely on the list -- from memory it's about number 2400 or something like that -- and it did get an additional ranking. We've reorganized how we do the ranking of the capital improvement list to give extra points for equity and for folks in underserved neighborhoods, so it did get a boost for that, but it's still low to mid of the multiple projects that we have to do.

I wish I could say, yes, we can find the money and get it done. There are folks all over Portland who are in the same situation, and so I really appreciate that you're bringing this to everybody's attention, because we're not done with the passage of that bond measure. It's a bond measure for fixing things rather than for shiny new things. We also need about \$500 million worth of shiny new things for places that don't have park at all.

So, here's the process. We currently have allocated the things we've promised in the bond measure, and it came up to about \$48 million of the \$68 point. We're in the process of getting those things going, and you're correct, there's nothing for Pier in that particular set of projects. Next summer or next fall, we'll start a community process to look at the remaining \$300 million worth of stuff, which projects are going to get the remaining \$20 million. Certainly, we'll encourage to you participate in that. Before then, community

July 8, 2015

members have been participating under my leadership of the bureau in the budget process, so starting in the fall we'll be convening our Parks budget advisory committee and so there's an opportunity to come to Council next spring to ask for specific funding for the improvements that you want in next year's budget.

The Council passed resolution saying that half of all one-time and ending fund balance money must go to maintenance and Parks, Transportation, and emergency management. That resulted in over \$4 million going to particular urgent projects. The one that springs to mind in North Portland is the replacement of the Charles Jordan roof, which is leaking water onto the basketball court and people have fallen. There are just so many challenges. I very much appreciate your showing us the photographs and telling the community about these challenges because yes, you're absolutely right, and we all need to find more mechanisms to fund them.

The other challenge is that many of our Parks workers are working at minimum wage with no benefits. And so the Council is going need to address that as well, because our partners -- our workers need to get fair compensation, too. You're absolutely right, and I wish I had better news for you. I just encourage to you continue doing what you're doing and participating, certainly partnering with us and volunteering, and coming to advocate with me whenever there's a little pot of money to go. I will certainly keep you informed as to when those opportunities for continued advocacy show up.

Fish: Mayor, if I could ask a couple of questions. Thank you all for being here today. Have you gotten an estimate from either the Parks Bureau or your own due diligence as to what it would cost to restore the existing restroom?

Lynch: We didn't get an estimate to restore the restroom, but we got an estimate for what it would cost to build a new restroom, and --

Fish: What's that?

Lynch: I don't know the exact figure -- it was around \$10,000. That estimate was put together a few years ago, and I actually was not involved in doing it. I understand you're probably going to say that's way too low for the way that the City would actually do it.

Fritz: The current estimate -- we are putting loos in all new parks under my guidance, and the current ballpark estimate for those is \$80,000. I mean, it depends on how much connections to sewer extensions need to be done. They are much safer and they're much less likely to get leaks.

Lynch: Yeah.

Fritz: That's the preferred route.

Lynch: Yeah, I mean we have all the sewer and all the water is already there.

Fritz: Right, so it must be less than.

Lynch: We really just need a structure.

Morley: It's just the bathroom burned out.

Fish: So one option is -- because you're got the infrastructure -- one option is a loo. Because it doesn't look like this restroom can be saved, so it can be replaced with a loo or something else. The other thing I just wanted to clarify, you've -- in your presentation, you've noted that we have kind of a substandard bathroom, but it is currently not accessible?

Lynch: No, it is accessible now, it's not ADA accessible. You cannot get a wheelchair in the bathroom. It's accessible during the summer months for the community, but they do close it during the winter months. They lock the doors.

Fish: The last question I would ask is -- once upon a time, there was a big debate about how we could turbocharge public-private partnerships to do these things. I know that every time that we over here talk about public-private partnerships, it's shorthand for "we don't have the money to do it, can you put some money on the table to help us do it?" And there

July 8, 2015

was an idea years ago that got ridiculed about allowing for limited advertising in bathrooms. The idea was that you had a captive audience. I thought we should have newspapers and espresso to really take advantage of the captive audience. But that generates a lot of controversy, because it brings advertising into a park. But I would urge you to consider, what are those public-private partnerships where you could bring in some money and the City could bring money? I know the Council historically, when we can match a community fund-raising drive, is usually more receptive. Commissioner Fritz has explained there's a long list and lots of compelling needs, so that's a bigger challenge. But if there was a way to share the load and creatively do it, I know that in terms of our budgeting, it bumps you up the list. You probably already thought about that, but I would be interested in. Advertising, again, proved to be controversial, although I still believe it can be done discreetly. And on the other hand, there may be public-spirited people willing to do it just because it's the right thing. Having taken my daughter to park where she played soccer as a kid, and to realize that my daughter -- unlike boys, who the nearest rest room was a tree, my daughter could not do that. It always struck me as grossly unfair that we had to put her in a car and take her to a restaurant. That's another kind of equity issue where girls are treated differently than boys. Anyway, I appreciate your presentation.

Lynch: Can I make one more really quick comment? Since you were talking about the partnership of the community and working with the City -- and that's what we do, we're the community and always trying to do things at the park. I would really appreciate it if you could urge the Parks department to allow us to do more. Because one of the things -- I talked to you about garbage cans and benches. I can build benches in a heartbeat, I'm a contractor -- that's what I do, I build. But I was told I can't put benches in there if they don't match. So, they have to have a steel frame and be painted and the same way as the two benches out there. Garbage cans -- I came up with a simple, cost-effective system of garbage cans that have lids. I was told I can't do it because they have to match the existing cans in the park. You know, it's kind of silly. We don't have garbage cans. It would be great to have ones that match, but until then, if we could put in garbage cans or if I could move the baskets around the park to stop erosion, I'm willing to do all of this stuff for free. I even offered to move the tee signs so people don't get hurt, because I have a couple of people that I know who have actually cut their face. If you guys could urge them to allow the community -- myself and other people that want to be involved -- to do a little bit more, it would be so helpful. Because I don't need other people to do it. I will take the time and effort to do it if I'm allowed to, but I keep getting told "no" so I can't. I'll leave it at that. Thank you so much, appreciate it.

Fritz: Thank you so much. We will be happy to have an ongoing conversation with you. Because I had the same thought when I was first assigned the Parks Bureau, and it turns out there's some good reasons for some of the things you just mentioned. Tim Crail on my staff is on the ball here. The capital improvement projects at Pier Park are listed in the capital improvement plan at 216,000, Commissioner Fish. And just to give you some perspective, it's on page 23 of 37 when ranked in order. So, the challenges are enormous, and I appreciate you bringing that to the attention not only to the Council but to the community. There's so much more we need to do to make sure our parks are welcoming for everybody.

Hales: So, the fact that you're organized and willing to work is a big plus. Do continue to work with Commissioner Fritz and her staff on both advocating for and suggesting solutions. That really makes a big difference. And the fact that you're organized and willing to volunteer, willing to help, but also advocating on behalf of your park -- that really is big in the process. So, don't despair, even though she's correct in the accurate view of the big

July 8, 2015

list. The fact that you're willing to work with the bureau and the Commissioner is very helpful.

Morley: Thank you.

Hales: Thanks very much. Thanks for a great presentation. We have one more person signed up for comment under communications.

Item 738.

Hales: Mr. Ray? Maybe not here this morning. OK. We'll given him another opportunity. Let's move on to the consent calendar. I have two requests I believe to pull things from the consent calendar to the regular calendar, and they are 742 and 743. Anything else? So if nothing else, let's take a vote on the balance of the consent calendar, please.

Roll on consent agenda.

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

Item 739.

Hales: Thank you. As this team comes up, let me introduce this item. Over the last year, I've served along with Multnomah County Commissioner Jules Bailey as one of the co-conveners for the Columbia River levee Oregon Solutions process, which is moving into phase two of that effort under the management of the team that we're going hear from here this morning.

This resolution that's before us today continues that coordination and cooperation and shared commitment among a whole long list of parties -- governmental and nongovernmental -- that need to work together in order to address this really critical piece of infrastructure that frankly I think a lot of people don't think very much about but this group think a lot about. With that, I'll turn it over to Steve Greenwood and his team -- are you first, Steve? Jackie's first -- Jackie Dingfelder is first.

Jackie Dingfelder, Office of Mayor Charlie Hales: Thank you, Mayor. Good morning. Good morning, City Council members. My name is Jackie Dingfelder, I'm policy director for Mayor Hales. With me this morning is Steve Greenwood from Oregon Solutions; Jonas Biery, our City Debt Manager; and Eric Shaffner, City Attorney's Office.

This declaration of cooperation pertains to the Columbia River levee improvement project, an Oregon Solutions project designated by the governor in 2013. The purpose of the project is threefold: to make sure the properties protected by that levee system remain adequately protected; to retain accreditation of the levee system by the Federal Emergency Management Agency; and to remain in the U.S. Corps of Engineers' rehabilitation and inspection program, which provides insurance against damage to the system.

The declaration of cooperation before you serves as framework for regional collaboration on the levee certification and accreditation project. It's a non-binding statement of how the 25 regional partners want to work together in the next phase of this project. Steve Greenwood has served as the convener or the project coordinator for the Oregon Solutions project for the entire length of the project, and he's going to provide more details. And then Jonas will talk a little bit about the financial aspects, and Eric is here to bat clean up and answer any questions about the resolution or the declaration of cooperation. With that, I'll hand it over to Steve.

Hales: Good morning.

Steve Greenwood: Good morning, Mayor Hales and members of the Council, it's great to be here representing the Oregon Solutions team before you this morning. There are a couple of very brief comments that I want to make sort of summarizing what's going on in the document in front of you.

First, this declaration of cooperation memorializes the progress that this group has made so far. I think it's been substantial. We've now completed the engineering evaluation

July 8, 2015

for the PEN 1 and PEN 2 districts. What we've found -- and this is really the good news -- what we've found is that the problems with the levee system and issues to be addressed in those levee systems are substantially less than we feared when we began this project.

This has been a regional team effort, and the City of Portland has been a major player as part of that team. I want to thank on behalf of the group, first of all, the Mayor's Office for their leadership on this project; Bureau of Environmental Services; the Parks Bureau; Bureau of Development Services; Water Bureau; and the Bureau of Planning and Sustainability have all played significant roles in helping the progress so far. I also want to particularly thank Jonas for his work on the financing issues that we faced about a year ago, and really working with the other members of the team to make that happen as well.

The second thing I want to say that is this declaration expands the geographic scope of the project. So now, it will include all of the districts along the Columbia River in Multnomah County. The other district's boards, seeing the project this group made, have requested to be part of this project and to be at the table with the other partners. And the group has said, yes, you know, that's a good idea. And it's a good idea for at least two reasons, one of which is that FEMA, Federal Emergency Management Agency, when it remaps the areas, will do so as a unit. They have indicated they will not do it on just a district-by-district basis, but they will look at this entire area in Multnomah County.

Maybe even more important is that as we've looked at the deficiencies we need to address in PEN 1 and PEN 2, some of those deal with the cross levees and might not be as important or may be able to be dealt with more economically if we look at all the districts as unit. So, there are some cost savings opportunities by looking at the system as a whole.

I might just add at this point -- I know Jonas will talk a little bit about the finances, but -- even though we are expanding the geographic scope, we are maintaining the principle that no jurisdiction -- like the City of Portland, for example -- will be paying for technical work that will be going on in other districts outside of their jurisdiction.

A major portion of the technical work in this next phase -- now that we've completed PEN 1 and PEN 2 -- will be to do that engineering analysis in the Multnomah County Drainage District, and also in the Sandy Drainage Improvement Company boundary. And within the Multnomah County Drainage District, City of Portland is a major stakeholder because 87% of the land area inside MCDD is within the City of Portland.

The last thing I want to emphasize is that this document explicitly does not deal with the finances for the next phase. And as we did a year ago, we will be coming back to you - - and I think Jonas will talk a little more about this -- we will be coming back to you and actually talking about the finances for this next phase. I will make a couple of comments, however, one of which is that the state of Oregon -- partly because of the collaboration of this project and the regional effort -- has passed in this last legislative session \$300,000 to go specifically for the work to be done in this next phase. So, the state of Oregon has already sort of stepped up to the table in an official capacity.

In addition to that, they passed a \$7 million loan amount to go statewide to levee districts, drainage districts, and drainage improvement companies statewide to help in this effort. Because as you heard a year ago, what's going on in these now five districts is not unique. There are other districts around the state that are facing the same issues.

Last thing I'll say about the financing is that the City of Portland magnanimously stepped forward a year ago to be the loan applicant for an infrastructure finance authority loan with the state to help pay for some of the work in phase one. Multnomah County has indicated they will be taking that role in phase two. So, I think the City's leadership and collaboration has led to the collaboration of others, and I really appreciate that.

Hales: Thank you.

July 8, 2015

Jonas Biery, Office of Management and Finance, Bureau of Revenue and Financial Services: Mayor, Commissioners, Jonas Biery, the City's Debt Manager. As Steve said, there isn't a financial specific component to the declaration of cooperation, but we want to give you maybe a tee up of what may be coming down the pike later.

Current estimate for the phase two engineering assessment work estimated around \$4.4 million in total for that project. As Steve mentioned, the majority of that will be funded through a state of Oregon IFA loan, similar to the loan that funded phase one. There will be a small cash funding component for project components that are not eligible to be included in the loan. There will be a request for additional commitments from all the partners to commitment the phase two work. That responsibility will be split among the regional partners -- Metro, Port of Portland, the state, drainage districts PEN 1 and PEN 2, MCDD, Sauvie Island and Sandy improvement companies, and the jurisdictions participating -- City of Portland, Multnomah County, Gresham, Troutdale, Fairview.

Status right now is the financial subcommittee has been meeting to kind of develop a cost allocation methodology that's fair and reasonable to all parties based upon geography and impact of the work that would be done. That work is being completed right now this week, and we expect to share that methodology and the associated cost with you in your offices in the coming weeks. We will come back to Council in late August or early September with an intergovernmental agreement related to the loan and the request that'll define and authorize the City's allocated share.

Dingfelder: That's it. We're happy to answer any questions.

Hales: Please.

Fish: Jackie, this is really good work. One of casualties of our work is sometime we take up these big complex matters and we deal with an issue that's before us but without the context. Could you take a moment just to put in context why it's important that we're upstream working on the levees? And then, without scaring people, what's the worst case scenario we're trying to anticipate? Because I think if people understand that, then the fact that we'll be investing in this down the road becomes more powerful.

Dingfelder: I'll let Steve go into the detail and the background, because it's a really good point. We went through that last year when we were before you, but we probably should have given you a reminder and make sure the folks behind us in the audience understand the context.

Fish: Very succinctly.

Greenwood: We just recently celebrated -- if that is the correct word -- the anniversary of the Vanport flood. It was a good reminder of what happens if the levee system in fact is not protective. It's not a problem until it's a problem, as we've talked about. So there is a tremendous amount, not only -- there's a population certainly, a resident population -- but a tremendous of economic activity and a large share of the region's jobs in that Columbia corridor area protected by the levee system.

A kind of secondary issue but also very, very important is that even if we don't have a flood that breaches the levee system, if we are not accredited by FEMA, it has significant ramifications on the developability of that land and therefore the value of the land. And all of the jurisdictions at a minimum have some concerns I think about the economic development impacts if we do not get accreditation, as well as the loss in assessed value. So in MCDD alone, the City has I think \$3.8 billion of assessed value. And all of the private sector folks involved have said if in fact that levee system is not accredited and that area is mapped as a significant flood hazard area, the economic value will go down significantly.

Fish: So if we have a Katrina-type event, it could be a catastrophe for our local economy, number one. Number two, the reason we're tracking the federal regulations is we want to make sure they don't impose standards and regulations we can't afford, that we can't

July 8, 2015

meet. And number three -- I guess we don't like to talk about this in polite company -- there is a risk that if there ever were regulations that overwhelmed the drainage districts, the liability would pass to local taxpayers. That's why the City has a huge interest in making sure this is successful.

Greenwood: Commissioner Fish, yes. I think that again, the economic value protected by this levee system is important to the City not only in the sense of protecting from a flood, but making sure that it does get that regulatory approval from FEMA.

Dingfelder: And Commissioner Fish, if I may add -- and members of the Council and the Mayor -- two important aspects within MCDD, as Steve mentioned. First of all, we have the airport. I know that the Port is sitting behind us and I believe that the Port has already adopted a resolution supporting the declaration of cooperation. Obviously, we want to make sure the airport is protected. But we also have one of if not the largest industrial area in the state protected by those levees. So there's a huge amount of investments that need regulatory certainty. And of course, flood insurance was a huge element of that of certainty -- making sure that there's affordable flood insurance. And in order to keep that, we need to make sure we have the continuation of the accreditation.

Fish: And Jackie, I know that Corky Collier would under normal circumstances be here today, but we'll just do a shout-out to Corky and Sara who are home today with their one-week-old son, Henry.

Dingfelder: It's really exciting.

Fish: Henry is about this big. And he had a bris the other day, so he's not very happy, either.

Greenwood: Commissioner Fish, if I could just add one more thing in response to your comments. We do have the two key federal agencies also at the table, FEMA and the Corps of Engineers. That has been incredibly helpful a) for them to see the regional effort, but b) you know, they're there and really providing information input and cooperation that frankly I don't think would be there if they were not part of this effort.

Fish: And you know, the Superfund gets all the attention these days because of the big scary numbers that are kicked around. But the levee -- this issue does make its way into our federal agenda because the City understands that if the federal government someday mandated a set of requirements that effectively bankrupted local governments, it would be sort of counterproductive. And that's the good work that the Mayor is doing with Jules Bailey in this exercise, is keeping an eye on the costs, because federal government could mandate a standard that's laudable even though they are talking about a 100-year storm or a thousand-year storm or something -- it may not be feasible for us to afford it, in which case we would be sacrificing a big chunk of our local economy. So, this is really important.

Hales: Other questions for our panel? Thank you all very much. We'll see if we need to get you back after other testimony.

Dingfelder: And Mayor, part of today -- and I think Steve's gonna mention -- about signing once you vote on the resolution, because there is a signing ceremony that unfortunately we know you couldn't be at. So, we would like to have all the Council members with you as you sign the declaration of cooperation. I think Steve just wanted to make a comment on that.

Hales: We'll be prepared to do that.

Dingfelder: OK, thank you.

Hales: Thank you very much. Are there others signed up to speak on this item? Thank you very much, Steve. Anyone else, come on up with him. Thank you. Good morning.

Lightning: Good morning. My name is Lightning, I represent Lightning Watchdog X. My biggest concern on this levee, plain and simple, is the Portland airport, Troutdale airport, Expo Center. We need to make sure that this levee has not been breached in the past. I've

July 8, 2015

always had a concern about the two travel lanes on top of the levee. I'm concerned about the height. I'm concern about the setbacks of the properties on Marine Drive from 33rd all the way up to 122nd from the levee to the river. I don't think the Port of Portland should have ever privatized those properties. I think every property along there -- at this point, eminent domain should take place. Those properties need to be bought, all the businesses need to be removed. There is not enough height currently on this levee.

This levee was originally built for agricultural values. We're talking the Portland airport. I want the public to think about if that airport is ever closed down what that will do to the overall economy. We need to build a wall that is high enough and add more height to protect the Portland airport. If that levee is ever breached, this city will shut down. We cannot afford at this time to allow the Portland airport to be in jeopardy, Troutdale airport to be in jeopardy, all the industrial businesses to be in jeopardy, all the values of the real estate to be in jeopardy. We must get the accreditation.

To get the accreditation, we must meet the standards of the New Orleans levee. We are nowhere close to that on the levee we currently have. We can prevent serious loss, serious damage by doing that. Again, every property from the levee to the river needs to be bought out, or the owners need to do a sell-out to the Port of Portland and step away from these properties to maintain the levee in the proper manner.

And my question is to the Port of Portland. Some of these properties along Marine Drive are part of the levee. Their properties have gone to be part of the levee. Which -- as you all know in this room -- Marine Drive is the levee. So when these properties are bordering that and they're that close to the levee, they are part of the levee. It should have never been that way in the past. We have the right, and we can do the changes for the future and bring it up to the proper standards.

This is also a homeland security interest on the flight path from the airport over these properties. We can readjust now and correct that. The Port of Portland needs to step in and buy out those properties along Marine Drive to get the proper accreditation on this levee. I'd like to do an impact study on the dredging. If we dredge along that area, will that also help maintain the levee? I haven't had any research done on that. I'd like to see that if we take out soils along the levee on the river, will that also help the levee itself? I'd like to have some studies done on that. Thank you.

Hales: Thank you very much. Well said. Thank you. Anyone else? Any other questions from Council? Let's take a vote on the resolution. Then I think Steve needs us to sign it if we pass it.

Item 739 Roll.

Saltzman: Thank you to everybody who's working on these critically important issues. I want to thank the Oregon Solutions team for their convening and growing the partnership to include all the drainage districts. Clearly, we're more powerful as a unified area in doing the necessary important work identified by our speakers this morning. Thank you. Aye.

Fritz: As one of the major landowners, Portland Parks and Recreation has been very much involved in these discussions. Thank you to the team, thanks to Mike Abbaté and his team, also my team in Development Services. It's very much an inter-bureau, interjurisdictional challenge and important to all of us, so thank you very much. Aye.

Fish: Mayor, thank you for saying the lead on this, and just a shout-out to the Oregon Solutions team. This is the third, fourth, or fifth program that we've been involved with in the last five or six years, and it's something that a prior governor championed as a way of bringing all the different parties together to resolve thorny questions. I've actually thought that we should take the declaration of cooperation idea and bring to it local government and just do it as a regular matter of business, because it's such a successful model of how

July 8, 2015

you resolve big, complicated questions. Thank you to Oregon Solutions, thank you to all of our partners. I'm pleased to vote aye.

Hales: Well, you know, in my educational role as an elected official, I've tried to get people to notice some crazy facts about how we live here. And that is, depending on where you're standing in Portland, the square foot that you're standing on either has nine or 10 local governments -- which is in a way crazy, but it's also reality and it's a complex situation created over time for one good reason or another. But literally, there are either nine or 10 local governments occupying every square foot in Portland and serving it one way or nod, whether it's a school district or a drainage district or the Port of Portland and so on. And so, that's the reality in which stuff gets done. Therefore, the ability to work in a constructive long-term partnership is essential because no one agency can make these kinds of big things happen. That's why this model does make sense and why the people involved in this particular effort are doing a really good job of using that instrument of the Oregon Solutions team and understanding of cooperation written down, followed, and paid for in mutual commitment. It's working.

It's a big lift, what we have to do to these levees, but our ability to solve that problem is only enabled by the fact that we have this cooperation, so I'm a very enthusiastic participant in this work. It is essential. I think Lightning's comments really were on point that this is our airport, this is Cascade Station, this is hundreds of businesses and thousands of jobs. It's our golf course, our Delta Park. The list just goes on and on. Once you look at the geography, you realize how big a deal this is. I want to thank everyone involved in this work and I look forward to continuing it. Aye. Now Steve, do we need to sign a document right now, is that the plan?

****: Strike while the iron is hot.

Fish: You want us to witness his signature? [laughter]

Hales: Alright. So, I sign this and now all those other governments have to sign it. Thank you very much. Thank you all.

Item 740.

Hales: Thank you. I want to call up Paul Schroeder and maybe others from his partnership and team to report back to the Council on how this unique partnership between the City and the faith community is working to address homelessness. Good morning and welcome. Good morning, Paul.

Paul Schroeder: Good morning, I'm Paul Schroeder with New City Initiative, thank you so much for the time today.

The Village Support Network is a grassroots project of the faith community to address the challenge of family homelessness in our region. Through the Village Support Network, teams of volunteers are trained and matched with families that are making the transition out of homelessness and work with them during their first six months on critical tasks like budgeting, goal-setting, employment acquisition, getting kids enrolled in school, and generally just helping family has to this very wonderful but also often challenging transitional time.

We know that family homelessness is a growing problem in our region. In the last point in time count, the overall homeless population was stable, the unsheltered population declined, but the unsheltered family population grew by 24%. We know that the utilization of services, especially the emergency shelter for families, has been unprecedented over the past several years.

Last year, this City Council was very, very gracious and wonderful to support a resolution in favor of Village Support Network, and a letter of support, a call to action went out to the faith community from the Mayor, from Commissioner Saltzman, from Chair

July 8, 2015

Kafoury. The Mayor's Office also gave us \$25,000 with the goal that we would engage 50 congregations in supporting 50 families in the year 2015.

As a brief report today, as of the end of June, we have trained 21 teams and have matched or are in the process of matching those teams with families. That's compared with 15 teams in all of 2014, so we've significantly ramped up the program, and we have 29 to go. We're actively recruiting within the faith community for this project, and we feel like we've gained some significant momentum.

What I wanted to do was to invite Annie Killian, who was a participant in the Village Support Network, to share her experience and what that experience was like.

Hales: Great. Good morning.

Annie Killian: Good morning. Simply put, I'm not just home, I'm happy. It's incredible what this organization was able to do for me and my 4-year-old daughter. Not only did they get me support before I transitioned into my current home -- which is a beautiful, beautiful home in Northeast -- but they were there beside me as I transitioned in my home and even afterwards. They helped me to enroll in PCC and to continue pursuing my goal of becoming an R.N. I'm now in my second term and doing well. My grade point average is a B+ right now. My child is happily enrolled in Head Start, she's doing well. We've settled into a good and happy life. And I am still very emotional thinking about the experience and just how thorough it was from the scary process of trying to navigate the nightmare of trying to find housing under current conditions, which took me every single day including weekends from the 11th of December of 2013 until August 21st of 2014. That's quite a long time that I searched every single day and got denied, missed out on opportunities because there was literally hundreds of people vying for single units. It was a nightmare.

It was an extreme blessing to have a program like the Village Support Network, like the New City Initiative to guide me through that process and to help me not just get out of the nightmare of shuffling from place to place or shelter to shelter, but to actually provide stability and to provide happiness, to provide a footing to fulfill my dreams to be a good role model my child, and to be able to participate in things like this where I can give back and I can share how much they affected me, and how years down the road, when I am an R.N. and I'm saving lives, I'll remember it.

Hales: Wow, thank you. Thanks very much.

Schroder: So, Reverend Chris Craun -- St. Michael and All Angels Episcopal parish has now had four Village Support teams, they were one of the very first -- the very first in fact, as I think about it -- an early adopter of the program. She would like to share a little about her community experience and also how that leads to the interfaith statement on housing justice that we've prepared.

Hales: Reverend, there's a switch on the base of that microphone. Just push the button there.

Chris Craun: Good morning, it's good to be back. I was here last year as an opportunity to endorse the Village Support Network and today I'm back again as a rector of a church that is on our fourth team that is doing our part as a village of support for families, which has been an outstanding storytelling that you have just heard. We are growing in our edge of what we need to happen next. We have gotten great support from the Episcopal Church. Our bishop, Michael Hanley, signed the interfaith housing statement for housing justice along with 70 other churches of the Episcopal faith across western Oregon.

We're excited about what we have seen happen, which is building relationships and connections and offering a network of support to families as these teams. But what we have learned that is our relationships are being stretched by where families are placed, where families can find housing after long and hard searches. That what we were hoping for us a village, that village that surrounds families.

July 8, 2015

What we understand now that is that we need that greater structural support. While we're able to provide a network of support, we're looking for a village, and a village is about living next to our neighbors, living with our families, living with communities that are providing education and accountability and a chance to dream all those wonderful dreams our children have.

And so, what we have learned is what has informed our statement of housing justice which I will read to you. As people of faith, we have been given a sacred charge to uphold justice for all people. We are responsible for the creation of a community where everyone belongs, where diversity is valued, where dignity of the most vulnerable is safeguarded, and where all people have the opportunity to achieve their full human potential and to thrive.

To our shame, our neighborhoods do not reflect these values of justice. Despite the good efforts of many, poverty, homelessness and hunger are on the rise in the metropolitan area, especially among the most vulnerable: families with children, women, and youth under age 25. Low income families and individuals are being displaced from their homes, neighborhoods, schools, and houses of worship. Our region is increasingly characterized by economic and de facto racial segregation. The areas in which the poorest and most vulnerable among us are compelled to live frequently have fewer public amenities such as parks, sidewalks, community centers, and libraries; lower levels of teacher experience, less employment and economic opportunity, and higher rates of crime and violence. All of this tends to reinforce the cycle of poverty and homelessness.

We therefore stand firmly behind the central proposition of the Home for Everyone united community plan to end homelessness in Multnomah County, that everyone deserves a safe and secure place to call home. We support and confirm the goals of the plan, which include prioritizing the most vulnerable, promoting racial justice and equity, and creating robust mechanisms of transparency and accountability to ensure that resources are used in the most effective and impactful way possible.

We also call upon our elected leaders and public officials to take bold steps to address the crisis of homelessness in our region. Most especially, we call for robust measures to end child and family homelessness. To this end, we are asking our elected leaders to, one, take whatever steps necessary to ensure that at least 30% of all new subsidized units are set aside for people earning less than 30% of median family income, and to use all means at their disposal to incentivize and leverage private developers to create more dedicated low-income units.

Number two, to create one or more new permanent and year-round shelters for families experiencing homelessness, with efficient capacity such that no family is turned away.

Number three, in view of rising rental costs, significantly expand funding for eviction prevention for families at risk of homelessness and ensure that robust wrap-around services are available to these families to assist them in attaining lasting stability and self-sufficiency.

Number four, make significant investments in public amenities, public schools, and public safety in neighborhoods with high concentrations of low income families, especially in East Portland.

We pledge our support for these efforts and reaffirm our efforts to continue and where possible to amplify our efforts for a just and more compassionate community where everyone has a place to call home.

Hales: Thank you.

Fish: Do you have a copy of that for us?

Hales: I hope she did. Yes, please.

July 8, 2015

Fish: Karla, do we have her handout?

Schroeder: I have copies if you --

Hales: Excellent.

Fish: If you could give them to Karla, I think we'd all like to have them.

Hales: Yes.

Craun: And attached to the statement is signatures of all the people who have thus far signed.

Schroeder: Over a hundred religious leaders, including several local judiciaries, the Episcopal bishop of Oregon, the Lutheran bishop of the local synod, the executive co-presbyter of the Presbyterian of the Cascades -- it's an interfaith statement -- a number of rabbis, representatives of the Muslim community and the Buddhist community have signed onto this.

I wanted to invite Pastor George William Whitfield to share a little bit about the experience of his community to just sort of bring what's in that statement into focus. So thanks, Pastor George.

George William Whitfield: Thank you, Paul. Again, as Paul said, my name is Pastor George William Whitfield, and I pastor the first AME Zion Church here in Portland, Oregon. It is the oldest African American church in Oregon and Washington.

With me being new to Portland -- I've only been there almost a year -- my members have told me a lot of the construction that's going on around our church -- the gentrification -- how it has affected our congregation.

Historically in an African American community, we like to worship in our community. We like to go to church in our community, we like to support the stores in our community. And because of the gentrification, a lot of our members have been pushed out. So a few of them -- we've lost some members over the years, and a few of them come in to where we're located in North Portland.

Been by there recently -- when I first came here, there was a new building being built. Now you go there, we are landlocked. We have lots of buildings going up, lots of construction going up. And it's very hard for some of our members, because our congregation is an aging congregation. So we have seniors there that are faithful to coming to church, but because of the construction and because of all of the things going on, it has affected them. They tell me that in the past it was a vibrant community with a lot of things for our church. But because of not affordable housing, a lot of our members have been pushed out.

And so, we are truly standing in agreement with the statement that we are urging our elected officials to make sure that there's affordable housing for those people that are low income, because most of our congregation members are on a fixed income, low income, and so they would love to live and work in the community in which they worship.

Hales: Thank you.

Schroeder: I've asked Rabbi Joey Wolf to say a few concluding words, but before we do that, I wanted to just see if there were any questions from the Council.

Hales: Questions, comments?

Fish: I think there will be a lot of comments after the testimony.

Hales: Thank you all very much. Let's hear from Rabbi Wolf. Good morning.

Joseph Wolf: Good morning. Thank you, Council members, for all of your work. My name is Rabbi Joseph Wolf. This is my 29th year here in Portland at Havurah Shalom.

Havurah thinks of itself as a Jewish community that cares a great deal with the Portland metropolitan area and the issues at our front steps -- the people who comprise this area, the shifting nature of political and economic forces that drive it. During the time that I've been here, I have thought a good deal about the face of the city. I tell my friends

July 8, 2015

who live elsewhere how remarkably livable our city is. I think many of us repeat the litany, adding up in our minds the benefits of a friendly and quirky place, the public transportation, the great restaurants, the theater, the tall buildings going up downtown, the haven for creative young people. But on the other hand, we're also discomfited by another side of the story, and I think this is why people of faith who do a good deal of study of old texts and looking to the conversations that are intergenerational about living a wise life use the word "shame" in this document.

On the one hand, there's a great deal of good news for which we are very grateful to you. We know that you work very hard on these issues for the allocation of funds, the response to the sadness of people out on the street without a home. But each of us feels shame because we know that these people too are our neighbors sleeping in storefronts, outside of our churches and synagogues, in front of our businesses. And they are the people too we know all about -- we won't hide from it -- who have been forced to move out of neighborhoods that were historically their own due to gentrification. There are people who are everywhere and some now who seem to be nowhere. That's why we use the word "shame."

Because it's easy to talk about Portland in terms of long lines; of patient, cheerful young hipsters waiting for double fold singing dog vanilla ice cream. But pretending how much we love vanilla in an era of Black Lives Matter doesn't cut it, nor does moving whole families to affordable housing way out somewhere in East County somewhere out of sight suffice. So, the allocation of dollars is wonderful, but it's going to be essential that the City ensure that the amenities to families in hither to neglected areas -- all of those support services, the green spaces, better staffing in schools in those areas, which have not had the same level of staffing and enhanced programming that maybe the schools downtown have gotten -- that these parts of the metropolitan region are given this kind of attention too.

The economist Joseph Stiglitz in this book *The Great Divide* who writes searingly about the plague of inequality in our country, writes, "Nowhere is trust more important than in politics and the public sphere." He refers to it as "economic discrimination." We need to take care of those who make less than 30% of median family income. How we provide them with housing -- we should see that 30% of all new subsidized house goes to the poorest of the poor who are daily out there looking at us, wondering how we could be neighbors, causing us this thing we call shame. Public safety means building trust. And for our homeless families, we really need year-round shelter, a place that stays open and allows a father and a mother to put their kids' stuff down to anchor them, a temporary base from which to transition to independent living.

So, there's a lot really to be happy about in the projections for spending. But we all need to work together to wisely make all of the inhabitants of our city feel like neighbors, like they belong. That's how we'll overcome the shame. That's how Portland will be home to all of us, that we're all going to feel proud of this great City. I want to thank you so much for the work you all do.

Hales: Thank you, thanks very much. I think we have others who would like to speak, feel free to come forward. I know you take people off the list, but if anyone else wants to speak, feel free to come up as well.

Moore-Love: Two people have signed up, reverend Charles Johnson and Joe Walsh.

Hales: Come on up. Good morning.

Charles Johnson: Good morning. My name's Charles Johnson and I want to thank the group for having Rabbi Wolf deliver those powerful words. But in reality, even though we have a few success stories, we have many tragedies. We should not be patting ourselves on the back when we line up 10 people and only shoot one in the head and one in the foot.

July 8, 2015

We need to be doing -- the village program talks strictly about assisting families. We don't really even know how many women and men have been separated from their families due to economic distress. And then once they are separated from their partner or their children, they are lesser people. They're left to sleep -- as Rabbi Wolf noted -- in the doorways of buildings and be hustled around by police from here to there, wasting gobs of police overtime to accomplish nothing. It's not an accomplishment when a homeless person moves belongings from 3rd Avenue to 2nd Avenue.

It's very important that he pointed out the word "shame." It goes with "disgust." We can take a tiny bit of satisfaction and pleasure that we have a few successes -- the one fortunate woman for whom the network held together and she talked about getting placed in a situation where she can pursue a nursing career. As we come to this Council meeting, or if we leave here -- especially if we stay until 10:00 at night or are mobile at 6:00 a.m. in the morning, we see people with nothing and nowhere to go. Or perhaps they have a little bit too much and there's nobody to help them deal with that, so they can't go inside to the very few beds that are available for people.

We may have planted a seed, a beginning of something good. We have many faith leaders here. I see Pastor Mark from Augustana Lutheran where Francisco took reference with when the government was involved in its crazy job of persecuting families to move them out of their hometowns. If an immigrant comes here and their children go to school here, it's their hometown no matter where they were born. And so I thank the leaders of the faith community who have been involved in sanctuary and immigrant justice efforts. But we need to do better.

We need to find ways for individual congregations to be empowered to do more for people, regardless of whether it's a family or an individual. We need to find ways to reward congregations like St. Michael's and all the archangels in Hollywood, like First Unitarian that have direct programs where actual homeless people are actually assisted or even given long-term shelter. So, I look forward to the Mayor and the rest of you Commissioners finding ways to incentivize real solutions, people getting a hand up. Thank you very much.

Hales: Thank you. Good morning.

Joe Walsh: Good morning. My name is Joe Walsh, I represent individuals for justice. We have almost no comment on the report. Our concern is that when people come before the City Council and tell you how good you're doing, it makes us nervous, because we're not.

Every morning, I look in the mirror and I say to myself, can you do anything more? What is it that you can do to get somebody off the street, Joe? It's up to you. It's not up to everybody else, it's up to you. It's very personal with me. So when the churches come before you and they say, "we are doing wonderful," I get really nervous. And I'm glad they used the word shame because every time there's a person on our streets that you move around, Mayor, by your cops, in those sweeps, those terrible sweeps, it breaks my heart. I get really angry with you. I don't understand how in God's name you can go to the Vatican and look the Pope in the face when you sit here and you move the most vulnerable among us, and the churches say almost nothing! Where's the cardinals? Where's the bishops? Same to you. Jesus Christ said to us, save the vulnerable. And then you can get into the heavens. And you go to the Vatican? You move people and you steal their stuff. You ask your City Attorney -- there is not one iota of people getting their stuff back because they can't prove it, even when the court ordered you to store it. They sell it. You have contractors stealing from the homeless. Do you understand what that means? Do you understand what that means? They steal their stuff and you say nothing! You say you're doing good work! You spend millions of dollars on what? Trucks, buildings, hiring people. You don't get people off the street. This is a fraud! You're all frauds!

Moore-Love: We have one more, Rick Bartko.

July 8, 2015

Hales: Good morning.

Rick Bartko: Good morning. Rick Bartow from Southeast Portland. I would kind of like to return to New City and Village Support Network. I'm a member of a team out of St. Joseph the Worker at 148th and Division who is in about the fifth month of transitioning a family, a young man and his 16-year-old daughter. You can imagine a young man raising a 16-year-old daughter by himself -- quite a challenge. The team that has been assembled to help this family has been fantastic from St. Joseph, but my main reason to come up here -- I feel compelled to absolutely sing the praises of New City and staff. I don't know when these people sleep. It seems as though they're with us or with families or raising money and buying productive things with the money they raise to make them even better. I have nothing but praise for them, and I hope to -- after we get done here with our stint with our first family -- be able to do it again through St. Joseph. It's a good start. It needs to grow. It needs to get the support of the majority of religious communities in the estimate I think if that happens good things can happen, and I'm hopeful for that for the future. It may take a while, but I think with patience and determination, we can make good progress. Thank you.

Hales: Thank you, thanks very much. Anyone else? Please.

Tom Wehrley: Good morning. I'm Tom Wehrley, and I represent Oregon Center for Christian Voices, as well as the faith-based group that's here today. I've been in the game I guess for a while now. Previous time, I was here with Right 2 Survive folks and I know some of the background and history. And I know each of the Commissioners here has represented homeless folks in a variety of ways. I know you're not frauds. And I know you aren't, either, Mayor Hales. But a question hangs there -- are you representing homeless folks, the poor enough? Because they haven't got the representation in this City if you don't champion their cause.

I want to tell you a story, I think stories are sometimes the best way to communicate. I'm privileged. I'm an owner of two homes, I have a place in the gorge with my wife and now a place on the South Waterfront. Mostly, I've been most of my life I've been a resident of inner Northeast Portland. But I was fishing one day in the gorge, Klickitat River. And I was done for another unsuccessful day of catching fish but a successful day of being out in nature, and I was in a good mood. There was a Native fellow standing at the junction of the road of the Klickitat River and Highway 14 that needed a ride, he need to do get to a store to get his bottles and cash them in for his money for that day. We had a good conversation. He was a former Marine, he had served his country. And we had a rapport going. So as this old white guy, I felt compelled to tell them how thankful I was to be sharing what I said was his country. He looked me square in the eyes and said, "it's not our country, it's god's country."

So what have we come to? Certainly, I can understand the issues around zoning laws, about the rights of homeowners, the fear when property values are jeopardized. But isn't everyone entitled to a place to call home?

I'll finish by joining Reverend Whitfield. I don't look too Black to you, I'm sure, OK? But I've been there when Jeff has been rocking, when Ben has been spitting on the court. My kids grew up inner Northeast. I work with -- another volunteer thing -- residents of that area in home repairs. I was a career counselor with at-risk families and I knew with our Black kids, if they were from inner Northeast, that they had a home beyond their immediate home. More being lost than actual individual housing if inner Northeast isn't supported with affordable housing. Thank you so much, I hope you go forward caring for these folks.

Hales: Thank you. Good morning.

Abudullah Polovina: Good morning. My name is Abdullah Polovina, I am Imam of one of the Muslim communities here in Portland. I came today in peace, and I will show peace, my brothers and sisters in humanity, just to express my deep support and in some way

July 8, 2015

respect for what is done here, what should be done especially to my friend and our friends Paul Schroeder from New City Initiative, and also for you guys from the City. We know all that you are bringing -- a great job in this matter. But we should -- there is some more that we need and should do more.

We as faith leaders, we do prayers. We all do prayers. We pray for our less fortunate, we pray for you guys in City to do more. Because god is our cornerstone that rely on in some hard and tempting situations. In this time, we need to get together to do more in this matter. So, we did this statement in a way to help those less fortunate so that they have some representatives in our communities -- that we can do and we would like and we want to do more.

So the main point is to encourage all of us, especially you, to do more than in this matter. Because what our friends, brothers, sisters, who are less fortunate today -- we all can be tomorrow as they are today. So we need to think about that and do whatever we do not only for them now but also for our future generations, that we show that we care. We are friends, we are people of faith, but also people of good actions -- something that should bring us together in a way for those who are less fortunate.

Thank you for whatever you did, thank you for what are you planning to do. Let's do it together in this manner and hopefully, god willing, we will come to a point where those less fortunate among us will appreciate this and they will come to the point to be called not less fortunate but just people who see and they need some dignity, recognition that there's somebody who cares. God bless you.

Hales: Thank you. Thank you very much. Good morning.

Mark Knutson: Good morning, Mayor Hales. Reverend Mark Knutson, Pastor of Augustana Lutheran Church in Northeast Portland, 15th and Knott, and we're a sanctuary congregation, and I hope the City continues on its path to become a sanctuary city as well. We are home to six nonprofits we've birthed in the last 20 years together, and one is the Community Alliance of Tenants, which keeps many people in housing who are on the verge of losing it and knowing their rights, as well as Families en Accion that does that as well.

What I came to say today is those who are either on the edge of being homeless or who are homeless are members of our congregations as well as members of our city, and we constantly work within that context to get people back into housing, to keep them in housing. But I can tell you in just one congregation the people on the edge of losing that is high, and the need to move farther out for the most affordable housing they can find. I echo Reverend Whitfield's words as well.

The key on this is for all of us not only to feel shame, but also to collectively put our efforts together and to accept that what is today does not have to be what will be tomorrow. I think we're all sitting here today with that initiative and feeling. But we know we've addressed homelessness for years in this city, but it continues to grow.

What I'm going to say about the New City Initiative and Village Support Network is it's a systematic approach that works. And in churches, synagogues, mosques, temples, we're not highly staffed. We don't have a staff person for this, for instance. We do it as volunteers. Reverend Tom and Patty Campbell Smith are here who head up our village support team. But to find collective ways of doing things together, the City could provide the infrastructure funding and we then could use it. And so this is one good example where we could come up with the volunteers to walk alongside a family with \$1000 to support it in the process. But the systematic approach that pull others to this with funding from the City and County and hopefully more from the state is very important. So, I would redouble the efforts in terms of funding because it works, and our team will take learnings from helping

July 8, 2015

another family outside the congregation and bring it back in to help families and individuals within the congregation who are seeking housing.

The other thing I'd ask you to look at as you move forward is look at those things in this city that are not big necessarily but really keep people from getting housing. You've already dealt with ban the box, which is huge and we're thankful for that. But just look at the cost to apply for an apartment. We felt one family, individuals over time -- they pay a fee again and again and again and never get it back. So, a unified application would be helpful so people are not losing that.

The other thing is small things -- if you're homeless you often get cited for things, and you have the least opportunity to cover that, so it can build. I've had people in the congregation who get one infraction and that builds. How can we look at forgiving and moving forward and helping people get back on their feet? Thank you for what you do. Again, we cheer on what Paul Schroeder is doing and the whole collection of us on this effort. Thank you.

Hales: Thank you, thank you all. So I think we need a motion to accept the report.

Fish: Motion to accept the report.

Fritz: Second.

Hales: Any further discussion? Roll call, please.

Item 740 Roll.

Saltzman: I want to thank the New City Initiative and the Village Support Network for living up to the expectations Mayor Hales and I placed in you about a year ago to really partner with us in our efforts, because it takes a partnership to deal with the issues of homelessness and the quest for more affordable housing. Certainly, many of the values that were spoken to in your resolution are values that we have embraced on the City Council in terms of providing housing not just in East Portland, and you were saying, but right now we have underway projects to house homeless families or formerly homeless families in the Pearl District. Thanks to Commissioner Fish's leadership, we have a project going on right down in South Waterfront to do the same thing, to provide additional housing for low income individuals, particularly dedicating a certain amount of those units for people making between zero and 30% of median family income.

Thanks to the leadership of Mayor Hales, additional money has been dedicated to focus on issues around displacement in North and Northeast Portland, and I'm pleased to say that we've adopted an action plan and it's being closely monitored by -- well, Bishop Holt is the chair of the committee that's overseeing our investments there to provide people means to stay in their homes through home loans, home repair loans, to provide rights of return in public housing that will be constructed there so that people who formally lived in North/Northeast Portland will have priority access to return to that area, and also investments in additional housing so that people can stay in those areas.

These are all things we take very much to heart, but we also know and recognize our limits, and tomorrow we'll be bringing an initiative to the City Council to be able to leverage the private sector's additional help -- in exchange for privileges we grant to developers, we're going to ask in return that they include affordable housing in their developments our that they pay into a housing investment fund for us to create that affordable housing.

These are all things we're undertaking, but working with the faith community is really essential because we can't do it all and the faith community has so much more resources in terms of people committed to these ideals, and the ideal of taking a family and helping one family at a time is really -- I'm convinced -- is going to be a very successful strategy, and I think you have shown that to date. I thank you for your testimony, ma'am, and wish you very much good luck in your RN program. I'm really

July 8, 2015

happy you were here today to share your experience. Thank you very much, and we stand together as partners in tackling these daunting problems. Thank you. Aye.

Fritz: Thank you very much, everybody, for taking the time to come today, but more importantly, taking the time to work within your faith communities to wrap around services for individuals and families. It is one person at a time in this challenge to help people prevent homelessness and get out of houselessness. I too wish you all the best in your registered nurse career. It was a great career for me before I became a politician. And you'll learn that nurses are among the most trusted professionals in the country, so your experiences -- the struggles that you've been through will definitely help you in the care you give to others, and I really appreciate you taking the time to come today.

I should invite you all to come back tomorrow at 2:00 when we will be discussing the new proposal that Commissioner Saltzman referenced. We're going to be having a fairly vigorous discussion about whether those incentives should be for middle income housing or to keep the current policy of having those incentives provided for lower income housing. For those of you able to come back tomorrow, I anticipate quite the debate because there's only a limited amount of money and limited amount of incentives, and so how we're going to prioritize is the big question. And then, what are we going to do to leverage other creative solutions that may not solve the problem but take us a step further? Thank you for being here. I'm very pleased to vote aye.

Fish: I first met Paul through Marc Jolin a number of years ago when Paul had this idea of organizing the faith community to address homelessness. And the truth was the faith always been on the front lines of addressing homelessness, the idea was to coordinate and to leverage the great strengths of the faith community. So, Paul, thank you for your work and your service, and thanks to all the faith leaders joining us today.

And I just want to acknowledge that I think what Dan Saltzman said a few minutes ago was one of the most eloquent statements anyone has said on this body about homelessness and about our convictions. And I thank Dan for being a champion.

In the last month, for people of faith there have been some developments that are encouraging. Pope Francis issued his encyclical and talked about our common home. The first African American president did something I never thought I'd see in my lifetime -- he went to South Carolina and led thousands of mourners in a rendition of Amazing Grace. The Supreme Court affirmed the dignity of all marriages and all love. Even the legislature got something right -- we got a bill passed that said that all the windfall from class action lawsuits will be now directed to legal services for the poor. And since we're only serving between 15% and 20% of the families who desperately need legal services to prevent evictions or to deal with life's problems, that was a huge win.

But while I'm a cup half full person, I have to acknowledge that there are some things that greatly disturb me. It disturbs me that the Senate recently proposed eliminating funding for the HOME Program. That is one of our lifelines to build affordable housing and to eliminate the HOME program because we can't afford to invest in people but we can afford to invest in things military hardware -- did someone say the word "shame" earlier? And how does that reflect our best values? While we're cutting federal funding, by my last count, a majority of people have said they would eliminate HUD, the housing bureau at the federal level because we have too many and we don't need the federal government should not be in the business of directing housing policy. I hope, Mayor, we have a vigorous debate about this this fall because at the federal, state, and local level lots of people running for election. And I think it's time we said collectively we said that once and for all, housing is a primary federal concern, and shame on us if we eliminated the Department of Housing and Urban Development.

July 8, 2015

Closer to home, we don't have the funds to address the need and we're talking about redefining a home. And I'm going to get in some trouble for saying this, but a home is a roof over your head. A home is not a tent over your head. And the moment we normalize tents instead of a roof is the moment we have lost the moral claim to the high ground in this debate. Because we have essentially said we will collectively not raise the bridge, we will lower the river. This community should never back off from raising the bridge, and to redefine a home as a tent is morally unacceptable to me and it puts us down a path that we do not want to go.

You have come here today with a beautiful statement, and what's going to happen is we're going to celebrate this moment and this very affirming moment, but it's going to get lost. So, I want to urge you to come back. And you have put down some markers, so let me just affirm that. Collectively, we need to say that the federal government must support a national housing crisis. And that means that anyone running for office at the federal level has to say they will commit to using federal resources -- our tax dollars -- to invest in housing. Because after all, in a mobile society, it is a federal concern. And we cannot possibly solve a national crisis locally any more than we can solve any other national crisis locally without a strong federal partner.

Number two, we're likely to have another surplus this year. Council this budget season said the priority is roads and sidewalks and basic maintenance. 10% of our surplus went to housing. 40% went to streets and basic maintenance. We'll have a debate this fall if we have surplus again as to whether we should do more for housing. I hope you're here sharing your perspective on that.

We're going to have an ongoing debate about whether we invest in zero to 30. And let's be clear, zero to 30 is not just a moral question, there is an economic consequence. We have to put more money into units serving the poorest than we do for people above 30% because they need services and they need other resources. It's more expensive. You have to do more grants and less loans. There are people in our community who argue persuasively and effectively that we should be doing more loans and fewer grants and investing dollars more efficiently. Just remember, to get more dollars at zero to 30 means bigger investment of a shrinking pot. I support that investment, but it comes at a cost and we have to acknowledge that cost, which is why there will be a fight and why it doesn't just happen.

Next, Commissioner Saltzman talked about investing in opportunity areas. Let's be clear, there is now clear studies that have come out in the last month making the case that families in high opportunity areas with low income kids do better than families that are marginalized. Well, who is against opportunity? But the fact is Commissioner Saltzman gets criticized for building affordable housing in South Waterfront because people say, "well, the dirt is more expensive there. Why not do it on the border with Gresham?" Well, the reason we're not going to put all of our money in places that are inaccessible and already have substandard infrastructure and concentrations of poor people is because that's not where families are going to thrive. We'll invest in those communities, but we'll also make sure that low income families have the same choices we do to decide where to live and send their kids to school. That is why we invest in Southwest, that's why we invest in the River District, that's why we invest in South Waterfront. But we haven't won the fight on opportunity. There are plenty of people who say opportunity comes at a cost. Zero to 30 comes at a cost. There are choices we're going to have to make, and your voices are going to be very important.

Everybody here has acknowledged that we can't solve the problem without more homes. So, are we doing enough to land bank? And are we doing enough to build? I am a huge supporter of Commissioner Saltzman's initiative to build a big fund called a Housing

July 8, 2015

Investment Fund. And the reason it makes a lot of sense is because it's local dollars going into a fund with fewer strings attached. The reality is the federal dollars come with more strings. They're harder to use. Dan wants to build a big fund. If I had the power for one day, I'd put a lot of money in that fund, because now is the time to use those dollars to land bank and to build because it's not going to get cheaper or easier down the road. And he's right -- unrestricted dollars give us more options, more flexibility.

We're going to have to have a serious conversation about housing plus. We can't just look at housing as an end. We have to acknowledge that the people we're seeing on the streets now disproportionately have things called mental health issues, drugs and alcohol addictions, other lifer challenges beyond just poverty. And if we don't address them, we're not giving them pathways to self-sufficiency, we're just creating a way station. That's not our goal and mission as a community -- it is not just to provide a way station.

And finally, the honest truth is we don't have the money to tackle this problem, and if the federal government doesn't step up, it's going to get harder and harder. I strongly believe we need to go to the ballot no later than next year and ask the voters to give us a new dedicated revenue source. And there's people tirelessly working in the community to make that happen, and the faith community will be an essential ally in making the moral case for why we should invest more in housing.

So, let me just close by saying that we have so much to celebrate. And your work one family at a time, as Dan said, is very inspiring. The faith community has always been on the front lines of this work and you'll continue to, and I hope we continue to invest in your work. But unless we have a strong federal partner, unless we continue to successfully fight the good fight about who we serve and where we place people -- where they live, unless we build more housing and preserve a current affordable housing, and unless we make a community-wide commitment to address addiction and mental health at a much higher level, we will not solve the problem. And it's no solace to know we're doing a better job than LA and some other cities. There's no solace in that. Good for Portland, but the bar should be higher. I say raise the bridge, don't lower the river. Thank you, Mayor and Dan, for bringing this forward. I hope we make this a regular annual event, because it's quite inspiring. Aye.

Hales: We are living in a moment I think of great and small miracles. One is that the Pope has issued this encyclical that makes this amazing connection between environmental stewardship and social justice, and I think that's a very important connection to make. And the fact that a lot of people who've never read a papal encyclical are talking about it in places like Portland State University coffee shops is kind of a new and a wonderful thing.

Another miracle is this partnership. And Paul, thank you to you and all the reverends and pastors and imams and rabbis who have come together with their congregations to do this work. Because it's work. It is work, a lot of work, and we need to acknowledge that. It's work, sacrifice, and inconvenience for members of your congregations to take on the stewardship of their neighbor, which is what this comes down to. So, thank you.

And what I know you've heard and what I hope you feel is a passionate interest in this partnership on this Council. That the members of this Council -- Commissioner Novick included, who is away today -- really love this partnership, believe in it, know that here in Portland we do things through partnerships. Yes, there are governments -- I mentioned earlier that there are actually nine of them, maybe too many -- we have our responsibilities, we have our budgets, we have our programs, we can always make them do better and make a stronger commitment, but we get little done without partnerships. Whether it's in our park system or on the streets of our city where people have planted half a million trees over the last 20 years in partnership. We could have issued a proclamation here that we

July 8, 2015

should have more trees, and none would have gotten planted if we hadn't had volunteers out doing them. That's why this matters so much and why we believe so much in this partnership.

And each of us can do more. The word shame is appropriate, it is a shame. We should be ashamed that we have not made more progress than we have, but we'll make it through this kind of partnership and this kind of shared commitment. One I want to mention in particular -- and actually a way I believe that your initiative can help us is one ever the things we have committed to in this Home for Everyone effort -- which Marc Jolin is here, we stole him away from direct service to homeless people at JOIN and asked him to be the staff person for the City and the County and the Housing Authority in the City of Gresham working together to try to be coherent among all those multiple governments and what we do in housing. And we've said we're going to take on one thing that in addition to the rest of the commitments we have made where we can move the ball down the field just a little bit, and that is, we're going to try to get all of our homeless veterans inside this year. It's a manageable number of people. We need to house two a day in order to make good on that promise. We're running at a little under two a day, so we need more property owners, landlords who have units to make them available for these vouchers. We're not asking them actually to donate, we're asking them to just rent them to us. So, there's one more way that we will rely on partners, whether it's a faith community or landlords and their organizations to say, we can do this. We can house more families. We can get those families into services and education and opportunity and into community. And so, I would love to have your help, and I know Commissioner Saltzman would as well as members of that consortium. We're going to try to make this happen.

I'm really heartened by this. I think this is a wonderful and miraculous good thing that people of faith have come together and want to work in constructive partnership, family by family, across the city to make this kind of a difference. I agree, we should hear from you every year. We should hear more progress, and you should call on us to do more and call on us to make the changes we need to make to make real good progress together. Thank you so much. Aye. Thank you. More good work to come.

Item 741.

Hales: Anything you want to comment on, Commissioner Fritz?

Fritz: Yes, Mayor, I would like to request this be pulled back to my office for some more work. We'll reschedule it later in the summer.

Hales: OK, so ordered. Thank you. Thank you all for coming. Let's move on to the items that we pulled. Do we do those next? OK, Item 742.

Item 742.

Hales: Not sure if any of our members are here. Someone requested that this be pulled off the calendar?

Moore-Love: Joe, I believe.

Hales: Mr. Walsh here?

Moore-Love: Oh, Lightning? Sorry, Lightning did.

Hales: OK. Anyone want to speak on this item? If not we'll take a roll call.

Moore-Love: Mr. Lightning wants to speak.

Hales: Oh, he is here -- sorry. Come on up. Good morning.

Lightning: Good morning. I'm Lightning, I represent Lightning Watchdog X. One of the concerns I had on this issue again on the representatives is that I want to make sure when we're talking climate change and we had this group looking at the fossil fuel companies, that we begin with an understanding that pulling their funding isn't necessarily the right thing to do. What we have to look at is that with these companies they have infrastructures in the trillions of dollars, and you don't go in there and shake them up in an aggressive

July 8, 2015

manner too fast because a lot of these companies also have the ability to make the changes that you may want to see in the future. They have the funding. They are the energy experts. And if we begin to just pull their funding and try to shut them down immediately, that will have a great effect on the overall economy. So what we need to do is begin to work with these companies in a reasonable manner -- not go out there and try to bankrupt them -- and understand that if you want to see change, it's going to happen in a slow manner. We're not going to make every car out there into an electric car in the next five years. It will not happen. It's going to take a lot longer. We have to look at these issues and understand it's going to take time and these fossil fuel companies have the ability also to make the adjustments to fund a lot of these companies, and they are part of the energy business in the communities and we cannot just look at them and say shut them all down. You're a fossil fuel company, we refuse to invest with you anymore. We're not going to take your phone calls anymore and that is what we think is the right thing to do for climate change. It is not the right thing to do. Again, when these committees are set up and determining who they will invest with and who they will not, I want you also to ask the question, what's going to happen over the long term if we decide to try to bankrupt these companies immediately? What effects is that going to have over the overall economy, the climate, and other areas. So again, I'd just proceed forward with caution, don't make any fast moves, and understand they are the experts in the energy, and they also have the resources. So proceed forward with caution but work with them. Thank you.

Hales: Thank you.

Fish: Mayor, we're testifying as to the nominees?

Hales: Right, these are the nominees. It's not a policy question before us, it's just the people that have been volunteers to serve on the committee.

Charles Johnson: Thank you. For the record, my name is Charles Johnson. I want to not congratulate but just thank these volunteers for this -- I know that Commissioner Novick is not able to be with us and of course, we know just dealing with one company, there was an amount of heat generated with discussion of why it's good moral policy for the City of Portland to not invest in Wal-Mart. I want to thank people who stepped forward to help try to use the little bit of statutory money that's part of the budget to interact with the rest of us citizens so that Portland can do better than other cities -- we can have a team of people interacting to use whatever leverage is available from City funds to encourage companies - - it's not a matter of -- nobody is being targeted for bankruptcy. Occasionally, people in the community might be highly motivated against the company, but these people who have volunteered will work together and we're going to find ways to nudge companies into being better citizens, to building a better community and finding compromise. And I want to thank the City staff and people who have gone through this process and hope that the Commissioners will make everything available to this committee so we can have these vibrant discussions. There will be times when these volunteers will be on the hot seat because there are a lot of companies have -- as companies, their job is to maximize their profits for their shareholders, and sometimes people such as us that come to testify here and those who volunteer for all the different committees need to remind them that in Portland, we value people over profit. We're not anti-profit, we believe in responsible, sensitive profits. And I'm going to depart just a little bit to say that it's too bad when we were talking about profit and responsible investing and the homeless situation that we didn't have more engagement from Zidell, Melvin Mark, and American Property Management right here. Thank you.

Hales: Thank you. Motion to accept --

Fish: So moved.

Fritz: Second.

July 8, 2015

Hales: Further discussion? Roll call, please.

Item 742 Roll.

Saltzman: I want to thank Commissioner Novick and Mayor Hales for working on creating the Socially Responsible Investment Committee, and I want to thank the initial seven people that have agreed to give us the benefits of their intellect and their analytical abilities and help us grapple with decisions around what types of corporate bonds that the City should hold or perhaps divest of. Thank you very much. Aye.

Fritz: Thanks to Commissioner Novick and his staff. If you could please send me a short bio of each of the nominees, that would be helpful. We can post that. Again, I thank everyone for serving. Aye.

Fish: I just want to raise a very strong objection, Mayor. We're working hard to find qualified candidates for the Portland Utility Board. Today, we're taking seven people off the board. I just want to note there's a lot of talent that we could have put to use at the Portland Utility Board as well. It's a great group of people, and thanks to everyone for serving. And in particular, I want to thank Katrina Scotto di Carlo of Supportland who has agreed to serve on this. I think she brings a lot along with her other commissioners. Aye.

Hales: Thank you for good work and a great committee. Look forward to their recommendations. Aye.

Item 743.

Hales: Thanks. Sergeant Barnum is here to answer any questions --

Fritz: Who pulled it?

Moore-Love: Mr. Lightning.

Fritz: He just left. I don't have any questions.

Hales: OK. Any questions for Sergeant Barnum?

Fish: I move the vote.

Fritz: Thank you.

Hales: Thank you.

Item 743 Roll.

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

Hales: Thank you. Let's move to regular agenda.

Item 748.

Hales: Without objection, I'm going to return this to my office with the intention to bring it back at another time.

Item 749.

Hales: Good morning, Ms. Moody.

Christine Moody, Office of Management and Finance, Bureau of Revenue and Financial Services: Good morning, Mayor and Commissioners. Christine Moody, Procurement Services.

You have before you the procurement report recommending a contract award to 3 Kings Environmental. The engineer's estimate on this project was \$560,000. On May 21, 2015, four bids were received and 3 Kings is the low bidder at \$623,497. The Bureau of Environmental Services has reviewed the bid items and accepts the proposed pricing of 11.5% over the engineer's estimate. In their review, BES has identified increased traffic control due to large area of this project and the contaminated media disposal bid cost as contributing factors to exceeding the engineer's estimate.

The City identified seven divisions of work for potential minority, women, and emerging small business subcontracting opportunities. MWESB subcontracting participation is at 79% with work being performed in the areas of traffic control, trucking, and concrete work. I will turn this back to Council if you have any questions about the bidding process, and I have someone from BES to assist.

July 8, 2015

Fish: Christine, could you translate into plain English what contaminated media disposal means?

*****: [shouting]

Hales: Excuse us, we're elsewhere on the calendar.

Joe Walsh: Do you have ADA, sir?

Hales: Go ahead, please.

Walsh: I have to leave from time to time, you know -- I stand here outside, I pulled that item -- [shouting] [indistinguishable] --

Hales: Go ahead --

Walsh: [shouting] [indistinguishable]

Hales: Go ahead --

Walsh: No discussion! No discussion!

Hales: Sir, you're going to be asked to leave and then you're going to be excluded. You've been there before, so you need to --

Walsh: Yes, I have! Go ahead, sir --

Hales: You're excluded then, another 60 days, Joe --

Walsh: [shouting] [indistinguishable] -- and you explain ADA to everybody --

Hales: Joe, it's time to go. You're out for another 60 days.

Walsh: It's your time to go -- [indistinguishable]

Hales: See you later.

Walsh: Fraud!

Hales: See you, Joe.

Walsh: [indistinguishable] [shouting] -- what a piece of crap --

Hales: Please, go ahead.

Brandon Wilson, Bureau of Environmental Services: BES project manager and design engineer. Your question about the contaminated media --

Walsh: [shouting] [indistinguishable] -- just show how cheap you are, Charlie --

Wilson: The contaminated media --

Walsh: [shouting] [indistinguishable] -- you're not a Mayor, you're a -- [indistinguishable]

Hales: Sir, you're going to need to leave now or else we're going to have ask --

Walsh: [shouting] [indistinguishable] -- Charlie --

Hales: -- ask the police to come.

Walsh: [shouting] -- you -- [indistinguishable]

Hales: Do you understand?

*****: [shouting]

Hales: OK, we're recessed.

At 11:30 a.m., Council recessed.

At 11:34 a.m., Council reconvened.

Hales: We'll continue with the discussion.

Fish: And so the pending question was to just describe -- to translate into plain English what we mean when we talk about disposable of contaminated media. Those of us with cable TV might define it differently than you do.

Wilson: Definitely. So, DEQ has certain thresholds for contaminants. Essentially for this project, we're talking about the top layer of soil in the ditches that will be excavated. So over the years -- lead, perhaps, or other contaminants from automobiles -- that's basically what we're talking about.

July 8, 2015

Fish: And so when the bids came back, we had originally estimated \$30 a ton. The bids came back at \$50 a ton. We don't actually control that, that's a function of the market and available space to dump or wherever it's treated.

Wilson: That's correct.

Fish: That's fine. Thank you.

Wilson: Of course.

Hales: Other questions or points for us to consider?

Fish: Mayor, I move the report.

Fritz: Second.

Moore-Love: I don't think -- do we have testimony?

Hales: Oh, I'm sorry. We haven't taken testimony. Anyone want to speak on this item? OK. Roll call, please.

Item 749 Roll.

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

Hales: Thank you all very much. Before we go on to the next item, Mr. Johnson, you were shouting during a City Council meeting. You've been warned, and if you do that again you'll be excluded. Do you understand? Thank you.

Item 750.

Hales: OK, Mr. Enge. Welcome.

Bryant Enge, Director, Internal Business Services, Bureau of Revenue and Financial Services: Good morning, Mayor and Commissioners. My name is Bryant Enge, Internal Business Services. With me, I have Betsy Ames with me.

Last week, we presented to Council for your consideration the proposed disposition of City real property. There was some -- attached to that was an exhibit. Council asked us to make amendments to the exhibit. I would like to have Betsy Ames to discuss with you the changes that we have proposed to the exhibit based on the introductions that we received from Council last week.

Hales: OK. Ms. Ames, good morning.

Betsy Ames, Office of Management and Finance, Bureau of Revenue and Financial Services: Betsy Ames with the Office of Management and Finance. Karla is passing out a packet that has three documents. The top document is a summary of the proposed amendments to be considered at this hearing, as well as on the third page the amendments that were made at the July 1st hearing last week to both resolution and the exhibit. And then, attached to that is an amended resolution with the one change that you made last week showing in bold, and then on the exhibit there are changes that are shown both in bold for the amendments that you approved last week as well as in italics for those that you asked that we bring back for consideration this week.

At the Council session, you requested that we send these out to the community, and ONI assisted us by providing these documents to their distribution list. So, community members have seen these over the long holiday weekend and until today, and I know they have been distributed further beyond that original distribution as well.

The three proposed amendments that you asked to be considered at this session -- one was not discussed last week. This is an amendment that Commissioner Fritz recommended asking that we amend the section for the internal notification process to allow for bureaus to express an interest, even if they don't have funding in hand at that moment so that the Commissioners-in-Charge can reasonably agree to extend the period of time so that a bureau could propose something in the next budget cycle for consideration so that bureaus can express interest even if they don't have the money right there available at the moment.

July 8, 2015

The second amendment is one that Commissioner Fish raised last week which was amended slightly after discussion amongst the Council offices, and this is to the external notification process to recommend or to require that the City real property coordinator contact the neighborhood coalition office to let them know that their neighborhood association affiliated with a property that has been deemed excess has not responded to the initial inquiry to try to prompt that neighborhood association to provide an official response to the notice of property being available.

The third amendment, which is on the second page, is in response to Commissioner Saltzman's request to add language to say that whenever practicable, the bureau and the Commissioner-in-Charge shall consider proposing conditions for disposition of the real property for affordable housing, community, or open space use. We added that both in section 3D, and also clarified that the ordinance as described in section 3D3 should include those proposed conditions as part of the ordinance so that when the Council votes on it, they're including consideration of that. I understand that Commissioner Fritz may have another amendment as well.

Fritz: Yes, I move that we change the section 3C to amend the 45-day calendar notification for the community to instead read 60 calendar days. The rationale for this is that we shouldn't be in any particular hurry to be selling off properties and 60 days is more realistic, especially for neighborhood associations, some of which meet on an every over month basis.

Fish: Second.

Fritz: Thank you.

Hales: OK. Further discussion on including that amendment among the amendments that we're considering today? Roll call.

Roll on amendment:

Saltzman: Aye.

Fritz: Is this on all of them?

Hales: It's just on that one and we'll come back.

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

Hales: And if there's no further discussion, does anyone want to make a motion on the package of amendments?

Fish: If I could, Mayor --

Hales: Sure.

Fish: Betsy, my amendment was predicated on ensuring within the 45-day period there was some actual feedback from the neighborhood -- the coalition and the neighborhood association. If we're extending the clock to 60 days, does that change either the timeline or the necessity for my amendment?

Ames: I think the 60 days provides additional opportunities for anyone who's received notice either through the subscription or through the direct mailing that we'll be doing for the surrounding property owners and the signage on the property as well as the subscription service, so any interested person can go on and sign up to receive notification. I think the 60 days gives them more opportunity to find out about it as well as to contact their neighborhood association if they want their neighborhood association also be actively involved. The neighborhood associations will have direct notice, as well as the business associations and coalition offices --

Fish: Of course, we're setting a floor, not a ceiling. So it could be extended at the City's discretion be extended. I guess my question is does Commissioner Fritz's amendment cause us to rethink either the need for or the timing of my amendment?

July 8, 2015

Fritz: If I might answer that, I would say no. It's still appropriate for the City to call after 30 days, which then gives the opportunity for the consideration at subsequent neighborhood association meetings. I think actually your amendment and mine --

Fish: Harmonize.

Hales: Yeah.

Fish: That was the question -- I wanted to hear from the team that's been drafting this. That's what I'd hope you say, so thank you.

Hales: I think so too. It's not like we do this every month. This is a fairly rare occurrence, so taking 60 days instead of 45 is fine with me instead. Belt and suspenders to call and make sure they got the notice makes sense to me.

Fish: It will, Mayor -- just as a preview -- it will become less rare.

Hales: Fair enough.

Fish: We are asking utilities to do a comprehensive look at properties that are no longer serving a ratepayer purpose. So there will be I think more than Council thinks down the road.

Hales: Fair enough, but this is still a reasonable timeline in my mind. Further discussion about the amendments? A motion to accept the package of amendments that's before us?

Fritz: To clarify, this is to put them on the table and then we'll take testimony, right?

Saltzman: I would move the amendments.

Fish: Second.

Roll on amendments.

Saltzman: So, are we --

Hales: This is just accepting the amendments and then we'll take testimony.

Saltzman: OK. Aye.

Fritz: Very much appreciate all the community input that's helped shape these amendments. Aye.

Fish: I want to thank Betsy and her team, because this is a complex issue and I think you have managed the public process very well. Aye.

Hales: Thank you. Aye. Good work. Now, we'll take testimony if any on the amendments. Anyone like to speak on the amendments?

Moore-Love: We had a signup sheet on the amendments.

Hales: Come on up. Morning.

Carol McCarthy: Morning. Hello, everyone. My name is Carol McCarthy and I live on Fremont Street in Portland, Oregon 97219. I'm the chair of the Multnomah Neighborhood Association as well the rep to the SWNI parks committee, but I'm here today with my opinions informed by those roles but speaking on my own behalf.

Just to jump right in on Commissioner Fish's amendment -- during the last hearing, I understood that your amendment required that the neighborhood associations actually reply in writing, not just that they be prompted to reply but that there actually be verifiable answering. I'm just throwing that out there and then want to get back to my testimony.

Fish: I won't be charged against your time, but my amendment requires that we get confirmation that they have the notice and then what they choose to do with it is at the discretion -- I wanted to make sure that we weren't assuming that they knew about it so it would require affirmatively confirming that they have notice and they would then have the right to take action or ask for additional time to take action on it, which is the problem we ran into with Freeman that we're trying to cure.

McCarthy: Is there a requirement that they give any kind of answer -- that there be a verifiable answer back from the neighborhood association or coalition as to whether or not they are interested or not?

Fritz: We don't require volunteers to do anything.

July 8, 2015

McCarthy: Mm-hmm. OK.

Fish: We're just requiring that the City confirm that they have the actual notice and that they have an opportunity if they choose to weigh in.

McCarthy: OK.

Fish: And that includes requesting an extension of time.

McCarthy: Thank you for clarifying that. So, the issue of disposable municipal real property became a primary concern of mine personally during the case of the Freeman water tank. Myself and my neighbors worked thousands of hours trying to protect that property and we were unsuccessful, and we still feel it was unjustified what happened. The Auditor's report in fact did give us some solace that it emphasized there had been no basis in law for the path that the City took, and also stated the importance of this policy we're discussing today. So, that was --

Fish: Carol, I just want to say on behalf of the bureau -- I appreciate your advocacy and I appreciate the neighborhood association enthusiastically supported new rules we crafted post Freeman, but what you just said is factually incorrect. The Auditor did not say there was no legal path forward. I would just encourage you -- you can advocate as strongly as you want and we're here to listen and make changes, and we've demonstrated that post Freeman, but to make climbs like that undercuts your legitimacy.

McCarthy: Well, in my reading of it, the Auditor said that they stayed they could find no basis in state law for the path that the City took, however, the City's Attorney stated things that the Auditor themselves could find no support for that position.

Fish: OK. And you had a full chance to litigate that issue before a state court judge who did not agree with that view. I'm just saying, we're here to fine tune a proposal and hear you, not to re-litigate Freeman. If you make overgeneralizations about my bureau or what they did in Freeman, then I have to respectfully correct the record.

McCarthy: I appreciate that. So, the Multnomah Neighborhood Association submitted comments on the Water Bureau's draft policy and also on the citywide draft, and most recently, last week on Thursday, the SWNI parks committee unanimously passed three motions on the current draft.

Unfortunately, due to the limited time in the review period, the SWNI board will not be able to consider endorsing the motions from the SWNI parks committee so that you might receive these before voting on the policy. And I think this goes to the point that the neighborhood associations need a lot of time -- even 60 days is inadequate because we have full agendas we need to coordinate with the SWNI coalitions and other coalitions that also have full agendas. So, I think throughout, a theme of mine is that there's no hurry on disposing of these properties. Many have been held for decades. We need to make sure we give adequate time, or else we'll be losing valuable land.

I'm requesting that you include the items on my handouts in the resolutions and exhibits, and they are consistent with those motions that were unanimously passed by the SWNI parks committee.

The first item Just expresses concern -- it would be in the whereas saying that there is a need that neighborhood associations have requested adequate time to review.

Secondly, that because the City has been given authorization to dispose of property by any method that four-fifths of the Council deem appropriate, we're offering -- I'm offering you a method that would allow for property that's -- [beeping]

Hales: You're out of time, but let's spend a minute in dialogue. You're suggesting first of all that we offer long term leases to the Parks Bureau --

McCarthy: Yes.

Hales: As opposed to making the property available to the Parks Bureau if they wish to purchase it.

July 8, 2015

McCarthy: For properties that were purchased with ratepayer dollars that would have to be purchased at market value if it were to be transferred to the Parks Bureau, we're suggesting that a one dollar 100-year lease be offered instead -- until the Council can deal with that issue, which is a stumbling block.

Hales: And then on the actual exhibit A, you're suggesting 90 days instead of 45 or 60.

McCarthy: That's right. Initially, I actually thought 60 was enough, but the SWNI parks committee convinced me that they really need 90 days.

Hales: Alright. Have I captured the substance of -- we've got it, obviously, in front of us.

McCarthy: Yes.

Hales: Thank you.

McCarthy: Thank you.

Hales: Good morning.

Lightning: My name is Lightning, I represent Lightning Watchdog X. Amendment one I do agree with. Amendment three I do agree with. Amendment four -- as stated, I would like 90 days also. I would like to refer back to amendment two on the external notification. I would like to have five or 10 reputable commercial real estate brokerage companies also be notified. Now, we're having a problem on letters being sent out. I would recommend we maybe go certified mail on that. I know the cost is higher but we might go in that direction also. That's just my opinion. But again, I want to make sure that the brokerage communities have ample time to review the properties. The brokerage communities are the professionals on marketing properties nationwide. They have the contact base. They have the understanding of values. I want to have them be involved on the process of any surplus property that may come about on the market.

Now, just real fast, the term "land banking" is a concern that is concerning me at this time. I feel that we have land banked a tremendous amount of properties in the past and we need to again focus on the infrastructure of transportation, parks, and housing. I feel if we look at the overall value of our capital assets -- which in my understanding are 35 plus or minus billion dollars -- if we begin to look at that number and determine certain properties are not being utilized, they have not been utilized for many years -- again, we're losing taxes that should be going back and we're losing those taxes. If we take a percentage off the top of that valuation and we sell those properties that aren't being utilized, we can begin to make for the mistakes on the infrastructure for transportation, parks, and housing of the past with this money that we can generate. I'm not saying use properties that can be used for affordable housing, use for parks, use for uses that are very important to certain groups. I'm saying the infrastructure of this city has been neglected in the past. We have to make up that difference somehow, some way, and I think the possibility to look in this direction is there and I hope the Council will consider that. Thank you.

Hales: Thank you.

Fish: Can I just -- because you're insistently thoughtful on this. Can I ask you a couple questions?

Lightning: Yes.

Fish: Between the time it's declared excess and prior to it being declared surplus by a four-fifths vote, you're not suggesting during that period that there be a mandatory appraisal, correct? You're talking about once it's been declared surplus and we're going out to market place.

Lightning: That's correct, sir. Once it's been declared surplus and --

Fish: And so, there are different kinds of properties that could be determined to be surplus. There could be something which is technically an easement or an odd shaped

July 8, 2015

piece of property that no longer have value to the City but helps complete someone's title, for example --

*****: Yes.

Fish: There might be circumstances where it's just not cost effective to get an appraisal of that because it has nominal value. Is your concern primarily with properties that have value where you want to make sure that there is -- that we maximize our return?

Lightning: Yes. My concern is that when we begin to reach a level -- let's say a number of 500,000 and up -- and when you get into that level of pricing on properties, the whole game really changes because a lot of value -- as one speaker stated has said -- we don't want to be in any hurry to sell a property. I absolutely agree with that statement because we have held these properties for many years. There's no reason to sell them fast but reality is when it becomes surplus and you put it on the open market, the most exposure in having a valued set is very advantageous, especially by an appraisal. The worst thing you ever want to do on, say, a 500 million-plus dollar property is state a value like 3.5 million -- much lower than it's really worth by an appraisal -- and that investor comes in with a low offer and you say, oh, by the way, we just did an appraisal, it's worth five million, could you change your offer, sir? It just doesn't happen.

Fish: So, I'm going to make a suggestion. You're raising a really important point. The agency that has the most expertise in that is actually not here today, it's Portland Development Commission. Because they are often charged by the Council with getting the best return. I'm going to urge my colleagues not to put into code now that issue, but since we're not going to have a surplus designation in the next couple of months, ask the PDC for guidance. One question I think we should ask them is if they agree with your assessment about the value that a broker brings. And remember, brokers charge a commission, so it does come off the top. What's the threshold they would recommend we apply it to, what kinds of properties? I'd like to hear from PDC --

Hales: That's a good point.

Fish: I agree with -- Lightning, I'm agreeing with the point you're making, and I think I'm going to ask that we defer resolving it until we have heard from our folks at PDC.

Lightning: If I may make one point real fast -- when I'm talking appraisal value to determine the value of this property, that's by an appraiser that a reputable bank will look at and say, "I would loan money based upon the expertise of this appraiser." Now, that's a very good value in the marketplace to an investor looking at that. Now, when we're talking real estate brokers, they are the experts in the business. When they do their valuations based upon sales and current properties on the market and their professional experience in the marketplace itself, they will set their value before they do their appraisal. But they are also licensed. They are also regulated by the state. When they make a mistake, it will affect them tremendously on that value. I'm not saying use a broker instead of an appraiser, I'm saying make sure you have that appraisal but keep the brokers involved in the process to be there because they can sell that property using a buyer-brokerage agreement representing the developer investor on their side and dealing directly with the City. The developer and investor will cover that commission.

Fish: I'm going to play devil's advocate on one point with you, which is some of the property we're going to sell actually comes subject to easements and other limitations. And I want to think through carefully whether it's in the public interest to use an appraisal and publicize a rate that then sets the market. Because in fact, where we get the best return is often by letting the market determine price, not by having us set the expectation for the price. We're going to get a huge premium on Terminal One. We did not need an appraisal. It's very valuable property. I want to make sure an appraisal doesn't in essence set market expectations, particularly where an appraiser takes a discount for things like there's a

July 8, 2015

water main under the property or there's an easement. But you raise an excellent point and I think we're going to ask PDC to brief us on it.

Lightning: Can I make one statement real fast?

Hales: Then we gotta move on.

Lightning: As you remember in the Zidell situation on their application or their agreement, they based a cap on like numbers on the environmental concerns. So a lot of these people will pace a cap so it regulates the price but it gives you that range. It's very important.

These appraisers are very knowledgeable, the brokers are very knowledgeable on that but I want that range set to where when these investors come in we get top value and it goes back into services within the City. Top value, not before or excess.

Fish: This Council agrees with your values proposition, we just want to figure out how we get there.

Hales: Yeah, that's very helpful. I think having PDC look at those questions is a good idea. I appreciate you raising these issues, Lightning, because obviously, you're trying to get us to get the maximum value for the taxpayer. Thank you. Good morning. Welcome.

Michael Wade: Thanks. My name is Michael Wade, I'm with the Friends of Portland Community Gardens. Our interest in this issue came up because of the Johns situation. We're actually kind of -- we were in agreement with all of the new policy that's been developed and the amendments as I've seen them come forward this morning.

Our main concern is the way that cash flows are impacted in the budgets of the bureaus. When you sell a piece of property to another bureau, then the cash flow is an expense for one, an income for the other, and we need to neutralize that effect so that there is no penalty for transferring something that we already own to somewhere else we already own on the individual bureaus. So, that's our primary concern.

It's also very difficult to justify a capital efficiency argument when it comes to something like a community garden. I can put a house on any community garden in the city and make money for the City. That's just the way it is. But it's a value that we're delivering where we're giving individuals dignity of growing their own food, we're building community, and we're bringing a whole lot of values to the City process. So, the Johns issue is one but we'll have more of those come up in the future. That's all we wanted to say, just make our point.

Hales: Thank you.

Fish: So, thank you. The Water Bureau and the Bureau of Environmental Services will not surplus one property that has a community garden on it until we have had a comprehensive community conversation. One of the things that we'll explore when we have that conversation is the covenants in bonds and the language of the charter which limit what those bureaus can do with surplus property as compared to other bureaus. And we'll have a conversation about that, doesn't mean those are road blocks, because I think there are some creative solutions we can work to, but they are different than other general fund bureaus because the charter and bond covenants say they're different. And if you doubt me, we have been sued over this.

One side of my brain -- I don't know if it's left or right side -- loves community gardens, and I doubled the city's capacity during my tenure --

Hales: Both sides of your brain have to love community gardens -- [laughter]

Fish: [laugh] The Mayor's shaming me. Both sides of my brain love community gardens. But I also have a fiduciary duty under the charter not to co-mingle utility assets and ratepayer dollars with general fund dollars. And it's not something I established as a rule, it's something you established and adopted in the charter. Do I think that we can find middle ground so the utilities satisfy their legal obligations and communities that cherish community gardens can continue to have them? I'm guessing we can. But there won't be

July 8, 2015

any surplus of community gardens until we have the discussion, and I think reasonable people will get to the right outcome on this.

Wade: I think also one of the things we recognize is that as we increase density in the city, we are taking away available properties for community gardens and for that activity. I think that's a real problem as we -- this density issue. If you want to look at our community gardens the way they're organized in the city, where we have the most pressure on available plots -- it's in the inner city. And as we go further out it becomes less and less of an issue. But Johns itself -- both north and south -- are fully subscribed and actually have waiting lists of a couple of years. So, I think that's where we're coming from. We want to preserve as much of the available land in the city as we can.

Fritz: Community gardens based in East Portland is actually a huge issue, and that's partly why I proposed the amendment to say just because the bureau doesn't have the money doesn't necessarily mean they don't get to express interest in the property. To be really clear with my legislative intent -- and I believe the rest of the Council's in adopting that amendment -- the goal is - the point was well made by Friends of Community Gardens and others at their last hearing that if general fund money paid for a property, it doesn't necessarily mean that general fund money should be transferred between one bureau and another. In the budget process, the Council could just direct Transportation to give a property to Parks, for example, if there aren't any covenants on it. So, that's the intent is to make sure that -- as Commissioner Fish said -- we don't mix up rate bureau dollars versus general fund dollars, but also, if there is -- we used to have a requirement in Parks that part of our budget was selling \$400,000 worth of park land every year in order to provide the programming. This Council did away with that. We had to borrow money at the end of the last fiscal year because we didn't have the \$400,000 and so the Council gave us an advance on this year's budget. But that's an example. I don't believe any other general fund bureau has a requirement to sell off properties in order to balance their budget, so now, none of them do. We can as a Council -- and I hope this policy directs it, it's what I'm intending to do -- is to say Council figure out -- this one and future Councils -- did general fund dollars to pay in the first place? In which case, any bureau should be able to have it without finding the money within its budget, in my opinion.

Hales: Having paid once. Right.

Fish: Amen. Amen to that statement. And I appreciate -- she drew a clear distinction between general fund bureaus and ratepayer bureaus, because the charter draws the distinction, not anyone up here.

Wade: Yeah, and I accept that totally. I just -- sure hope that we work hard to minimize the conflict.

Hales: Thank you both very much. Let's take other testimony then get back to amendments. Good afternoon. Go ahead, John.

Fish: This is John's second to last official testimony before this body.

Hales: Oh yeah? I'm not counting on it.

John Gibbon: Thanks. One more, huh? [laughs] I'm John Gibbon, I live in Quail Park in Southwest Portland, Markham neighborhood. I'm SWNI land use chair. I'm almost done with the sentence on PURB and I hope you're getting a lot of people applying. I may in the future apply, but not this year.

The issues I want to raise are something that I would -- I support the amendments, but I just have a couple of comments. The situation that we got into with Freeman tank was a situation where property had been surplus before I sat on PURB. And with the downturn in the economy, it just disappeared. I mean, it disappeared into the fog. I think that what I've seen from staff is a real good job. I'm a little concerned and I have to -- we didn't get feedback at citywide land use until the end of last month. We didn't get a report

July 8, 2015

on this until then, so I haven't had a chance to even get to my land use committee and talk about it with knowledge. So, a little more time on this would be useful. I think Amanda's request for the 60-day thing is good because that's the reality of neighborhood associations.

But my two points are, one, if we're going to help these neighborhoods do something, I would suggest that once we get a policy started, we do some sort of case study. And I can give you an example of a transfer between bureaus -- the property at 17th and Taylors Ferry where a Water Bureau pumping station was transferred over to BES and turned into a storm drainage area. And I think it's been real successful. We planted a bunch of trees there. That kind of -- those kind of case studies ought to be available for the communities to look at and try to understand how they can do something with the property, because I know it was the other Amanda -- Amanda Black from Markham neighborhood -- that got that going.

The other thing I would say is let's hope we don't have another economic downturn and things disappear, but I would urge you to -- once you get this program up -- to do like annual reports to maybe the coalitions so that -- we publish a paper in Southwest that goes out once a year to everybody, and there should be something in there -- a map and listing of surplus properties -- every year, so if these long term things develop, the neighborhoods get some warning on a basis. Hopefully, a lot of these properties will sell for all the reasons that Commissioner Fish talked about. We've got to get this policy going, but the other side of it is we can't have a repeat of Freeman. And we're good in the short term but not in the long term.

Hales: Thanks, John. Mary Ann, good afternoon.

Mary Ann Schwab: Mayor, Commissioners, my name is Mary Ann Schwab. I'm here today to represent the Southeast Uplift. The Southeast Uplift board of directors is requesting that the Council defer action on proposed property disposal property for 60 days in order to allow adequate time for public review and input. While we commend the Council for its efforts to create a central inventory of property and a consistent and clear policy for disposal, there has been inadequate public outreach for a matter which can significantly impact the city's neighborhoods. The need for a centralized inventory is such that we welcome the Council, while deferring action on property disposal policy, direct the bureaus to begin work identifying the properties under their control immediately. And this was signed on the behalf of the Southeast Uplift board of directors; Don Gardner, vice president.

Fritz: A question. Why would -- does Southeast Uplift think that what's in the proposal is worse than the current policy?

Schwab: It's the time sequence, as you've mentioned. And you just mentioned it as well. He was at the citywide land use group and that's the first he's seen it. And also, with Southeast Uplift, we haven't had any time. These things are coming at us so fast and furious we need that extra time just to review and comment on it. That was not within the schedule. Now, I --

Hales: Let me repeat your point, though -- we could change this policy again sometime. But we have a policy now. This will make it -- in my opinion as well -- better. Doesn't mean that we never open that book again. So, I would be -- I'm a little surprised at that recommendation from Southeast Uplift too, because the perfect is the enemy of the good, but good is better than bad, and I think we're improving the policy by taking action on this policy today, and doesn't mean we can never talk about it again.

Schwab: I respectfully disagree from my personal point, and that is that the neighborhood associations -- including my Sunnyside neighborhood association -- were not able to look at this, review it, and address it. Thank you.

July 8, 2015

Fritz: You're certainly welcome to come back, should we pass it today, as the Mayor said. This isn't a policy, it can be changed again. I feel a great sense of urgency that the current policy hasn't been working, so I think we should improve it and then we can improve it again if necessary. Certainly, I would be happy to hear from Sunnyside and Southeast Uplift after however long it takes to review it, whether you are satisfied or whether you have additional changes to suggest.

Schwab: I'm hearing you say we can have the 60 days so all neighborhoods can address it?

Fritz: I'm personally not willing to continue the current unacceptable or troublesome policy that we've seen several times has not worked very well for neighborhoods. I would prefer to do something today and then have you take all the time that you need to propose additional changes. But making it a little bit better, in my opinion, would be better than not making it better.

Hales: It's not like the comp plan.

Schwab: Good point. And I would like to put my Mary Ann Schwab hat on now. I feel we have a good example here. Mr. Lightning stated it with transfer of deeds. Sunnyside Neighborhood Association and the Sunnyside school went to the Parks Bureau, and the Parks Bureau rented our 2.4 acre playground a dollar a year for 25 years. In comes a new principal with the Sunnyside environmental school, and out goes the hearing school, and that worked. So we didn't get it renewed. There's no money transferred. What I'm saying is like with community gardens -- or I'm looking at an R2D2 piece of property owned by PDC -- same thing. You've got the title. We don't need to switch anything around, just give a long-term lease and you'll always own the property. It works in Hawaii, it works in Austria, it worked here in Portland with the Sunnyside Kaiser Hospital that had a clinic on about 78th and Division. The society in their agreement said if ever that was broken that hospital had to make it shovel-ready. So when you go out there that building is gone. We could do the same thing.

Fish: Mary Ann -- just to be clear, nothing in this ordinance works against what you just said.

Schwab: I'm happy to hear that.

Fish: There is nothing in this ordinance which in any way limits the ability of two bureaus to talk about a long-term lease. We can't mandate that anyone does that because we can't tell Commissioner Fritz you must take a long-term lease on a piece of property and maintain it. But if Commissioner Fritz and the Parks Bureau says, "we're interested in a piece of property," nothing before us limits the Council and the City from having a discussion about a potential lease and lease terms. It's utterly silent on that question. I think your concern would be if it had language that says we couldn't do that. I want to assure you, it doesn't in any way address that question, therefore it stays within our discretion.

Wade: One thing I would say is the neighborhoods really see this -- and it's understandable -- they see this on a land use level as an impact. I mean, when property changes use, they see it as an impact. And that's got people concerned. So, the offer of don't be surprised if I come back wearing my SWNI hat a few months after a land use committee looks at it and has more recommendations.

Hales: We welcome that.

Fish: Hope you do.

Schwab: Thank you.

Hales: Tom, good afternoon.

Tom Karwaki: Good afternoon. My name's Tom Karwaki and I'm speaking on behalf of the North Portland Neighborhood Chairs Network -- which is all the neighborhood

July 8, 2015

association chairs -- and the North Portland parks committee. Both of these have supported the following adjustments to this property policy that's under consideration.

Number one, provide standing for neighborhood associations. This would be both in excessing the process and in the surplusung process. And the issue is just providing them standing. Providing at least 60 days' notice in both the processing and excessing and surplusung of properties. Provide all notices and signage in multiple languages. One of the concerns on this website and so forth is that it has to be in some other languages so that people can -- and especially signs. You've made a policy of being inclusive, let's try to live up to it.

Fish: How many languages would you propose to be put -- we use for purposes of the sign that goes on the property that lists a phone number for someone to call?

Karwaki: I think you all looked at that issue. I believe what we've said is six, but I'm open to everything. Obviously, Spanish is one, but in many areas we have a large population of Vietnamese, Chinese, Somali -- I'm gonna let y'all deal with it -- just that it's in multiple languages. Trying to be inclusive.

And then, consult with the City Auditor to establish a property valuation methodology and disposal process so that the City Auditor should be allowed to weigh in and to give comments.

Network notes that the selling of some properties -- like Water Bureau properties -- already owned by the public to another City bureau may be redundant. I hear you, Commissioner Fish, on some of the concerns. Since many City properties the have been in City ownership more than decades -- in some cases as century -- and the fire station, the Kenton Fire Station just got on the list of that inventory -- some for more than a century, we urge the City Council to take the time to listen and to consider public comment on this process. And this is -- generally my comments initially to the LNI and so forth was that this process was rushed. I think what all of us -- not that you -- I think you're right, a little better is better than bad. But this process is very rushed and was rushed really fast compared to other processes. And so you did create a lot of unrest within the communities. I think in the long run, it would be nice to have the bureaus work with the neighborhoods and other stakeholders on some of these large projects such as Kerry Boulevard, which obviously we're interested.

Fish: There's a great irony in this conversation, but let me just take a stab at it. We spent a year with Southwest Portland drafting the model that is the basis for this legislation. We had the neighborhood association leadership come to Council and say we've got it right. We test drove it. We erred on the side of more notice, not less. And precisely what we were hoping would happen -- we got some push back because there was more sunshine and people fixed on things like community gardens. And you know what? It worked. It worked. We went through a year's process to get the model upon which this is based, and the first time there was a challenge -- an issue that the community wanted to be heard on under this system that creates more sunshine and more notice, there were people saying, "don't do that to my property," and so we said we hear you and we won't. I just want to put in context, it's actually working.

Karwaki: Right --

Fish: And so, when I hear that we haven't had a chance to discuss this --

Karwaki: No, no, it was this particular proposal, not the larger process that you were talking about, but this particular process.

Fish: I'm not taking anything away from what Betsy Ames has done, but this policy comes out of the community and is modeled very closely on what the community has said to us is the model they want, and the only commotion we've had is that it's working. And people have the right to have a commotion before the deed is signed. Freeman was an example

July 8, 2015

where we had a commotion and people found out after the fact. This is designed to give an early warning, and I welcome the feedback we've gotten because very concerned citizens have said, "don't do anything to that property," and the City said, "we won't."

I think we can improve it and we should, and we're going to get regular feedback. But just be clear, this is a community policy that we're being asked to adopt with amendments from the community, and in my judgment it's already working because the Water Bureau and Bureau of Environmental Services got early feedback from neighbors that they didn't like having certain properties surplus so we backed off. So, I don't want that lost in the solution.

And I salute Southwest Portland neighbors who spent an awful lot of time helping us draft the model upon which this is based. I salute them, because don't want to diminish the work they did.

Fritz: Mr. Karwaki, I was wondering about the first point when you said that neighborhoods should have standing. What do you mean by that?

Karwaki: Right. Essentially, they come forward -- that they're actually like the departments, not just a phone call at the end but they actually have to affirmatively state interest or not. That's sort of one of the concerns -- that they actually have standing just like another bureau in some respect. These are the people and the residents who have lived in the neighborhoods, and the community has been participating in what actually happens with this property. It's calling for some process where the neighborhoods can actually participate in whatever happens.

Fritz: I'd be interested as you and the North Portland chairs look over the policy more what else you think we should do, because that was our intent -- to give standing. As I mentioned to a previous testifier, we can't require volunteers to give us an answer.

Karwaki: I understand.

Hales: Nor can we confer veto power on a neighborhood.

Karwaki: I wasn't trying to say veto power --

Hales: So, standing in a legal sense would mean that. So I think take Commissioner Fritz's point and say it again for the second time today -- we've given neighborhoods standing in the process, as Commissioner Fish articulated. That's where this idea came from. They have standing to be involved. They don't have standing to say, "no, you may not do this."

Karwaki: I understand --

Hales: -- and that would be crossing a line.

Fish: And Mayor, de facto they are going to have a kind of standing because the moment an entity of the City determines something is excess, that's going on a website.

Karwaki: Right, but I'm suggesting that the neighborhoods get involved in -- before the excess -- some notices in the excess. Here's properties that are being considered for excess. That's a consideration that is before. Coming at the notification under the surplus side, there's already some opportunities where -- for instance, a property may have some other use and another department may not -- we may be able to influence another department on that.

Fish: You know, let's take the Mayor's suggestion and let's test-drive this and see whether that's a real concern or a theoretical one. Because at least with respect to utilities, we listed all of our proposed excess properties and we got slammed from some people who said, "what are you going to do with all those properties?" And we said, "actually, what we're doing is letting you know at the earliest possible stage that we're thinking of surplus them." The system worked. I think the point you're making -- we should test-drive this for six months or a year and see whether there's been some breach in the role -- the important role that neighborhoods are going to play on this, and if necessary, revisit it. But my guess is that you're going to have more notice than you know what to do with.

July 8, 2015

Karwaki: All I'm asking is also -- as I said last time -- the Water Bureau's website and so forth -- that provides transparency. What everyone would like is a transparent process as much as possible and hopefully the finance office will use yours as the model of what should be on for every property.

Fish: Mayor, I would like this gentleman to get an extra five minutes for testimony. [laughter] Let's not cut him short, I think he's on to something. Thank you for complimenting Water Bureau staff because they did the work.

Hales: Let the record show. Thank you.

Schwab: I'm complimenting the two people in the back ever the room who have done all the work.

Hales: They've done good work, thank you.

Schwab: Bryant and Betsy.

Hales: Thank you so much.

Schwab: They've been very open. Thank you.

Hales: Good. Anyone else want to speak on this item? So --

Fritz: If I could have staff come back up.

Hales: OK, have staff come back up.

Fritz: I have two things to discuss as potential additional amendments. The first was Ms. McCarthy's paragraph about the non-major process. Could you read the language she proposed or could you give us --

Ames: She proposed adding details regarding the planned disposition of surplus properties in categories one and one that are exempted from public notification provisions in section C will be posted on the website at least 90 days prior to their disposal. The proposal detail shall include at a minimum the dollar value of any disposal transaction, the real property transfer recipient, the reason for the property's inclusion in section C -- I think that would be exclusion -- and the other pertinent property details as described in part B.

Category two properties are those that are PHB and PDC properties. Those go through a notice of funding availability or an RFP process. They have very particular ways that they dispose of properties. They never actually declare those surplus because they are going to be used for public purposes. So, those would be -- wouldn't be posted on our website.

For category one properties, what the proposal requires is that they include all the same information in the ordinance that the rest of the properties must have before the Council declares them as surplus, and that they must be posted at least 15 days prior to the Council consideration of the ordinance.

Fritz: So it really is the category one properties that I'm concerned about, making sure we have adequate notice for that. Would there be a problem with requiring a longer period of notice than 15 days?

Ames: I think having those be posted earlier -- that is a minimum time. Bureaus are having to prepare those documents for Council well in advance of the Council hearings, so --

Fish: Betsy, what's an example of a category one property that's worth less than \$50,000 that we're talking about?

Ames: Tom Klutz is in the background and so he correct me if I'm wrong on this, but I believe there's a property that has gone through that excess determination process by the bureau and the Commissioner, a 148th Avenue pump station. It's a small property that was acquired as part of an acquisition. It's surrounded by a retirement community, I believe. It hasn't been in use since the Water Bureau acquired it. The bureau has determined it's excess to their needs. It isn't a property that we can necessarily put out on the open market. It isn't valued at very much. That's the type of property that they would be bringing forward as a category one.

July 8, 2015

Fish: Category two doesn't apply, because that's --

Fritz: Right.

Ames: PDC and PHB.

Fritz: Yes, I'm just talking about category one and I'm wondering if there would be support for requiring that to be posted to the website 60 days ahead of time -- coming to Council.

Fish: One thing I'm starting to get hesitant about is creating rules to address problems that haven't come up yet through the process. And this is not something we heard broadly at any stage. And we're going to at some point have a single person that's dedicated to maintaining this website. I will support any change that enhances transparency if it actually serves a public interest rather than creating a hoop to jump through. I'm not yet persuaded this is a problem that needs to be solved. I perhaps would request that perhaps we defer on that and take that up after we have a little experience. There's a lot of laudable things we could do to add further information and transparency. The question is, at what point does the burden of doing that outweigh the utility to the public? Since I think our touch stone is transparency and notice, I'd want to know this really does make a difference rather than just create another burden for the department in terms of capturing information.

Fritz: That's a good direction, and perhaps we should have a six months check-in to see. My second one, though, is in response to North Portland chairs regarding the posting at the property, which is on page four of the policy, section B. It does say that the bureau shall place an informational sign on the real property in a reasonably visible location. I believe we should add at the ends of that paragraph, "the sign shall be in languages common to the area as advised by the Office of Neighborhood Involvement," because that gets away -- I think there are 10 different languages which are preponderant, but you wouldn't necessarily need to post them in all 10.

Fish: So if we're in the middle a community that has a large number of Vietnamese Americans, for example, we would bring that. And Commissioner Fritz, since you are the new Commissioner-in-Charge of Office of Neighborhood Involvement, may I suggest that in addition to this discrete change, at some point we look at the question of notices citywide anything that we post, because I would like us to be consistent with what we do with any notice. We do lots of notices, this is just one.

Fritz: And we can certainly improve on how we notify, yes.

Fish: Betsy, are you OK with that amendment?

Ames: If you can read it aloud, that would be great.

Fritz: The sign shall be in languages common to the area as advised by the Office of Neighborhood Involvement.

Fish: She's nodding, so I will second that. Mayor, can we put that on the table?

Hales: Yes, please.

Fish: We have an amendment on the language of the notices, it's been moved and seconded and we're just voting to put it on the table.

Hales: Roll call.

Roll on amendment.

Saltzman: Aye.

Fritz: Aye.

Fish: Good catch, thank you. Aye.

Hales: Aye. Other questions, suggestions, amendments?

Fish: I move the package.

Hales: OK. So, the resolution as amended with all the amendments that we have adopted, correct? Discussion? Roll call.

Item 750 Roll.

July 8, 2015

Saltzman: I would like to thank Betsy Ames and Bryant Enge and others who helped to craft these policies and these amendments. Thanks to Commissioner Fish, also, for spearheading this effort as well. I'm pleased that we clarified that there will be the subscription notification system for interested members of the public, and I also believe that the amendment language today regarding the consideration of disposition of properties for affordable housing, open space, and community use will allow the Council to have the information it needs when it makes these decisions when property is declared surplus. I appreciate Commissioner Fritz and Fish's amendments, which I believe have tightened and ensured better community notification and are multi-lingual now, too. Aye.

Fritz: Commissioner Fish, thank you for starting this off with you revisions to the Water Bureau and Environmental Services policy, and thanks to Betsy and Bryant for taking up the charge. And what a great process. What a wonderful amount of input, suggestions from the community that have improved this one, suggestions from each one of us up here that have improved it. I think this is how public policy should be done, and I really appreciate it. And especially with the commitment that we're going to not say it's done and we're never going to look at it again -- that we're definitely very aware that public land is public land, it's for public purposes and we need to be very careful in not tying the hands of future Councils but directing a good process for how to make decisions. That's what this does. Thank you very much. Aye.

Fish: Mayor Hales, I used to carry a grudge that OMF stole Betsy Ames from my office, and she was my chief of staff. I think if there's any consolation, it's the idea that instead of just being the leader of my office, she is in a position to serve the whole City on things like this. This is a really good piece of work, Betsy, and to you and Bryant and the whole team, thank you. And to the Water Bureau team that worked on this, I want to thank them, too.

I think government is the only area of life where we're not allowed to make mistakes and learn from them. I read a biography recently of Steve Jobs, and credits all of the success of Apple with all the copious mistakes they made and the lessons they learned. But in government, we're not allowed to make mistakes, and we get punished for them. And I actually think that mistakes, errors -- whether they're big or small -- are the critical -- the question isn't whether we are going to make mistakes. We're human. We're going to err. The question is, do we learn from them? And then do we have the humility to go to the community and get it right?

Two things I've learned from the process -- one is that we always do our best work when there's full sunshine. And that's what this is today -- this is about putting more sunshine on the people's business. And every time we do it, we serve the public interest better and we strengthen public trust, which is actually something we all care about. And the second, as Commissioner Fritz said, is most of our best work is done in partnership with the community. It is not you and us, or us and them. It's we. And when we fully engage the community, we get good work like this. And I want to especially thank the folks at the Multnomah Neighborhood Association for a lot of time and energy over the last couple of years pitching constructive and creative ideas which Betsy has borrowed and enhanced and fine-tuned and added to this larger omnibus package, and she's taken one bureau's set of ideas, improved them, and applied them citywide which is what I think should be a model of what we should be doing in the City. So, thank you. I'm very proud to vote aye.

Hales: Great work. And again, measure twice, cut once, but don't measure indefinitely. We should try this and make sure that it works. I think it will because it has been collaborative and thoughtful. There are limits to how much we by policy and ordinance and resolution can create clockwork that makes decisions. We still have to make decisions. Commissioners-in-Charge still have to make decisions. They still have to exercise

July 8, 2015

judgment. In fact, the charter has a provision in there that says the Commissioner-in-Charge is responsible for the property and operations of the bureau unless otherwise directed by the Council. And we cannot make the five of us into marionettes, we still have to exercise discretion and judgment. But I think this lies down a base of expectation and process that will make sure that everyone knows what is going on and that judgment will be exercised with the input of the community and with bureaus actually talking to each other. That's a base expectation that I think everyone ought to be able to rely on -- that the bureaus talk to each other and we hear from the community. I'm being a little flippant here, but I'm saying I think this is good to have the procedure in place, but you're still going to have five of us saying, "heads up, wait a minute, couldn't the Parks Bureau use that?" and asking the neighborhood, "wouldn't it be a good idea if" or hearing from the neighborhood who makes a suggestion about that. So, I think we're there. I think this is going to work. Let's find out, tune it if it doesn't. And I appreciate everyone's good work from the community and from the City. Aye.

Ames: I just wanted to take one moment to say it wasn't my policy, it was really the full Portland property management committee involving all of your bureaus participating in this. Just wanted to highlight that. And we will be using the Water Bureau's website as the initial template for the citywide webpage.

Hales: Great. Thank you both. OK. One more item this afternoon, which is 751.

Item 751.

Hales: Mr. Biery.

Jonas Biery, Office of Management and Finance, Bureau of Revenue and Financial

Services: Good afternoon, Mr. Mayor and Commissioners. Jonas Biery, the City's debt manager. This ordinance authorizes refunding of outstanding sewer revenue bonds to reduce annual debt service costs. There are currently around \$425 million in potentially refundable bonds. If current interest rates hold, we're able to include all of the anticipated refundable bonds. We expect debt service costs by approximately \$30 million. The bulk of the savings will be achieved in fiscal years '20-21, '21-22 and '22-23, which are the peak years of annual debt service for the sewer program.

This refunding may also provide the City an opportunity to modify certain bond covenants to be more favorable to the City. In order to do that, we need to get appropriate consents to those changes from bond holders and insurers. We're working on that as part of the process. Examples of those changes include more flexible debt service requirements and language updates that better accommodate recent accounting changes. I wanted to flag that if we receive the consensus expected, we will need to return to Council to formally implement those changes in the master bond declarations, so expect that to come forth later this fall after we close the bonds.

We expect to sell the bonds via competitive sale and a bidding process in August of 2015. It's awfully lonely in here for a request to save \$30 million, but I'd be happy to answer any questions.

Hales: Good news rarely has a big audience.

Fish: In the off chance that no one up here today is here in 2022 to celebrate the good news, I believe you told me in my briefing that this will have an impact on the five-year forecast for the utilities, for example, because with the anticipated savings down the road, we will be able to ahead of the curve start thinking about whether those savings should go into capital spending, rate reduction, or some combination. Is that true?

Biery: That's accurate. The first year of savings is the first year right now that's just outside of the five-year forecast. So as the next iterations of forecast discussions go on, this will start to be part of that option discussion.

July 8, 2015

Fish: Even if none of us are here to pop the champagne cork in 2022, it will be a conversation we will be having as we look at our five-year forecast and look at rates generally because we'll be able to make some predictions or planning about whether those dollars go into capital, rate reduction, or something else that the Council things important.

Biery: That's correct, Commissioner.

Fish: Thank you.

Hales: Thank you very much. Anyone want to speak on this item? If not, it is an emergency ordinance. Roll call.

Item 151 Roll.

Saltzman: Thank you, Jonas. This is indeed something worth celebrating -- saving money. Aye.

Fritz: Thank you for sitting through not only this long morning but the previous one where we didn't get to your item. That must have set an all-time record for a staff person patiently waiting to save \$24 million for the citizens of Portland. Thank you very much for all of your work and for yet again saving us more money. Aye.

Fish: Nicely done, and thanks for the briefings and your work on this. Aye.

Hales: This City is well-managed financially, and this is just one more indication of that and it relies a lot on our professional staff. Jonas, thank you for the work that you do. And again, the fact that this is unspectacular in terms of the noise level doesn't mean that it's not spectacular in terms of the outcome. Thank you very much. Aye.

Biery: Thank you.

Hales: We're recessed until 2:00 p.m.

At 12:40 p.m., Council recessed.

July 8, 2015
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.

JULY 8, 2015

2:00 PM

Hales: Welcome to the afternoon meeting for July 8, 2015, Portland city council. Please call the roll. [roll call taken] 752.

Item 752.

Hales: Welcome, everyone. Want to call on our director Dante James and his staff to present this item and get this discussion started.

Dante James, Office of Equity and Human Rights: Mr. Mayor, council, hope you're enjoying the sunshine and warm weather. I'm really pleased today to be here with my staff and community members to present to you a set of racial equity goals for the city of Portland. I'm asking for adoption of the goals specifically as city policy to be used as a guide post and policy driver for city leadership and employees. These goals can and should be used as a focus to create action items and metrics as well as accountability in this city. These goals are designed to encompass the overall work of the city of Portland from hiring to service delivery. We must be vigilant to ensure that constitutional racism or lack of cultural consciousness is behind the decisions we make. The people we hire, promote, the sewer pipes we repair, the neighborhoods we change our street lights, the people we stop and frisk. These will coincide with each of the bureau's work on the road map, the equity plan. These can be used with a budget tool. These can be used in conjunction with community outreach and engagement, with the new commission on social equity and contracting, these can be used across bureaus. So going to the goals, what are they? Goal number one, we will end racial disparity within city government so there's fairness in hiring, promotions, greater opportunities in contracting and equitable services to all residents. Goal 2, we will strengthen outreach, public engagements and services and support change of existing services using racial equity best practices. Number 3, we will collaborate with entities and institutions to eliminate racial inequity in all areas of government including education, criminal justice, environmental justice, health, housing, transportation and economic success. And that is -- those are the three goals. Short and sweet, which encompass a lot. We're asking that you take these into consideration in how you can use them for your bureau leadership. So my presentation today is not to sit here and reexamine all the reasons why the office of equity exists. Statistics and the community's engagement that brought this office to fruition and the huge disparities that exist across communities of color. This effort is focused on creating some very specific guide posts within which the city can work as a concrete goal toward achieving equity for all residents. And as we -- well, Portland is a regional and national leader in doing this work. Unbeknownst to many, many people and interestingly enough Portland is absolutely a regional and national leader from Tacoma, Washington, to Oakland, California, Fairfax County, Virginia, Madison, Wisconsin, Fort Wayne, Indiana. These cities and their leadership are watching what we do and they are emulating our work. I can specifically tell you Tacoma, Washington has an office it created in December that is modeled on the office of equity human rights in the city of Portland, their staff that has been here and they are doing work similar to how we're doing it. I spent lots of time on the phone and actually in meeting with city council woman which just passed just three weeks ago creation of an

July 8, 2015

office of equity in the city of Oakland. I turned her job offer down, just so you know. So we are absolutely a leader in doing this work. Absolutely. So by implementing these goals we can continue to be a leader in this work. Before delving deeper into the strategies and these goals, this is video I want to show. The following video presents the faces and voices of those impacted by equity and inequity. The faces and voices of those who believe equity does in fact matter.

[Video presentation]

Dr. Toeutu Faaleava: I experience racism every day. I'm not hyper aware by any sense but I do experience it. It's painful. You keep wondering why it always keeps happening.

Amanda Fritz: I recognize how tiring it is for people of color to be having to make the same arguments that should have been clear for centuries.

Steve Novick: The city obviously has a horrible history of blatant and implicit discrimination. We have red lining, we had the destruction of neighborhoods.

Dan Saltzman: We certainly are a society where there have been historical injustices. We need to recognize that that has posed an obstacle towards minorities.

Diego Hernandez: It will take courage for city government to really put themselves in the footsteps of struggling families, and that courage to acknowledge that, that is a reality that exists every day in our city. We need to do something about it. That's what racial equity is.

Dante James: So, we're coming to City council with three over all city-wide racial equity goals. Along with those are several strategies to be able to implement and achieve these goals. It provides a guide post for city employees, leadership, to follow to achieve racial equity.

Judith Mowry: I think it's a phenomenal opportunity for partnering in accountability. It's really the job of the community to hold us accountable among other things. So I think that when we have stated goals that we have adopted and we say here's where we're going and here's how we're going to get there, which is why I think it's also important that the strategies are included.

Sharon Gary-Smith: So I believe the first step is to recognize, to understand and to be willing to support the places where the least amount of resourcing and opportunity has been granted. I do believe you raise all the ships when you raise those on the bottom. I think the second piece is to acknowledge the racial history and the disparities that have occurred.

Charlie Hales: Racial equity means understanding both that diversity today and the constitutional racism and historical wrongs that underlie that diversity, even now, even this week, this month, this year, even here in Portland.

Nick Fish: It takes honest, persistent, courageous conversations and action. It takes the long term view because we're not going to solve this problem overnight, we're not going to solve hundreds of years of history overnight. But ultimately, it means people of good will, of loving heart, of clear purpose coming together to tackle the most persistent problem in America and saying that we will not be satisfied until we make progress.

Dante James: What we really want to institutionalize the concept of equity, in the use of an equity lens, in the use of equity tools. And so having the city bless these and institutionalize these goals does just that. It allows them to exist no matter who is sitting in a particular seat.

Dr. Toeutu Faaleava: They are not giving us a favor. We have earned a seat at the table. We need to understand that. Coming in and respecting each other for what we have done.

July 8, 2015

Amanda Fritz: We all need to play our part and it's going to be uncomfortable for everybody. We need to be with that uncomfortableness and recognize that that's part of the penalty we pay for a system that is unjust.

Sharon Gary-Smith: I believe we can do it. I believe the city council needs to set a standard that is higher than the one that we have historically experienced. I might be an outlier by saying that but that's a familiar position for social justice people.

Nick Fish: We need an office of equity more than ever. I'm extremely proud the city has taken the lead in establishing an office of equity and I'm proud of the work that office is doing embedding equity into everything we do as a community.

Judith Mowry: That's what we're going for here, an investment in the promise and potential of everyone in our community.

Charlie Hales: Equity is becoming part of that dna of who we are as a city. How we operate. That's of course what we want to be. We want equity not to be an veneer or an afterthought. We want it to be who we are and how we roll.

Dante James: These goals may be specifically couched in terms of racial equity but achieving these goals will help everyone and provide greater benefits for everyone as they receive services of the city.

Diego Hernandez: Racial equity has an impact to everybody. When one community thrives everyone else thrives.

[End Video]

James: So many thanks to Jeff Selby for his hard, hard work in putting this together. Jeff, where are you, Jeff? Taking pictures. To all the staff. There he is. To all of my staff. Because equity does matter and it's a 24/7 matter to me and my staff. So many, many thanks to them and to you for participating in the project. I think it says a lot. Your participation speaks volumes. That's important as well. So in your packet is some information. You have a copy of the goals and also what's attached to them in terms of overall racial equity strategy. These are the methodologies to achieve these goals. Judith Mallory is going to provide some background where they came from, how they can be best utilized.

Judith Mowry, Office of Equity and Human Rights: Good afternoon. The strategies we have brought to you today were developed in partnership with jurisdictions from around the country who are collectively identifying best practices to achieving racial equity. The government alliance is a national network of government working to achieve racial equity and advance opportunities for all. The alliance cohort of jurisdictions have representatives from 12 jurisdictions in eight states. Developing a network of government focusing on racial equity is critically important to getting ton different out comes in our communities. The goal must be beyond closing the gaps. We must lift up our overall out comes, focusing efforts those who are faring worse. Deeply racialized systems are costly and depress out comes and life chances for us collectively. To advance equity government must focus not only on individual programs but also on policy and institutional strategies driving production of inequities. It's guided by these strategies in all of the approaches we employ whether it's through the work of the city-wide equity committee or civil rights program which institutionalize scientifically designed practice into current systems and policy to deliver equitable out comes. Adoption further strengthens the work of achieves racial equity in all levels of government praises and we are members of the alliance and we participated in creating the strategies. We're very excited to be a part of some of the really most creative minds in the country that have been working on this issue.

James: Before we move into speakers I want to see if there's any questions before we move into some invited speakers that we have.

July 8, 2015

Fritz: Under number 4, it says data driven measurement must be done at two levels. [audio not understandable] . Do you have a plan for how to do that, what kinds of measurable we're looking at?

James: The bureau's road map is the first line of doing this work. Each bureau is going to be creating its own metrics based upon the categories within their bureaus and creating a five-year plan for moving the needle from where they are to where they want to be. So that's the design of the road map actually.

Fritz: I understand a few bureaus have already piloted that process. Which bureaus were involved in the pilot?

James: The pilot? Bhr-- I'm sorry, human resources, housing, we were, who else was it? Police bureau. Planning, then one more --

Fritz: Are those road maps available? Do we have a sense of lessons learned?

James: They have not completed the entire road map. Each did a particular section so we could get feedback on the sections and provide for any changes that made sense. So each one now is in the first wave they are working on their actual road map.

Fritz: When we look at the rest of our bureaus will we get some kind of input or advice from the office of equity and human rights in terms of lessons learned from those bureaus?

James: Yes.

Fritz: Yes, it's very different in parks versus development services and there are some similarities, hiring practices, outreach techniques, those kinds of things. Where we don't necessarily need every bureau to reinvent the wheel. We need to have a different wheel. We could learn from each other.

James: Sure. So the plan is that as we receive these road maps we, my staff, will evaluate -- they will be offering feedback and working with technical assistance if you will throughout their work on the road map. As we receive their finalized road maps then we will evaluate, offer feedback, send it back, say take a look at adjusting this, make this more robust. That's kind of the plan for the process.

Fritz: Are the other bureaus going to wait until you've got that analysis done for us?

James: It's not done for council. It will be done per -- maybe i'm not understanding the question.

Fritz: I meant for the bureaus. I consider myself part of the bureau. Team looking at how do we create more equity. It would be helpful for me in development services and parks and neighborhood involvement to from the bureaus that have already gone through it what worked and what didn't before we figure out how are we going to do things for our bureaus.

Mowry: Commissioner, we're launching this in waves. We have five to six bureaus in a wave. Three months apart, at least two months apart so we have the capacity to do the technical assistance to keep everybody up to board. So teams meet together regularly to confer on what's working and what kind of barriers are people finding and what's important two bureaus have submitted their plans, the first two. We're in the process of beginning to evaluate the plans. Then we'll be having conversations with the bureaus about what seems strong as Dante said and working with goals and strategies to make sure those things are also guiding how the plans look. So that that will be coming. Then the hope is that folks who have completed theirs will through the city-wide equity committee stay engaged with the newer bureaus coming through so they can act as mentors and guides. We see these members -- not recreating the wheel. We're working on that communication.

Fritz: I appreciate the urgency as pointed out. We on the council as is evident in the video want to give top-down leadership as well in working through grass roots and front lines staff. As quickly as you could get some preliminary observations from the first cohort,

July 8, 2015

lessons learned, that would be really helpful to me as I work with my directors to figure out what our next steps in our bureaus are.

Mowry: We will do that absolutely.

James: After the pilot piece of the presentation of the program, we did invite bureaus, all bureaus, representatives who will be working on their plans to come and hear feedback from those who had gone through the pilot. There was an opportunity for that feedback loop.

Fritz: I encourage you to include council. We are all really invested. My final question is about disability. We're wondering did Tacoma and Oakland include disability as a secondary focus like ours?

James: They did not.

Fritz: To clarify, the reason we're focusing on race is that we have -- we have already started the work on disability.

James: Sure. I think as I have described it there's an infrastructure in place around addressing issues of disability not in place around issues of race. There's the Portland commission on disability to focus on issues of engagement and interaction in hiring that does not exist for communities of color. There's the transition plan out of title 2 to improve and ensure accessibility in compliance with the law. There's no assurance of accessibility, social accessibility in terms of people of color. There's the city is now model employer of people with disabilities. No such things exists for communities of color so there's an infrastructure that exists that we hope that this will provide some sense of balance in the same way.

Mowry: We're working closely with the commission on disability as well to talk about -- I think our office is about transforming government so it's accessible and works for everyone. There are a lot of pieces that we may find helpful that we integrate through a disability lens as well. We're excited about that work.

Fritz: That's what we're finding in the department of justice work, where race and disability intersect we have some of the worst out comes. I really appreciate your focus bringing this to us with such detail and also recognizing the intersections and parallel work. Thank you.

James: Thank you.

Fish: Can I follow up on that conversation for a second? We're about to hire a number of new bureau directors. Dan is doing a search for housing bureau. I'm on the finish line of a search for a new water bureau director. We just hired a new bes director. One way we communicate clear expectations is a letter of expectation which we do annually. I would -- in my case I have two directors who are roughly at the same time getting letters of expectation that set uniform standards. I think what will be helpful to me is if we develop the model language that you would like to see in all such letters. So what is the expectation and then clearly based on the road map and the consultations because each bureau is a little different we can zero in on what we want someone to focus on over the next year or two and set the benchmarks. I could use some help. We could draft something and send it to you for comment or if you had a sample paragraph which you think generically embraces the values of what you're presenting today I would welcome that too.

James: Thank you. I appreciate the chance to engage in that. Either way would be beneficial. Brainstorming the best way to do that, we are happy to do and I think as I mentioned I have yet to receive one of those. I'm not sure they are done as uniformly as you might think. How we can ensure they receive those in the first place is another piece of the pie.

Fritz: Thank you also for that. Then we can tie that to reviews which is one of the things that is the best practices to set goals around equity work for leadership both at the director

July 8, 2015

level, management level. That's one thing we hope to move toward and the road map addresses some of the leadership pieces. We could probably send something to start the conversation.

Fish: Thank you.

Hales: These are concise and clear, these goals. I guess I want to make sure we all know that we mean it and that gets to the question binding or nonbinding policy. But when I read equity goal number one, for example, it says we will end racial disparities within city government so there's fairness in hiring and promotions, et cetera. If you look at the situation today of the fire bureau and police bureau where we have made modest progress in making a work force reflect its community, that means, I think plain reading of that goal, we are not saying that we will try to end racial disparities or we will work towards ending racial disparities, but we will end racial disparities in those bureaus. We will have a police and fire bureau reflective of the diversity of the community it serves. That's a big deal. If it's binding. If it's just an intention or hope, then the fact that it's not binding wouldn't maybe matter as much. It also wouldn't have as much impact. So therefore, some question about in drafting of this whether it was binding or nonbinding as policy, help us out, explain that. I'm inclined to say we should make this binding but help us out in understanding and maybe others will want to comment on this when they speak about what the difference would be in effect.

James: Thank you. And I guess it was our misstep in how we presented the resolution when we submitted the documentation. According to I guess code as I later learned there's a requirement that the language be very specific in the specifically state that this will be binding city policy as well as checking a particular box on the documentation that says binding city policy. That was not done when the resolution was presented a week or so ago, so if it is not, then it's merely feel good as opposed to something that is very concrete and binding that our stakeholders, the community, could then come back and hold the city accountable for. So that's really what the expectation is and my hope is that in the adoption of this that the council will adopt it as binding city policy.

Fritz: Would you like an amendment to that effect?

Hales: I love it.

Fritz: Be it resolved that the city-wide racial equity goals and strategies attached as exhibit a are adopted by city council and binding city policy.

Hales: Second that. Any further discussion? So roll call on accepting that amendment.

Saltzman: Aye.

Fritz: I appreciate that you had exactly the same thought that I did. Aye.

Fish: Aye.

Hales: Aye. Thank you.

James: Any further questions or anything?

Hales: Questions? Comments?

James: As you see in the video, again, phenomenal video which represents the community, represents our stakeholders, represents you, represents the employees of the city, those who we provide our city services to, they support this work. Also in your packet is a letter of support from our bureau advisory committee as well. And I want to say this. And I think the Segway was the binding city policy, this isn't symbolic. It shouldn't be received or perceived as symbolic. Symbolism is important. There's a reason that the confederate flag needs to come down because it's a symbol of something. There's a reason why offensive native logos need to come down, because they are a symbol of something. They make a difference because the community perceives and feels what that symbol represents. So I would suggest to you that the video, it looks good, it's cute, -- cute, equity matters, everyone is smiling and it looks great, but we can't just let it be a

July 8, 2015

symbol. We have to ensure that we mean what we say. It just doesn't go off into city policy -- annals in a city policy book somewhere. The community needs to know what we say and feel that something is happening differently because of what we say. So it's not just a symbol. So in that regard, I wanted to invite just a few specific speakers today from the ranks of community members and city employees doing equity work. Who can speak to the benefits of further institutionalizing this work. So Nkenge Harmon Johnson is here. Please come on up. Patricia Rojas got stuck because of United's plane problem.

Hales: You can slide up another chair there.

Hales: Good afternoon.

Nkenge Harmon Johnson: Dante, thank you for inviting me to speak. I'm Nkenge Harmon Johnson, new president and ceo of the urban league of Portland. I have had the pleasure of meeting several of you before and I imagine we'll be working together closely in the months and years to come. In years past mitch Purcell would have been here to speak today to end urban league support, but as you are aware about a month ago thanks to commissioner novick and the other commissioners, were gracious enough to celebrate mitch Purcell before she ventured off to London for the next stage of her life. I want to thank you again for doing that. It was a very special occasion for all of us. I'm here to voice support for the citywide racial equity goals and strategies for the office of equity and human rights under the leadership of Dante James. I will also offer concrete ways we believe we can move forward with this work. Much has happened to advance equity and racial equity in Portland. Members of the council may be aware that the urban league of Portland advocated for the office of equity and human rights to be created. It was an important priority for us and other community based organizations. I think based on what we have heard and seen it was clearly important for our city. Also due to release of the racial equity strategy guide in 2012 the urban league has worked to get down to the nuts and bolts of what equity means on an operational basis day-to-day. It's nice to talk about pie in the sky, things we wish could happen, but if we don't have operational details and a framework in place all we'll ever do is talk about wishes, hopes and dreams, not the change that can actually occur. It's vital that we put those tools in place. We have the mechanisms necessary for change in our city government. Paramount to our collective work and to the individual efforts of bureaus uniting around a common vision of how to remove systemic barriers in Portland. I grew up in this town. I know what I'm talking about. When Dante talks about how we choose which sewers we repair, which sidewalks we develop, which parks receive attention, it matters. The racial equity strategy guide created by the urban league of Portland through a partnership of community advocates and city staff. We are pleased to see many of the same visions from the guide reflected in the approach by the office of equity and human rights. It will help organize efforts and guarantee progress is made in our city government. I want to stress all three goals and all six strategies are needed to ensure a comprehensive approach with a racial equity framework bureaus have the opportunity to build on best practices, create capacity for long term and change and no matter who is sitting in your seats or in the seat here or in Dante's seat this work will still matter and should not be subject to the whims of politics. Those professionals we employ to lead the equity work need the tools to inform their priorities, beta to evaluate their work and community partnerships to hold the city accountability. Moreover equity leaders need metrics. I know you understand when I say we measure what we treasure. If we don't count it, it doesn't count. Goal quickly become obscure wish lists, and that must not be allowed to happen. The Urban League want to see leadership embrace all three equity goals with capacity and a message that tells city employees and the Portland community. We believe that fairness in all areas of government, education, criminal justice, to health, housing, jobs, economic development across the board is key

July 8, 2015

for more prosperous Portland. We're all anxious to see these strategies applied. I imagine you'll hear something similar from folks to my left and my right. We have helped lead the work force equity coalition in partnership with a number of community advocates over the last year. You'll be hearing more about this in the months to come. Suffice it to say we have organized a set of recommendations that include. That include using an equity framework to include recruitment, hiring, retention and data collection practices in all city and county jobs. As we seek to pass a resolution that incorporates these recommendations we encourage you to use this opportunity to collaborate with communities and institutions to take a come presence of approach toward workforce equity. Finally the Urban league of Portland relies the 2015 state of black Oregon in May of this year, mayor Hales was kind enough to join us for the launch. We were reminded through the stories, data and analysis of this report that we do not all share in the Portland we hear about in life-style magazines and in media around the country. This report, however, stated our vision for the realty we wish to see for all of Oregon and for all Portland families. We challenged our city and state partners to accept the work it will take to reach that reality. The day-to-day work is hard. It will require coordinated approaches. Approaches such as those proposed by Mr. James and his staff. We ask the cities leadership to embrace the tools and strategies offered by----offered both from the community and the office of equity and human rights and help shepherd us toward a more equitable Portland. The only criticism I will share regarding these goals and strategies is frankly to ask why haven't we done it before now. I grew up in a Portland that felt more diverse and inclusive than it does today. Even though we know that there are more people of color in the city than there were 20 years ago. Our elected and appointed leadership simply doesn't reflect that realty. I encourage you to do what it takes to make the change necessary to live in the kind of Portland that we all should live in. The reasons they can live up to the reasons that we all call it home. Thank you for your time. If you have any questions I would be happy to entertain them if that's appropriate.

Hales: Thank you very much. Welcome.

Art Hendrix, Portland Parks and Recreation: Mayor, members of council I'm art Hendrix, equity inclusion manager with parks and recreation. I want to give a quote I believe was from Seneca, mayor, you'll appreciate this. You must know which harbor you are headed if you are to catch the right wind to take you there. I believe that these goals provide the harbor and the focus in terms of where we need to go as a city and particularly our efforts in Portland parks and recreation I believe mirror the goals developed and identified by the office of equity human rights. There's another proverb that's one of my favorites, an African proverb. If you don't know what road you're on any road will do. I have found in my experience in the past far too often diversity and equity efforts have been whatever road we're on let's just go with that. I think that as we become more diligent and more serious as a city these goals and strategies will help me work more effectively within my own bureau but more importantly to begin to start working on the challenge across the city with my partners and other bureaus as well to know that we will have a similar framework and similar focus. I think we will be able to achieve some of the goals outlined particularly around the work force hiring. The challenges for us in parks are not just parks specific. I think they are challenges when I talk to my counterparts in planning and BDS around how do we find suitable talent that can be in our planning divisions, for instance. I think as we move forward we can't have just individual bureaus doing individual efforts. We have to also figure out how collectively we can leverage each other's work to be more impactful. So I want to applaud Dante James and his staff for this work. I also want to applaud the video and will say that I think it will serve as an excellent tool for us in terms of onboarding for employees with a very clear message and certainly the support of council

July 8, 2015

and your voices in terms of this binding resolution. I think it will make my job much easier that it's not just art Hendrix's preference in terms of why we're doing what we're doing but that my role is to carry out the will of council in the city.

Hales: Thanks very much. Welcome.

Eric Numera, Independent Police review: This is the first time I have ever addressed city council. Commissioner Fish, Commissioner Fritz, commissioner Saltzman, and mayor Hales, thank you for your attention and efforts today in addressing the adoption of city-wide equity goals and strategies presented by the office of equity and human rights. I'm Eric Numera, a complaint investigator with the independent police review for the auditor's office. I speak before you today with the full support of my director and my elected leader auditor. I'm a member of the auditor's bureau equity committee and represent my office at the city-wide equity committee. I have recently been added to the steering committee for the equity committee. I'm part of a lot of committees lately. I moved here in 1991 from Hawaii because I fell in love with this place and found it quite easy going and the people here are very generous and kind. I'm a product of Portland community college and Portland state university. I have worked in state government for 17 years and the city of Portland. I have been in the city since 2013. During my years with the state I worked in divisions that were closely tied to the welfare of people from under-represented and vulnerable populations but yet for the last 11 years working there which I spent commuting to Salem I can't recall the topic of equity being emphasized in any form or made part of my duties. The city of Portland should accept praise for the willing attention and priority of efforts to address perhaps the most difficult task facing government institutions at this time today. The goals and strategies presented today represent crucial steps in transforming the role government has in ensuring the people of the city of Portland employ and serve receive equitable treatment and services. This is not an easy topic of conversation nor should it be. There are some who look at this movement as hopefully quality for all humans and embrace the challenges ahead. Willing to make sacrifices to achieve those goals. I experienced this energy often through my interactions with the equity committee. I also experience reluctance to engage in inequity related conversations. We have a hard time thinking of ourselves in a negative way and when attempting to engage in equity conversations that surfaces. There appears to be a notion that one cannot engage in equity practices without accepting some sense of fault for current standards of operations. There's a common association between admitting failure and feeling guilt. That can lead to more head den emotions. As we observe daily, from media and social media sources, emotions can side track the ability to achieve your goals. I'm grateful that as a collective we are working together on this important and enormous challenge and are modeling the appropriate manner in which to address the uncomfortable and interfering feelings that the subjects of racism and disparity cause. The three goals presented today are crafted after best practices observed across nations conducted by those who dedicate their life's work to eliminating inequalities in the communities and institutions. Each goal has measurable outcomes to ensure our practices moving forward and demonstrate progress. The six strategies presented today define a shift of perspectives. The city of Portland needs to eliminate inequitable laws, policies and practices successful. I feel it necessary to emphasize strategies go beyond the written words before you. Through my history of employment somewhere along the lines I accepted defining myself as someone who just works for the government. I have had family, friends and mentors who have refused to stop reminding me of what I am. That is a civil servant. That simple term defines more about what I am responsible for and my duty to the people of the state of Oregon and to this republic. I took the oath to serve all and such a distinction should be on all our minds today. The first step adopting these goals and strategies helps set the stage for a larger

July 8, 2015

transformation. We as civil servants have a duty to ensure the constitution of the United States and associated laws that govern the state of Oregon and city of Portland are upheld. Although this is implied at times, I believe there's a clear need for all government employees to understand we're servants to the public no matter what our job description says. Empower all of us to face the challenges ahead by adopting these goals and strategies. Give every employee including yourselves unobstructed access to the tools necessary to dismantle the barriers of institutionalized barriers and practices that feed this inequity. Finally I would like to conclude with an opinion, although most of what I said is an opinion in the first place, I mentioned earlier that the feelings that get in the way of progress. There are negative connotations associated with this term that we use, accountability. Motivating people to engage in difficult self-reflection and institutional analysis is made more difficult when in the backs of their minds thoughts, there are concerns or fears of discipline or punishment. I ask this council in taking on this endeavor where we are all unlikely to be here when we can say mission accomplished to emphasize acceptance, compassion and patience for all. Thank you for my moment to address council. I would like to say onward, rose city.

Hales: Thank you. Were you there on Sunday? That was great. Slide that whole box down toward Sharon.

Nomura: Now that is equity. [laughter]

Sharon Gary-Smith: I'm Sharon Gary Smith executive director of mlrg foundation, formerly known as McKenzie river foundation, Oregon's leading social justice funder. To be here in this moment, though I have been here before, is actually a moment for a pause. To really reflect on this moment, having come. There's so much work ahead of stay with us, and as it's been outlined not only courageously but specifically by the office of equity and human rights. I want to praise them for what it took to get to this moment. I certainly want to praise you also, mayor and commissioners, for having the audacity, given the times we're in and the struggles we face, even though captured on cell phone, to recognize not just the importance of equity in a sense of belonging for all of us, particularly people of color, in this city of roses, but that it flies in the face of the assumption that equity is not going to benefit all of us. That when we -- our lives matter, when our communities are addressed as communities, when the work of working for and representing all of the citizens begins to be the work that is charged in form and led by our elected representatives, that would be a powerful statement that Portland not only has history, Oregon has history, but it is creating new history, new equity, new opportunities, and a new sense of belonging. I cannot in any way minimize the importance of feeling that you belong when decisions are made, when allocations are granted, when decisions about where the money goes, who the money goes to, whose neighborhoods can be whole and safe and not just when they are gentrified, when we begin to plan for a future that includes all of our futures has been so carefully and very eloquently expressed by my colleagues, that is a day that three years ago I might not have been able to imagine could actually happen. I have always had hope. The audacity of hope as our president says, but to be audacious about hope in the face of constant disappointments about who gets hired, who gets trained, who gets retained, who is able to take advantage of the services, I want to mark this moment today as a pivotal moment in moving our city forward, in moving and representing and leading in equity as we do in Portland in so many other areas. I want us to be the bike capital. I want us to be the commuter capital. I want us to be the dog friendly capital where people who do or don't have dogs but have a sense of agency, belonging, owning and feeling a critical participant in this city's mission and its work can stand proudly and say, I am a Portlander. I am an Oregonian. I matter. I'm visible. I'm represented. I'm employed. I use services. I have access. I matter. Particularly a child

July 8, 2015

like me, many years ago, who was raised in Portland who was advantaged by public school education, who lived in wonderful neighborhoods, but was black and fought to be less than. I would like to be able to express the joy and satisfaction being a part of the diversity of this community that builds it and makes it what it is. I can't appreciate Dante James and his staff enough for taking the constant steps of helping us fall forward and move forward on equity and I thank every one of you for whatever it took to come to today, to amend nonbinding, to binding, and to begin to set a tone. The work ahead is hard. The work ahead will be questioned. There are people who don't get it. There will be people who resist. But if your leadership is more than this moment, and I believe it is, you will set a tone and we can figure out the details about how to move us in a way that's challenging and opportunistic. I'm going to hold out hope and I'm going to spread the joy of this moment of seeing what can happen that works 24/7. On equity I would expect the same. I want to thank you. I don't want to challenge you or chastise you today although as a voting member of the public that's my right. I want to appreciate you for doing what you're elected to do, to lead and serve all of us. I look forward to the evidence, the benchmarks, and the outcomes of this endeavor. I thank you.

Hales: Thank you very much. [applause]

Hales: Thank you all. Any questions?

Fish: The record will reflect Rochelle began the cheering. Third row in the back.

Hales: Thank you all. Dante, do you have others you have arranged to have testify?

James: I do not. I just want to thank very, very much those who came to offer remarks and if I may, maybe it's unusual, before you conduct your vote, I would like to ask my staff to all come up here so they can be a part of this vote.

Hales: We have to take other testimony first.

James: Oh, then I'll be back.

Hales: Do we have others signed up to speak?

Moore-Love: Yes, Charles Johnson and Chabre Vickers.

Hales: Come on up.

Hales: Go ahead.

Charles Johnson: I prefer to let the human rights commissioner go first.

Chabre Vickers: Good afternoon. I'm Chabre Vickers, chair of the human rights commission. I come representing the entire commission and want to quickly and concisely express our absolute support of the equity goals and strategies and I urge you as city leaders to take these goals seriously. Recognize that the outcomes are bright not only if we achieve these goals but as we move towards a deeper understanding of ourselves and others in our community. One where socially just reality is the norm. Please feel okay with asking the hard questions in your daily tasks, where you suspect racial inequity exists. The cognitive dissonance we all experience of privileged members of this great city should fuel us on these goals and the next iteration and the next. Lastly, remember that organizations move in the direction of the questions that it asks. I urge you to continue to ask great questions, to move us towards binding movements and I appreciate this moment here and there's really nothing else to say after someone like Sharon Gary Smith comes up. I'm just going to say thank you for the time and thank you for the vote.

Hales: Thank you. Good afternoon.

Johnson: Thank you, Madame chair person. I'm Charles Johnson. Of course we're really just echoing the sentiments of Sharon Gary Smith but it's important that these things become binding. There's a larger context unfortunately that's emerging here from the recent reporting in the Oregonian from Maxine Bernstein. We don't really get serious about fairness and binding we're discovering that thousands of victims of sexual assault have not had their kits tested and that should be an affront to all victims but particularly

July 8, 2015

women because women are still oppressed and discriminated against in this society. Part of the problem is we don't have enough benchmarking, enough real commitment. I encourage this council to adopt binding language and to be more comfortable with having more public engagement where we talk about failures to achieve goals, systemic issues that have contributed to that, people's personal biases and racism that are alive and thriving in different places in the city of Portland and how we can counter those problems. Thank you.

Hales: Thank you. Anyone else like to speak? If not, then let's take a vote on the resolution as amended. Sorry, Dante, I was getting ahead of you now. We both jumped the gun.

James: Thank you, sir. I want my staff to be part of this.

Hales: Please.

James: I think really this is a very momentous occasion for this work in the city. They have all been a part of this. They all do this every day. They all run into obstacles every day and they all continue to come back every day because it's important and they believe it and they feel it and they want to make this city better. Thank you for letting me have my staff up here.

Fish: Can we put everyone's names in the record?

Hales: Absolutely.

Joseph Wahl: Joseph. Assistant Director.

Tatiana Elejalde: Tatiana Elejalde disability equity program coordinator.

Tanya Stephens: Tanya Stephens, executive assistant.

Judith Mowry: Judith Mowry Senior policy advisor.

Danielle Burke: Danielle burke, Civil rights manager.

David Galat: David Galat Ada Tile 2 access coordinator.

Koffi Dessou: Koffi Dessou Equity training and education program coordinator.

Jeff Selby: Jeff Selby Communications Coordinator.

Hales: Thank you all for being here and for this good piece of work. Let's take a vote.

Saltzman: Thank you for the presentation. More importantly thank you for putting together the goals and strategies. Thank Dante personally, I think you are the first director of this office. And I think you have really helped to set the tone. I'm sure when you came to Portland you recognized there is no shortage of challenges here as there probably are in a lot of cities but you know our history by now, know that we have overcome -- overcome is not the right word. We have witnessed many injustices in our city. It's up to those of us in leadership positions to lead and set the tone for a more just, more equal society, and I am sure -- you've done a great job of that and I think I don't mean to say this in any manner of insult, you kept it simple too. I attended your equity 101 training, my office did. It's very focused. It's not trying to sort of take on the whole world in one two-hour session. Three-hour session. I think the goals are similarly focused. This could easily have been a 10, 15-page document single spaced, and you get to a certain point and focus gets lost and it's all a bunch of words strung together that sound good. This is pretty insightful. Gives me something, all of us something that we can refer to and hopefully emulate in our everyday role here as members of city council, as heads of bureaus, so I want to thank you and the great staff you have assembled too. Most of you, many I have come to know a tick shout-out to Jeff for a great job on a shoestring budget putting together a first class video. Great work. It's very concise and it's a lot of merit in government these days for being concise and forthright. Thank you all. I'm pleased to support this and vote aye.

Fritz: Thank you, commissioner Saltzman. I echo everything you just said and thank everyone who came here today to be present to show your support by being here. It's a beautiful assembly of folks and I hope you'll come back tomorrow afternoon. We're having

July 8, 2015

a discussion on housing policy and who should benefit from city subsidies and it's going to be interesting to see whether this binding city policy enters into that discussion as I think it should. Since I believe we're all going to sign on to it I know commissioner novick if he were not on vacation would also do so. We want the community to continue to remind us, this is a binding city policy. We need to keep our word. Politicians like everybody else should do what we say we're going to do or explain why we're not able to do it. Certainly we're not going to be able to end racial disparity by the end of this year. We should be making progress and each of my bureau directors have as part of their annual performance evaluation how did you do, move the needle. Whether it's 17 different hiring manager executives in parks or a smaller number in adult services, the directors are responsible for making sure the right questions are asked, the right people are on the panel, the right outreach is being done. Your collaboration led by director James has been hugely instrumental in that. The Salvation Army being 150 years old this year. This is something we have to do because we can no longer afford any different level of accountability to continue with disparities in our communities. I disagree with one thing you said, commissioner Saltzman, that director James knew what he was getting into when he came here. [laughter] I'm quite proud of having enticed him here. It's shocking when you start looking into exactly what the disparities are which is what the state reported in 2009 shows it's shocking. We're not who we think we are. We're not who we need to be. Thank you, Dante, for your guidance and assembling of this great team. Thank you for what you do. It's hard work. It's uncomfortable. It's challenging. It's not going to get done any time soon, so it's important to celebrate milestones like this and to recognize that we are making progress. We need to keep going. Thank you. Aye.

James: You still owe me, though.

Fish: Is Sharon still here? I was reminded that Sharon, if we had listened to some of the voices in the room when we took up this debate we would not have an office of equity today. Took a lot of strong voices particularly in the community insisting we have an office of equity. I thank Commissioner Fritz and former mayor Adams for making it a priority that we not only establish an office of equity but we fund it. Couple months ago I found myself in the rare situation of feeling discouraged about a number of things. For those people who know me well I'm more of a cup half full person than someone that gets discouraged but there were some things that were bothering me. I just made a few notes. I was reflecting on how quickly history has pivoted. Henry Johnson got his medal of honor even though it took 100 years. Pope Francis issued his encyclical and talked about protecting our common home and changed the whole debate in America around equity and the environment. Barack Obama went down to a memorial service and sang amazing grace. Electrified a nation in talking about grace. The Supreme Court affirmed the dignity of every marriage for all Americans. Changed history. For good measure the women of America won the world cup, which was -- for those of us who love soccer the icing on the cake. So I'm not feeling as discouraged. But I want to thank this team for their hard work because there were a lot of doubters when we started this process and I think the only way you disprove the doubters and critics is to deliver on the promise. That's what you're doing. One thing I told Dante was as we talked about these road maps and we talked about benchmarks, I don't want to hear about this secondhand. Since I have the luxury as with commissioner Saltzman of -- being in a position of putting in place new directors, I want to be in the room when we talk about the expectations from my bureaus and I want to make the commitment to whatever we're establishing. Thank you for your good work. Thank you, Commissioner Fritz, for your passion around this work. I'm proud to serve on a council that even when there are new faces and new people up here we consistently stand for equity. Aye.

July 8, 2015

Hales: Well, I echo something commissioner Saltzman said which had to make sure was not understood as a back-handed compliment. He said this was simple or that this language was simple. Actually in the business of government, it's not easy to produce policy that is simple and plain-spoken and succinct. You have done that here. Each of these goals is one sentence. Not that many words but if you read them carefully there's a lot of heft to this. By making this binding city policy this city council says these words each of them matter. So I like these words. I'm going to keep them handy. Measure our progress against them. But when I read them and listen to the testimony I had these flashes of people that to me represent those words I mentioned the fire bureau earlier. We started in my first term as city commissioner making progress that has continued in improving the work force of the fire bureau. Not long ago I watched a fire truck go by with a woman and an African-American man among the four in the crew. I thought, whoo: I just had that image in my mind. The other day chief o'day swore in our first Somali born Portland police officer. I just had those people in my mind's eye as I look at the words about fairness in hiring and promotions. So those are plea bargain flashes of light in the progress that we still have to make, but I can see them. Then when I read these words about strengthening outreach I remember the boutinese Chinese elders who came together wearing their culturally based clothing and with translators to help them in speaking truth to power about what their community wanted from what we spend their money on. I have that image of those and other groups of people from the community who came, in many cases, I think you asked the question, for how many of you is this your first public meeting and a huge number of people had just come for the first time to be citizens in that sense. I can see them. When I read we will collaborate I see the moment that Dante and a couple dozen other African-American men who are leaders in this community stood together at sei and said we're serious about this commitment to the black male achievement initiative and its areas of progress that we will measure just as we do here, so I see those people behind the words and I know you did too when you drafted them. So I just want to thank you for putting the right words on the page, having all of us bind ourselves to them, and having everyone watch to make sure we mean it and that we measure it and that we make more of that kind of progress. Thank you all very much. Aye. Thank you. Well done.

James: Thank you very much.

Hales: let's take a five-minute break and begin at 3:15 on our next time certain item.

Hales: Let's take item 753, please.

Item 753.

Hales: Good afternoon. Let me hope this hearing and welcome our team to the table. We don't get a lot of chances as a city to think about the big picture, but that's what this part of the planning process is really about. To think about the path forward for part of the city that's very dynamic. A lot of you have been involved in this part of the city for some time. We look forward to hearing from you. It's important to remember in the 1980s when the last central city plan was written we were a pretty different place. Employment was down, crime was up, central city was a place that a lot of people maybe didn't want to spend as much time and energy and investment as they do now. Obviously now the central east side is really an economic marvel and it's doing very well and we're dealing with the problems of growth and demand more than we are with problems of disinvestment or dysfunction. I'm very interested in this part of the city. I have been for a long time. I'm interested in the work you've done together. I want to appreciate Susan and Joe and troy, the work you as a bureau have done in preparing this proposal for the council and working so effectively with the community. A lot of strong opinions and strong personalities involved in this planning process as I got to see when I had a chance to visit your

July 8, 2015

committee meeting. I just want to commend the work that the bureau has done and that community has done in collaborating on taking on a lot of tougher questions and queuing them up for the council to take up today. Thank you for work well done and for something that this council is ready to dig into with you.

Susan Anderson, Director, Bureau of Planning and sustainability: Thank you, mayor, commissioners. Susan Anderson director of the bureau of planning and sustainability. Troy Doss is with us, senior planner, and Joe zehnder, chief planner. The plan does reflect the thoughts and deliberations of really probably couple hundred people, residents and businesses involved and it's recommended by the planning and sustainability commission. While there's many, many different key issues as a part of this plan I want you to really kind of focus your attention on four things to start with the first is probably the most obvious, the central east side is a 21st century industrial district now it. Has made some changes over the years. It has a diversity of jobs now, it has a diversity of industries. We have 18,000 jobs currently in the district and a forecast for 27,000 jobs by 2035. So jobs are for a variety of people, from for a variety of industries, for a variety of skills and education. I think that in our economy right now that's really important it. Second focus area is creating two very fantastic transit stations as part of this at omsi and at Clinton station. These will be vibrant employment areas that are built on and will depend upon great transit for their growth and success. As you know Portland for three decades has been a national if not international leader of transit and land use and how those come together. Along the way we have shown transit oriented development, we have known how do and we know how to do that around mixed use and around housing and now on the central east side we're going to show that we can do transit oriented development for jobs and industry too. A third area focus is the waterfront helping ensure the central east side is a vibrant waterfront destination. We're planning for more access, planning for more business opportunities and quality environment. Businesses told us they can thrive in the midst of change. A good example is how all of the parties came together to mix freight and transit and bikes and pedestrians and cars. The freight committee, the bicycle transportation alliance and other stakeholders coalesced to provide and build a framework that will enhance freight operations and provide for bike and ped safety throughout the district. So again, four things to think about. Jobs, jobs and industry on transit, vibrant waterfront with great environment and great transportation and business options. The great part about this plan I end up saying how all the bureaus work together. I want to thank my fellow bureau director for their efforts and the efforts of their staff especially troy doss, with bps, Geraldine with pdc, and art pierce at pbot. We started calling them the three amigos. They were together at all times for the past two years. The two co-chairs, don Hanson and Debbie kitchin. There are other people who brought this plan together. I'm going to turn it over to Joe and troy to provide a brief overview of the plan.

Joe Zehnder, Bureau of Planning and sustainability: Good afternoon, commissioners, Joe zehnder, with the bureau of planning and sustainability. We're asking you to adopt by resolution the southeast quadrant plan and sort of to direct us to take this as guidance to complete the central city 2035 plan including the implementing codes. That's what's coming next. Just to re mind you what we have already completed in the central city plan is the concept plan for the whole central city. Two of the other quadrant plans, northeast and the west, and this is the last of the four quadrant plans. The other work being poured into developing the final code and plan itself deals with the far bonus and transfer part of which is what we're going to talk about tomorrow. And scenic resources, zoning code we have to develop and by July of 2016 we're bringing back that complete package to city council. The way we developed this plan over the last 18 months or so involved a significant amount of public process and actually two projects, two studies we ran

July 8, 2015

concurrently where we jumped on taking an analysis of the Clinton station area so we were able to try to advance our development thinking about this soon to be opened light-rail station, and then the southeast quadrant plan and the work of the plan was overseen by a 30-person stakeholder advisory group and it was a group that worked very hard and worked in a very productive way, unique way sometimes, productive in the end to reach consensus on this project. We had a lot of other opportunities for public outreach. Finally just to remind everybody what we're talking about in terms of geography, the central east side has shown in blue on this slide. When we look out 20 years we expect 9,000 more jobs minimum on the central east side. That's a lot and a significant portion, significant contribution to what we're looking for out of the city as a whole. That's going to be spread over 706 acres. There's that much space or land or sites in the central east side. A lot of jobs but there's a lot more capacity in the central east side for jobs than just that even 9,000 acres. We'll see change but it's not wholesale change and that's been part of why we think the central east side has been successful from holding the -- staying the course on an industrial sanctuary it's got 24 acres per job today. For an industrial district those are typically in the single districts. This is a very successful place. We're adding flexibility. We're adding the opportunity for more types of businesses to be there. So that we can even increase more beyond that 24 jobs per acre and doing it in a way that we think will keep the district in balance economically because there's even though we're talking about a significant amount of change, it's not wholesale change of the whole district. With that I'm going to turn it over to try to go through the details of the plan.

Troy Doss, Bureau of planning and sustainability: Good afternoon. I'm going to walk you through some of the big highlights of the plan. We start off with our stakeholder group, we set four primary project goals that everyone agreed to. One was trying to get to our expanded employment opportunities, increased employment densities. As noted we have a projection of about 9,000 jobs by 2035. It could be as high as 12 or 14,000 additional jobs. We know even at 9,000 jobs current zoning doesn't get us there so we have to find a way to get there with better working tools. We want to protect the industrial businesses that are there. We're seeing growth in housing in the district. There are incompatibility between where housing and industry exists and we want to address those. Those have long been overlooked. There's an issue what do we do with two new station areas. Two new vibrant station areas are coming on. We want them to be safe and attractive. With have great opportunity to recreate the waterfront there. This is one of the four places on the east side of the Willamette in the city of Portland you can touch the water. Yet there's not great opportunity to do that yet. We think we can build around the assets of omsi and spring water trail to make that happen. In doing so, though, one of the things we heard was seven primary priorities that stakeholders if we're going to do this we need to make sure, one, we expand our industrial protections. We may be expanding but we want to protect all industries at the same time. We want to maintain and enhance our parking supply and management tools. Enhance freight mobility. Freight will have to be part of this district. We want to see that we can balance the needs of our transportation needs. We do have a number of modes coming through, transit, bikes, peds, as well as auto. We want to see what the innovation quadrant extension into the district could mean for the area, expanding the innovation quadrant. We want to better utilize corridors in the district. One of the things that's overlooked a lot is mlk, grand, Burnside, Morrison, they are all zoned similar to the pearl district yet we really haven't seen a response to that pattern that's been in place the last 25 years until the last 24 months. Lastly enhance the overall live ability of the district, from urban forestry to parks and open space. Going the wrong way. The first layer would be land use. We're really expanding an existing tool. We'll get to that in more detail in a second. Looking at employment sub area to all I-G1 zoned

July 8, 2015

properties in the district. We're looking at rezoning the two station districts. Omsi would receive a mix of ex with no housing and ex with housing, the Clinton station area would be brought into the central city currently it's outside that would come in as mixed use zoning or residential-commercial mixed use zone. The big move is really the employment opportunity sub area. Currently if you look through the image on the right -- sorry, the left, that will show you the existing sub area. That is approximately 48 acres came into effect about 2006. It's been incredibly successful tool. It allows for industrial office or creative office space. These are new industries that have come along since adoption of the industrial sanctuary software companies, software web development, graphic and industrial design. Studios as well. We have found tremendous response. During the recession growth was growing by about 7 to 8% annually, created 120,000 jobs when most of the rest of the city was hanging on. Since then it's created another 1,000 jobs. At the same time it's not displaced existing businesses so it's been effective tool. There seems to be a lot of support for expanding this district-wide. One thing we're doing with that right now we want to enhance what the use allowances are. Right now we're a little restrictive. Only 60,000 square feet of that use per site. We would like to change that to an far ratio of 3-1, the basis being a site defined by ownership, it could be a one-acre, five-acre site, 60,000 feet is small limitation. We want to protect the district from significant traditional office and retail growth, so striking a compromise in the expansion of the eos, we were able to minimize the amount of retail you can build currently as a conditional use in the ig-1 zone, 20,000 square feet, lower it to 5,000 max. With regard to traditional office 20,000 square feet down to 5,000. We would be removing the conditional use up to 60,000 square feet of traditional office in the existing eos. We're saying this is industry we're focusing on, we're starting to see housing response in the corridors. When we started in 2010 we found there was about 960 to maybe 1,000 residential units in the district. Currently there's about 1300 on the books or being constructed. In the last 24 months. We want to make sure we're protecting what's happening. Housing is typically occurring across the street from industry. We want to make sure that new development that's coming in is according to covenant, disclosing, acknowledging the fact they are building in an industrial district. Tenants in the future will have the charm of an industrial district, experience truck loading, noise, different hours of operations than in other residential neighborhoods. This is not a residential neighborhood. They are disclosing the fact that, that's there, that will run with the property in perpetuity. If all operations are occurring in a lawful manner the city won't take action against those complaints. Then the next thing we want to do is take a second look at the development standards and guidelines along that interface. One thing that happens you can be going down a street like 3rd or 6 in find one is zoned high density, across the street ig-1. However development standards are so different the only separation is 60 feet of right of way. We want to find out how do we treat the interface differently not expecting that that is the strongest pedestrian environment. Maybe more the back of house functions for those developments, putting less pressure against the industrial complex across the street. The next three things we'll talk about is transportation strategies. This plan really has been about as much land use as transportation. One of the things we want to be mindful of is the need to address freight. It will be a factor as long as the district is an employment area. It's a district-wide free designation but there are some improvements we could make to better get freight east-west through the district. Right now there's only three signalized intersections making it hard for any load to get across that area. One thing we propose is putting more signalized intersections on key north to south routes allowing for mobility to occur creating one-way streets for freight where they will have better term movements, better routes east to west. At the same time we want to do the same for bike and pedestrians coming through the

July 8, 2015

district. We know the southeast neighborhoods have a 23% commute to work by bike. It's the highest in the city, in the region. They are coming through this district today. Those numbers are likely to grow. Give them some routes that get them east-west through the district as safely as possible, giving them one route that's very safe, another route for trucks, not necessarily combining them on the same routes. We want to enhance our existing transportation system plan to identify where some of the newer streets will occur for freight and for bike and ped. We have a finite supply of on-street parking and a vast supply of off street parking that currently can't be used due to code restrictions dating back 20 years. One of the things we want to do is continue working with the central east side transportation and parking management association to get a better sense of how to manage that on street supply. We want to open up the off street supply to be used by customers, businesses and residents of the district. Right now if I own a surface parking lot and Joe owns surface parking lot but he's out of space I can't allow him to use my spaces by code restriction. By eliminating that prohibition we can open up three to 4000 parking spaces overnight. Long term strategy will be district parking facility as part of the redevelopment of odot blocks. As the district starts to grow and become denser where other locations where district parking incentives for structure parking becomes something we want to put into play. With that I want to close by saying thank you to our stakeholder advisory group. We worked with a group of 30 very diverse interests in the district for two years both as station area work and quadrant work. This is just a small sample of the various staff that worked on this plan. I can't call them out by name but I really thank everybody. It's been a fantastic team. I have been proud to lead this effort. I'm open to any questions you may have.

Hales: Questions for the bureau. I'm sure there will be more along the way. So thank you. I want to call first some plan presenters, our co-chairs, don Hanson and Debbie kitchin.

Don Hanson: Mayor, council, Don Hanson. I'll be very brief with my comments there are a lot of people that want to speak and I want to hear them. I'm a volunteer on the planning sustainability commission. As part of that role I volunteered to co-chair this advisory committee with Debbie with me today. I was happy to do that. I grew up in southeast Portland and one of my favorite jobs in high school was working in the district. I delivered produce at night. It was such an interesting environment. Trucks in that small district, languages of choice were Italian and Japanese. It was just a fascinating district. It's been fun for me to watch it change and watch it evolve through the years. I want to talk about -- I think that experience really helped me understand what the advisory committee was absorbing and the decisions they were making. First I want to brag about my advisory committee. Excellent group of stakeholders. The neighborhoods were well represented with buckman and hand. Willamette river keepers, also people that own property and operate businesses. The people that were truly going to be impacted by the decisions were there all the way through and they were very engaging. There were a number of months and I'm sure they will engage with you today so you'll hear from them directly. Staff has put forward a solid plan from my perspective, very balanced. Troy listed out the factors in the decisions made but I'll say something simple about their approach. They listened to the committee, to the neighboring groups, and they altered their decision making process based on that input. It was truly an engaging proposition. The last thing I want to talk about, I think it's a great framework for the district moving forward. There may be details today but framework is a foundational and very solid. I want to put in a plug for the green loop while I'm here. It was presented to our advisory committee and I think it's a great big idea for Portland. It involves the west side, it involves the east side and could be a very unifying element on the central east side without impacting freight movement and

July 8, 2015

everything else. I think it would be a solid proposition for businesses that are there now, for bicyclists, just for the whole environment. I wanted to mention that. I'm in full support of the plan, obviously, because I chaired the advisory committee, but I think it's a collection of very good ideas. So thank you.

Hales: Thank you.

Debbie Kitchin: Thank you, mayor, commissioners. I'm Debbie Kitchin, co-chair of the stakeholder advisory committee and also serve as president of the central east side industrial council. We have comments central east side industrial council submitted and we were sent some of those earlier but there's a new exhibit 1 that is part of that that includes a list of and I want to call it to your attention. We often hear that there are not many industrial companies in the central east side anymore or that most of them have been around a long time and they aren't -- that sector isn't growing, but actually we put together a partial list that just showed the new ones in the last five years, either major expansions or new locations in the central east side. It shows a diverse set of businesses and so I guess what I wanted to say was that I think this plan for the southeast quadrant is a good compromise. It does retain the industrial sanctuary. It does retain the freight district. It does allow new businesses to come in in the employment overlay. It has all kinds of plans for strengthening the corridors and taking advantage of that aspect. We have always had as Troy said that zoning appeared it hasn't really been activated in the way that it could. So the stakeholder advisory committee and staff worked together from all the bureaus to look at a number of issues. I think I would call this plan a compromise that we can live with and build on as we go through the next phases of taking it and then elaborating it even more. So I think speaking on behalf of the ceic, although we had detailed comments that I'm not going to go over those. We're happy with the amendments being put forth today, support those and would just like to say that we benefited a lot from our work with staff and the stakeholder advisory committee. I think we were able to come forward with a plan that keeps the industrial sanctuary and does allow really exciting mix of businesses that have come there to stay and thrive. So I think in that sense it's a great success.

Fritz: Just for clarification, this memo has several action items. Are those new requests for amendments?

Kitchin: No, some of these we have actually worked on the amendments so the amendments that were included yesterday do cover many of those things. This was adopted by our board meeting in June. We continued to work with staff and the Portland freight committee and others to meet many of those objectives.

Fritz: You're not asking for additional amendments right now.

Kitchin: No.

Fritz: Thank you.

Fish: There's one area you're asking us to consider a further protection. That's under the right to be industrial policy.

Kitchin: Yes.

Fish: Your commentary is the industrial disclosure statement is not sufficient and there should be an additional level of protection to protect against what you describe as complaints issued due to noise, smell, loading, et cetera by virtue of instrumental.

Kitchin: What I think we envision with that is we don't have that disclosure statement now at this time, so those details are going to be worked out. We would like to see that be a very strong statement and have rules about how it's used both when properties are sold and leased throughout the district, so those details will be worked out in the -- I guess you could have an amendment that would direct staff to look at it in that way and see areas

July 8, 2015

that could be strengthened or some elements like that but we didn't have specific language about that at this point.

Fish: Thank you.

Hales: Perhaps this might be the right moment since you're the co-chairs we have these staff -- this package of staff proposed amendments. I take it you and the committee recommend we adopt those.

Kitchin: Yes.

Hales: I think it might be appropriate before we carry on into the rest of the hearing that we take action to accept these amendments and people can testify on both the plan itself that you've developed and the amendments staff has developed. I'm not sure if we all got these.

Fish: I think I need another copy, mayor.

Hales: Joe, troy, have we got copies for council? We might want to bring them back up to walk us through those first.

Kitchin: Thank you both very much.

Fritz: There's one where I'm proposing to amend the amendment.

Hales: Troy, you may want to walk us through this just so everybody knows what we're talking about.

Doss: Sure. Look at that a second.

Hales: What, you don't have it memorized?

Fish: One would think. Thanks again to bps, and to staff. This is the model on how we do amendments. Thank you also for blowing it up so I could read it. In terms of protocol as you go through each amendment are you okay with taking questions on each one?

Doss: Sure. So amendment 1 is the change of the comp plan designation and rezoning in response to a property at the east end of the Morrison Bridge. In 1990 when these zoning went into effect to implement the central city plan, most of the bridge had development or most of the bridge had parcels zoned os, open space, because they were believed to have all been owned by Multnomah County. There was one oversight. One of the parcels, the one in question, was owned by the volunteer family and is a surface parking lot and has been for decades. They would like it rezoned away for private development in that area had been zoned, ex, central employment. We think that is fine.

Doss: Consistent with the rest of the zoning in that corridor. Amendment 2 is adding an action item which would be dealing with maker economy. I know there will be testimony from Kelly Roy with avx Portland. She may want to change or recommend a change on who the implementer may be. We want to address -- there's a strong, growing maker economy as part of that diverse economic structure. We would like to make sure existing financial tools can be looked at again, maybe new ones developed to help broaden and support the growth of the maker economy in the central east side. Amendment 3 is language that came out of our conversations that Debbie referenced with ceic and the Portland free committee regarding the green loop. What it's trying to do is win final alignment or infrastructure alignment is created it's done with freight operations in mind. We're not going to put it on a place that will degrade freight operations. It will try to avoid them to the extent possible. It can be done in a way that leaves freight harmless. This directs that approach. Amendment 4, Clinton station area. So during the development of the plan we found that clear visions for both the Clinton station and you could say the same with the omsi station, for how that site would be developed to allow us to implement guidelines knowing with some certainty this was what was going to be developed. We didn't have enough clarity from major landowners and station owners to do that. In lieu of that a master plan production would be in effect that we would change zoning to, ex, give them a far ratio of one to one, 100 feet at some, 75 at Clinton. You could earn more height

July 8, 2015

and far through development of master plan. There would be a better analysis of the massing's, how views would be protected, what the public benefit would be. That would be handled through a public process. If we had more certainty we probably could have zoned around that. We don't have that. One thing asked by some folks who own property at the Clinton station is if we were able to develop that kind of a vision before the zoning is finalized because we will be doing that over the next year, could that be substituted instead of a master plan requirement. That will be a public process as part of the 2035 plan over 12 months. If they were able to do that we could consider that.

Fish: Could you remind us what the going risk scope of this is, what the city owned properties are?

Doss: Largely known as the Clinton triangle, the areas east of Milwaukie and between Powell and the light-rail and railroad alignment. It's where the Gideon fire station facilities are located. The other half of the property is owned by Stacy and whitbeck. There's mostly vacant property but there's one supply business located there. There are small pieces of property owned by trimet, a thin band. The majority of the property is owned by the city or Stacy and whitbeck.

Fritz: My concern was master planning process is a full public process where the development agreement can be fully vetted and it's a specific opportunity for neighbors to weigh in with a doe find public process. Going to a development agreement as we just discovered on zidell has only opportunities for citizens to come in towards the ends when the agreement is already made. I'm proposing to delete this amendment and the staff agrees with me.

Hales: Okay.

Fish: I'm officially confused now. Adopt as consent item.

Hales: I don't think you were suggesting a development agreement.

Hales: Right.

Hales: The situation is you got a legislative planning process under way and you've got parcels. I assume this would be similar to the situation at omsi or else if you think about the northeast quadrant, the Blanchard site where you got property owners, a big piece of property, got notions how they might develop it but it hasn't been clarified yet. We have the book open in effect because we're working on the comp plan. You could as a property owner come forward with a specific development plan at that point with design guidelines and get it adopted. Or you could not do that and come back later and go through the master plan process. Right?

Doss: Yes. For instance the Blanchard is a great example. The post office site and river district, pearl is another example. If there is clarity that came forward while we're developing the final code as part of that public process that could be something that could supplant doing the master plan. It would be just as much public process if not more because it would still be going to planning commission, probably seeking advice from the design commission, coming back to this body as well. Plenty of opportunities to help shape those plans.

Hales: That's actually what we're doing with the post office, right?

Doss: It's just started.

Hales: It might result in a plan district proposal or something like it that goes into the comp plan.

Fish: I just want to make sure I'm on track here. The commissioner, Commissioner Fritz, are you saying you do not support the additional language that is added?

Fritz: Correct.

Fish: Okay. We'll come back to that.

Doss: You don't support the underlying language or the whole language?

July 8, 2015

Fritz: The whole language is what's currently in there. That's fine. I don't support removing the requirement for a master plan because this whole comp plan is going to be so complicated and huge that it's going to be very challenging for citizens to participate as an adequate level of detail in planning this site, which after all is really quasi-judicial, the city and Stacy and Whitbeck. It's very site specific and needs to go through a master planning process in my opinion.

Fish: Help us understand. This says the requirement for master plan will be waived. Who has the authority to waive it and what effectively is the trigger and what role do we play?

Doss: You would be the one waiving it. We bring back central city 2035 and the new zoning proposals for the entire central city including Clinton station. We could be saying we think there's enough clarity and shared vision that this could be adopted. We could develop height, floor area ratios, development standards now, not require a master plan process as a subsequent process. Quasi-judicial process.

Fish: Forgive this really dumb question, but why would you need an amendment to do something which theoretically you could decide to do, come to us for a waiver what does this give you that you don't have already in terms of seeking a waiver under certain circumstances?

Doss: Nothing.

Hales: If this was a little more accurate it would say then the requirement for a master plan would not necessarily be imposed, right? It's not going to require a master plan until this is all done. You're saying we might not require a master plan if they get their act together before then.

Doss: Basically another way of saying this would be we want there to be public process, certainty on both ends of the scale as to what is happening on the site. We don't want to just zone it now and hope for the best. We want some ability for public input and review. That could occur there through development of the final package for central city 2035 or as a quasi-judicial process.

Fish: Let's say a majority of the council signaled that the bar would be very high to waive this requirement. Would that discourage bps from going down this path or would you still want the discretionary right to do this?

Doss: I think the bar is high anyway. She's apparently not comfortable taking this out of the master planning process -- wants to make sure there's adequate public process much.

Fish: What I'm learning is it it's still within our discretion to waive it or not. Has to be done through a public process but if this language is in there we may be signaling to you that it would be -- at your discretion you'll put staff resources and go through a process and come to council with that. Am I on the right track?

Zehnder: I believe you are. What we're really saying is if the parties can come together with the plan between now and the time we're actually adopting the code that goes with the central city plan and that plan that is developed more specifics for the site can be done in a way that's acceptably public and vetted we could just accept that based on review and on your sanction and the planning and sustainability's approval as the zoning for the site. It's almost like the need and the purposes of doing a master plan will have been satisfied. The planning and -- staff then the planning and sustainability commission then the city council are going to have to judge that, yeah, those -- the purposes of the master plan have been met and we can accept that. If any of those bodies find this is not true, that's not going to proceed forward, you still have a master plan option down the road.

Fritz: I remind you when we adopted the amendment to the urban renewal area we had an intensive discussion about affordable housing. I suggest having a master plan process might allow more discussion of what kinds of uses than a zoning code discussion.

Hales: Do you want to weigh in on this Susan?

July 8, 2015

Anderson: I just want to say this is not the only site in the central city where this problem is showing up, we have Conway.....

Zehnder: We have the post office, we have OMSI we have centennial mill.

Saltzman: Those sites are all subject to master plans?

Zehnder: They are all at this level and the quadrant plan for the west side it includes language which says consider and go develop a master plan provision for those sites and in this plan I believe we are calling for it in Omsi and I believe we called for it in Blanchard.

Hales: Conditional use master plan -- when you say master plan, what are we talking about?

Zehnder: Correct, mayor, what we're talking about is inventing a provision that says if you're over a certain size and these sites are -- what we want to see is before we put the zoning down on it, sort of a master plan for how you think the site is going to develop.

Hales: What is that legally? What are we talking about? Is this a conditional use master plan that a property owner applies for or is this a legislative document that we approve?

Zehnder: The way we did it in Conway, we established sort of a zoning ceiling for what Conway could do and set up principles in it for what the development had to accomplish. And used those in a quasi-judicial process. You have access to this higher level of zoning. That is the master plan provision we have used so far. We have a different version of that in gateway but it has never been used. It sort of -- and the -- Conway is a good example. Generally redevelopment of Conway site at certain levels was acceptable to the neighborhood. And we could prove that it could meet the traffic impact. But there was still concern about how the details of that and some of the specifics would evolve. Rather than try to do that planning in the abstract, this entitlement is available for that site, but the detail, the phasing, the -- some of the other public realm improvements have to be developed before you can access that.

Fish: We can probably spend all afternoon on this. Just observe that there is a policy question about whether we would waive the master plan requirement. Drafting problem, because the way it is actually written is not how we're actually talking about it. I would suggest that sometime later today we come back with new language that makes it clear. We may accept or reject it, but let's be clear about our intent, which is there is a limited circumstance where you could come to council to seek council approval to waive a requirement. Not that the requirement for master plan will be waived.

Hales: I like that suggestion. Let's keep going --

Fish: Policy question to make sure that the -- don't do it without council approval.

Hales: Walk us through the other two amendments.

Doss: A little more than two. We will go through them quickly. One is an amendment, action item from the west quadrant plan. You took testimony on the west quadrant about this. At the time we were looking at the Morrison bridge head west side the ramps -- the suggestion was that there would be a feasibility study looking at removing or reconfiguring the ramps. PBOT has done analysis already.

Fish: Steve's not here to answer the question, perhaps you could clarify, it is one thing to do a feasibility study, it is another to determine who pays for any of the work which as I understand it may benefit a development that is going on there but may not make the list of priorities for the city and transportation. So, if we were to adopt this, we are not implicitly agreeing that the city is on the hook for any portion of this other than the study, is that correct?

Doss: True. That is something that the county reminded us as well. It is their facility at this point and they are saying that they would obviously want to be a part of this as well. Any conversation is premature about what happens there. Removing is not a -- it is not feasible. They would need to make sure there is a connection to natio parkway to the

July 8, 2015

ramp. Feasibility of reconfiguring, maintain southbound freeway access, Morrison Bridge, freight trips originating from the central east side.

Fish: Less concerned about stepping on the toes of our friends at the county. Saying that we're prepared to fund this, I'm not entirely clear after talking to Steve this is a city priority.

Doss: This does not commit us to that. Next one would be -- there was language on a page of the document that was introducing a high level of the things the plan was going to do. Balance the needs of multilevel transportation. Language as a little uncomfortable to some involved. Minor tweaks to the language, not setting a priority that active transportation becomes the primary mode in the district because it is a freight district after all. Not that we're not going to still do the active transportation improvements. Other that we would be adding, there is a number of streets in -- most freight districts, every street is basically equal. All free district streets. There may be a slight hierarchy on main arterials. In this district, a lot of other streets that have a higher need in terms of getting people east south -- priority or main truck streets in the district, we want to add northeast Davis to the list. Last two amendments, some offered by o-dot and basically recognizing actions to improve term movements, left-hand turn movements, northbound off of Powell into the district would need to be done with odot approval which we would obviously agree with.

Fish: Mayor, I move one, two, three, five through nine as a package and place them on the table.

Hales: Is there a second?

Fritz: Second.

Hales: Further discussion. Roll call on that please.

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

Fish: And just to be clear, if at some point bps comes forward with a substitute amendment four, then the council would consider that for further action.

Zehnder: Just to be clear, we're going to work on this during the testimony and try to bring something back today.

Hales: Good.

Fritz: To be further clear, I have to leave at 5:15.

Hales: We may not get this all done today. Let's move on to a panel, please, Dan Yates, skip Newberry and Valeria Ramirez, assuming that they're all here. Two out of three anyway.

Fish: I have to ask you on one of the slides earlier, good-looking guy sitting in the table in the back. That -- are you related to him? That was you, okay.

Hales: Good afternoon, welcome.

Dan Yates: I want to thank troy and Joe for outstanding leadership to the committee. Excited about many proposed changes but am concerned about the details of the changes. Proposed 2035 plan changes the zoning around omsi station, south of Caruthers street to exd to heavy industrial. A group of amazing psu grad students, presented to me concepts -- increasing a current building square footage from 5,000 square feet up to 300,000 square feet. I asked them if they were aware of the approved Clinton station plan that has Caruthers street, only access road for the -- the Portland spirit, reduced from its current two lanes with parking and full bike lanes to a single lane with super wide bike lanes from fourth to the river. They were not aware of the changes as it was not incorporated in the 2035 plan. I recently informed troy about the Clinton station plan impacting Caruthers street and informed me, spirit, opera McCoy that the capacity of Caruthers street is reduced. This means the work of our committee is thwarted by a separate planning process resulting in all of the plan directly next to a multipurpose transit station blocked from reaching its full development potential. Other details that concern me, including updating our 1987 greenway code to reflect several U.S. Supreme court rulings,

July 8, 2015

9th circuit court rulings, state of Oregon gold 15 greenway rules and the federal marine transportation security act of 2002. I'm also concerned about freight movement within the cid and access to our interstate road systems. I know some think water transit is a whimsical idea, but I'm sure many of those people believed that the return of the streetcar was equally unrealistic. River is our last available right of way, and as the city grows, water transit will return to Portland. We need to prepare for it now. Thank you.

Hales: Thank you. Thanks for your work on this.

Fritz: Clarify, the concern about -- which planning process is that in?

Yates: The Clinton station process, which I did not pay attention to, because I am next to the omsi station process, they planned Caruthers all of the way to the river in that process, and I did not hear about it until I read it on bikePortland.org that our street was going to be taken away from us and then I started asking questions, and last week, 10 days ago, when I realized that oh, my god, our development potential, basically told it is going to happen. Put up with it. And then I found out that the amount of development on our property is so significant, how in the world am I going to support 300,000 square feet of potential development with a one-lane road. Basically proposing putting no yellow line down the middle. Building very wide bike lanes and having the traffic going up and down Caruthers weave around each other.

Hales: Is that specific transportation design or plan been formally adopted?

Yates: Yes.

Fritz: By who?

Yates: You.

Fritz: Really?

Yates: Really --

Yates: From my understanding --

Yates: I have been told that it is --

Hales: I don't think so.

Yates: Pierce and I have had several discussions about this and he has told me it is going to happen.

Hales: I don't think it has been here yet.

Yates: Transportation people in the room.

Hales: We'll get clarity on that. Appreciate you flagging it.

Fish: We have a lot of material here. Just remind me, are you alluding to the marine overlay issue?

Yates: Just alluding to the fact that the greenway code requires unrestricted public access to property along the river, which is in direct disagreement with the actual state greenway code, which requires marine-related, marine-dependent users exempt from the set back and except from using the trail. Supreme court rulings have ruled solidly against the greenway -- actually imposed certain rules for taking of the trail. The ninth circuit has levelled large fines in the millions of dollars against Eugene and another city in Oregon for improperly assessing the trail or extracting the trail, and the marine transportation security act absolutely forbids unrestricted public access across a marine entity like myself. I have the last parcel in the entire city that I can operate from, which was determined by trimet when they tried to move us for the bridge project. So, we're -- if we're going to have marine commerce in our river, we need to recognize there are rules beyond the greenway code.

Hales: Thank you. Welcome.

Skip Newberry: Great, thanks. Mayor hales and member's city council, my name is skip Newberry president of the technology association of Oregon, member of the stakeholder advisory committee. Want to thank troy, Joe, and Susan for their work during this process and the rest of city staff as well that were involved. Tao represents about 300 tech

July 8, 2015

companies which includes both software and manufacturing in the region. One thing that I think is really important about this plan and it is a big reason why we as an association support it is it recognizes, I think really well the changing nature of our economy and its connection to the employment opportunity areas specifically in this district. With a more modern definition of industry, which includes stand-alone software companies, as well as companies that have a mix of software and manufacturing as part of what they do, increasingly choosing the central east side and a large majority of tech workers already live on the east side. As companies continue to expand and they're looking for relatively affordable places that are larger for them to grow into, central east side represents a great tool in our economic development toolbox to help retain the companies in the region. And as they continue to grow. The extension of the rules allowing software developers alongside manufacturers much of the district is more office space -- as more office space comes online I think that's important. Issue that some members flagged that are located in the district is related to transportation and safety. I think the plan does a good job of noting the issue around parking congestion safety issue. Use of more efficient sort of lots for off-street parking and pdcs review of parking options is going to be important as contemplated by the plan. Also the increasing use of pedestrians and bicycle traffic through the district and then within it. And looking at ways as troy alluded to help reduce the tension between freight which is also a necessary use in the area and some of the other increasing alternative modes of transit. I think the plan does a good job of that as well. Finally I just want to mention that the economic development opportunity with the innovation district, in particular, the catalytic anchor that omsi represents is huge for the region. Few cities that have a downtown core like we do between the omsi opportunity and southwest waterfront that offer such a varied array of both large sites for corporate campus relocation, as well as small maker spaces and everything in between and the connectivity from a transportation system that connects the two is phenomenal. The fact that this contemplates in a very central way the opportunity that omsi presents is very important, I think, for a lot of our members as they look to this region as sort of another phase of growth as tech continues to grow.

Fish: Ask you one question. Having toured a number of the sites, tech companies, software folks, you remind us, and -- many refugees from other cities where they got priced out or something, just remind us, just roughly, what are the top three competitive advantages that we have right now in that sector?

Newberry: Yeah, in terms of just a one qualifying or clarifying question, within the tech sector within the district in terms of competitive advantages.

Fish: Well, the district if it is narrower.

Newberry: I think with the district, one thing that is exciting is the older sort of warehouse spaces and the aesthetic that that presents, a lot of the software folks love the sort of variety that exists within the region. And the other thing is that you have to keep in mind a lot of technology companies, especially software, developing solutions for other markets. Not for tech specifically, but for health care, for manufacturing, etc. The closer they are to the users of the technology, that's where innovation occurs. To be able to have a working sort of manufacturing area with a lot of industrial uses is intriguing because it's a potential to be close to your customer and to prototype and test and I think as well that having spaces that can allow small batch manufacturing and prototyping is intriguing, and I know that, you know, adx is a big player in that realm, and, so, those are some of the things that are really attractive. I also think that the proximity to the east side where as I mentioned a lot of the tech talent lives, they have a lot of different routes into that district by bike, walking, public transit, and I think as that region grows, we will have to be mindful of making sure that the routes continue to be strong and safe.

July 8, 2015

Hales: Thank you both very much. Okay. Our next panel we want to call is Susan Lindsay, Nancy Stueber, and Sue Pearce.

Hales: Good afternoon, welcome.

Susan Lindsay: Susan Lindsay, co-chair of the Buckman Community Association. I think I would like to echo a lot of what Don had to say about the process and about the planning staff. I have been on a number of these committees over the year as a stakeholder or whatever I am, you know, a representative really for neighborhood, and this was a very good process. I'm just regretful that East of 12th doesn't have that same ability to bring together the stakeholders in such a way. The planning staff in particular Troy and Joe and under Susan's leadership, they really listened to members of the committee. They really did. And they went back and they made changes and they brought that back to us, you know, month and month and we went through this. There were some strong personalities on that committee, and I might be guilty of being one of those myself. But as we, you know, move towards turning this district over to the next generation, and I think that's exactly what we're doing here, I think this plan is a compromise and it is a good compromise. I want to focus on a couple of things. I, too, opposed amendment number four which is turning into a sticky wicket. I see you are going to discuss that further and I agree with Commissioner Fritz going back to the original language is probably the simplest thing to do at this time. Second, like co-chair Hanson, I really want to support the green loop. And in particular, I would like to advance the idea that with the existing zoning, even without any change, there is a tremendous amount of potential for a lot of housing in the district. And I think -- and people passing through the district all of the time. So this idea of a cohesive green loop and areas where people can be in a very park efficient area where there is going to be a lot of housing, we want to make sure that we continue to focus on the green loop. And also I would add that it would be wonderful for those of us who have lived next to the Willamette river our entire lives and -- I have been swimming in it even when it was dirty and now I really like to swim in it, if we could look at the idea of developing an option, especially if we have housing in the OMSI area, why don't we have a beach where people could get into the water. Right now it is quite difficult to do that with the -- I would like to say that the expansion of the EOS into the IG is going to make for a lot of changes. There is going to be a lot of retail. A lot of increased employment, which is good, and there is going to be a lot of conflicts that are going to take place with the increased housing. And so we have to continue to kind of work together and pay attention to it and listen to the concerns like -- that Dan Yates just brought up about Caruthers, these property owners have been shepherding this district for decades, and they deserve to be heard as we go through these big processes, as we welcome in the next generation with their jobs and their energy and their vision of what is taking place here. Thank you.

Hales: Thank you Susan. Thanks for your help. Nancy, welcome.

Nancy Stueber: Mayor Hales and members of the commission. I'm Nancy Stueber, president and CEO at OMSI. Thank you for the opportunity to present our position on the plan. We have participated in this planning process for over three years as a member of the CEIC, the stakeholder advisory committee, and with the planning and sustainability commission hearings, and I, too, commend the staff on the thoroughness of the process and on their tenacity. OMSI is very pleased to support the planning commission's recommendations to the council. Those recommendations rezone the OMSI parcels to EX with housing. However, the housing would only be permitted as a conditional use and through a master plan process. The conditional use criteria will reflect the current conditional use criteria for housing in the EG zone and we look forward to working with BPS as they recommend a list of conditions under the new zoning. We support this recommendation for several reasons. First, we currently have the right to build housing as

July 8, 2015

a conditional use on a large area of the site that's currently zoned eg. These properties are in the omsi station area immediately adjacent to the Tillicum crossing. Eg zoning, city already determined that a limited amount of housing subject to conditions is appropriate in this location. This current residential allowance was provided by code even before the city significant investment in the new transit infrastructure and before it developed this exciting vision for mixed use in a vibrant waterfront in the omsi area. The recommendation appropriately preserves omsi's current allowance for residential conditional use. The recommendation also supports the language and intent of the southeast quadrant plan to develop mixed use, high density, vibrant and safe station areas that compliment but do not conflict with industrial operations and to maximize the development opportunity presented by new transit to have higher employment densities and diverse mix of uses. Recommendation delivers on these objectives by allowing for a vibrant use of mix of uses that will represent and respect nearby industrial uses. And then finally, bps recommendation leverages both that investment in the Tillicum crossing and omsi's long history community contribution as a major employer, anchor business and public attraction in the central east side for more than 20 years. Conditional housing is a tool to help develop an employment district that is diverse, market driven, and attracts investment. This is an unprecedented opportunity for the central east side to capitalize on all of the assets to create the signature district for the city. So, we appreciate the thoughtful deliberations of the planning commission on this matter and we request that the city accept the recommendation to permit ex with housing as conditional use in the omsi area. The remainder of our comments are contained in our written testimony that you have. Thank you.

Hales: Thank you. Thanks for your participation. Susan, welcome.

Susan Pearce: Good afternoon, I'm Susan Pearce, chair of the hosford-abernethy neighborhood association, or hand is the -- as you may know. We along with everyone else appreciate the hard work of the staff and the volunteers on the sac that worked to put together the southeast quadrant. I was the representative of hand to the sac. We have long recognized the importance of the central east side industrial district, which is the southeast quadrant as a place for innovation and creation of goods and services, unique within, as we heard recently from commissioner Blumenauer, it is unique within the united states to have this type of a district in the central city. It represents jobs and I think the gentleman in the last panel that talked about the -- how quickly things can get from central city to place of use. The following headlines that I'm reading from what you have in your hands are hands matters of importance as a nearby residential district. Not in particular order of importance. One is that there be protection for the existing homes, the older homes that have been in the industrial district since before it was an industrial district. That they be protected from the conditional use, non-use curse that makes financing for any project difficult to impossible. Next that the ex-zone or exd zone that that happen in the Clinton triangle and that it would allow mixed use, mixed income, commercial, and residential development. I am thoroughly confused now after the conversation about amendment four. But what I do want to emphasize is that hand expects to be at the table of any discussion about how that develops. We do definitely support the idea of mixed income, mixed use in that site. There also should be open spaces and public spaces within the triangle. Important to hand members. We do not want to find ourselves overwhelmed or looking at our westward vision be a solid mass of brick wall. We don't want to wake up one morning and find that to be the case. That it is a result of high building restrictions as well as high far that suddenly there is a wall of brick. So, we would ask that things be designed in the way that they were in the south waterfront so that there are view lines, view corridors. Am I making myself clear? Planned infrastructure project at southeast

July 8, 2015

Powell and Milwaukie and quite some time ago I said has anybody talked to odot? That structure project will help a lot to make access to the Clinton triangle improved. However, it may also worsen an already very difficult situation in terms of safety for pedestrians and even bicycles and even automobiles, cross traffic on 11th and 12th, and demands for traffic management on southeast 11th and 12th. It's critical. We think a light, traffic light at Harrison is the minimum of what can be done. We have some other thoughts, and we would want to be part of any conversation about what takes place there. The concept of the greenway is appealing to all of us. The conversation should not end about where it is and what it looks like. It's not complete. There is much to be discussed. We have some ideas that are kind of bubbling up through the neighborhood and we want that to continue beyond the adoption of the quadrant. Again, we're -- where -- where the alignment should be, and we want to be at the table. We have long supported access to the Willamette River for the multiple uses such as boating, Susan Lindsay swam, a board member who also is a swimmer. Use of water craft. We fully support that, along with preservation of natural resources and the habitat that the river provides. We also support river transit as long as those other uses can be protected. We have for years worked collaboratively with the industrial district and in general we support the comments that you received from Debbie kitchin.

Fish: Susan, thank you as always for thoughtful testimony and details. And I -- since we're trying to simplify things today, I want to make sure that I understand one point that you raised about affordable housing at the Clinton triangle. Now, Dan, would you correct me if I am wrong, but part of that packet, that parcel is the fire bureau property.

Saltzman: Correct.

Fish: And I believe you have already either stated your intention or we have taken some action to put a covenant on that property so it will be developed as affordable housing and would therefore be subject to the set-aside. Is that correct?

Saltzman: Correct.

Fish: I want to make sure that we're clear on that. That is not the entire triangle but decided as to the fire bureau portion of the triangle that, in fact, it will be prioritized for affordable housing.

Pearce: And I think I said that -- I didn't say that earlier, but I said that in my notes that the central east side urban renewal area has a 18%, as opposed to the otherwise 30% set-aside, and this is a good place to spend that money.

Fish: Susan, we like to say it is a floor, not a ceiling.

Pearce: Floor not a ceiling, perfect.

Fish: At least 18%.

Hales: Thank you all very much. Thank you. Let's call one more panel of four people and that is peter stark, brad or Jonathan malsin, Debra or pia --

Fish: Either brad or Jonathan.

Hales: No, we are not going to take two for the price of one. All right. Welcome, I think peter, you may be on first.

Peter Stark: Peter stark, here representing the central east side industrial council. Also representing the transportation parking advisory committee which is the tma for the central east side and that was my role on the sac. First of all, I thank you for taking testimony. And I also want to make sure to give an extended thank you to the planning staff, Susan, Joe, and troy for a momentous effort with a number of staff. Including our bureaus, pbot -- this was a lot of work. Having said that, I want to say this is really good work. We should really applaud what they have done and I sit on a lot of different committees. This one was one of the most interesting. I guess maybe more outspoken than others, but I think the end result is pretty close to where we need to be. All of the amendments that have been

July 8, 2015

proposed have addressed many of the concerns that those of us from the central east side, industrial council have weighed in on including the Morrison bridge ramp. Clearly we're concerned that we have the ability to maintain freight access from the bridge. We would add that including southbound access, northbound access is also important. On the parkway. But that is implicit in the way this thing will be designed. The language of page 33, item 4, talking about transportation, I think the language is good. The amendment addresses the concern, which I -- I think was just poorly phrased. But we didn't want to lose the priority of freight in the district by placing active transportation above it. We want to have active transportation but do not want to forgo the freight piece. I think the reasonable central east side -- reason the central east side -- we support the green loop and so do the neighborhoods, is to make sure there is an opportunity to explore different ways to apply it in the district. It may not be a single alignment. It may be we have the pedestrian piece of it along our housing and commercial corridor, where it would be appropriate. And we put the bike lanes somewhere else. Maybe it is on 7th where it currently is. If you put it all in one spot, that could have an impact on freight. We want flexibility to figure out how to make it work so that it works successfully. Ceic letter, a couple of other pieces, marine commercial overlay, I want to mention that I strongly support the ability of the river to accommodate both freight and commerce. And I think that with the demise of the crc, the city should be looking at maybe some kind of a system that gets Vancouver workers down to Portland and vice versa. I think it would be a benefit. Marine commerce overlay could accomplish that, or tool to allow more access to the river for freight and commuter service. There is concern about continuing to erode the industrial sanctuary south of division place. Moving farther south to Powell Boulevard, takes that whole area, currently ig 1 -- that's in the letter. And then the accessory parking, which is something that the t-pac, my committee, is working on. We hope there will be some clear language hopefully today that will allow us to open up the ability for private parking lots and lots that are currently vacant but potential lots to use for parking. We're desperate. There is a lot of growth in the district. It's wonderful, but we're going through growing pains. And I think that it really comes down to the devil in the details. We are reaching the point where we need to figure out those pieces. Couple of final points. Road changes. Even subtle changes have a significant impact to freight. I will give a couple of examples. Taylor Avenue, Taylor Street, there was -- to accommodate the development, there was a loss of about two foot of lane on that street. This went in front of council. The problem is that impact may have forced that owner to vacate that site and find another location elsewhere. So, I would like to work with Steve novick and PBOT to see if we can maybe adjust the standards so that we try to maintain certain access rather than reducing the lanes. Another one is Taylor. That has already been mentioned by Dan Yates. We have met with art Pearce and his staff and we met with PBOT a few times. I think this plan came through when they developed the light rail alignment. I think that was part of that plan. And that's where it was overlooked, but I'm not sure. Problem is by reducing it to a single lane where traffic is trying to pass each other is a potential nightmare. You could have bicyclists getting hit or ongoing traffic getting hit. There is a conflict there. Maybe the city needs to buy some right of way. I don't know. But there has to be another solution found that doesn't reduce the opportunity to develop. Troy's comments on adjacency concerns is real. We need to protect the ability for industrial businesses to do business in the district. And I think already mentioned we talked to Debbie that right now just saying that there is an understanding may not be enough. We have to have authority when a complaint is raised to be able to say, yeah, but. They're doing everything legally. It might be a little bit noisy, but they're allowed to do that. Really sorry you are in an industrial district. We need something. I don't know if it is policy but something that allows the businesses to continue

July 8, 2015

to do business. Lastly, I would like to say that the tma, tpac has been a successful tool and I thank council for supporting that effort and the policy to allow a tma. And I just think that, you know, we're kind of an experiment, lagging behind what the Lloyd district has been able to do but we have had a lot of successes. Thank you.

Hales: Thank you.

Fritz: On the noise issue, tomorrow are you aware of the proposed change to the noise regulation to put eax into the commercial type zone restrictions.

Stark: No.

Fritz: There is a hearing tomorrow and you're invited back.

Stark: What happens when you have exp adjacent to an ig-1

Fritz: That's a good question.

Hales: Good question.

Fritz: That we will be talking about tomorrow. Time is running by. I'm expecting to be a first reading tomorrow so we can have more discussion. Invite you to anticipate in that discussion because it was one of my discussion about how would the proposed change affect the central east side. Thank you.

Hales: Who's next? Jonathan.

Jonathan Malsin: Thank you, mayor hales, Jonathan Malsin. Thank you mayor hales and commissioners. I will keep my comments pretty short. I want to echo what all of the other stakeholder, advisory committee members have said about bps staff. It has been a pretty amazing process. I think we started seemingly pretty far apart. And we really came together with what I think is a pretty measured plan to expand employment opportunities and what really is an employment center district. And, you know, on behalf of my father and I, we have had an incredible opportunity to work in the central east side and develop, you know, close to half a million square feet in the existing employment opportunity sub-area, which is kind of why I'm up here talking to promote the expansion of the eos across the district. We have seen just tremendous job growth. Not only in our buildings but in other buildings that were more or less abandoned in the district coming in with new industries. These are, you know, in large part, industrial users. We have incredible companies filled with -- creating, you know, creating code, building software, web sites, prototyping, actual hardware, diverse array of companies that we have been able to get to know in our buildings and to locate in adjacent buildings and for the most part, those companies that we do business with and come across really enjoy the kind of grittiness of the district. They don't take -- they don't have issues with the adjacency -- there is a lot of, I think, positive things happening in the district and not a lot of conflict and I think that is evidenced in what troy said relative to, you know, the lack of -- exodus of industrial users out of the existing eos. I just wanted to, you know, emphasize I think the opportunity that we have with the expansion of the eos to get more growing businesses that are really, you know, new dynamic industries, both, you know, again, digital media, software, you know, in the district now in one of our buildings. So, I think it is a real opportunity to expand employment in what really is an industrial and employment centered district. And I also think that, you know, somewhat counter to our own best -- our own interest, the expansion of the eos is going to bring on a lot of competition for new developments in the district that honestly could drive down rents. And allow the district to maintain some affordability for industrial, more traditional industrial users and makers. I think this idea that the expansion of the eos is going to lead to a wholesale gentrification of the district --

Hales: Thank you for articulating that argument. I have been weighing that one carefully and I know we will hear from people about it. You believe that the expansion of supply of non-making space, if you will, will allow the maker space to remain.

Malsin: I think so, yeah. Absolutely.

July 8, 2015

Hales: Good. Thank you. Appreciate that. Next. Pull that microphone down a little closer to you.

Pia Welch: Pia Welch, vice chair of Portland freight committee. I know we're running out of time. I know you can read our letter. I want to say thanks for consideration of some of the amendments and taking into consideration our changes. I look forward to continuing to work with Troy and other people as we work out a lot of details, Caruthers street is a safety issue. The loading and unloading, everyone talks about parking and forget about the loading and unloading of materials, and how that is done or not done. And, so, again, look forward to further refining this plan.

Hales: Thank you. Thanks for your help.

Welch: Sure.

Hales: Ian, welcome.

Ian Stude: Thank you, Mr. Mayor and city council. I'm here today --

Hales: Push and let go.

Stude: Working?

Hales: Not yet. There we go.

Stude: It was running out of power. Hopefully we won't. Thanks for waiting for my comments. I appreciate the opportunity to speak today. I'm Ian Stude, chair of the bicycle committee. First of all, like everyone else, want to acknowledge the effort of PBOT, and PBOT staff, their efforts to address future transportation and mobility needs within the central east side are critical. We see this plan as a tremendous step forward for the district. The plan as presented today largely reflects I think our shared vision for a future Portland where people are safe no matter what mode they choose. However, in the spirit of aligning this plan with a shared commitment towards safety, there are some -- there are a few -- one minor change we would like to propose. This is house cleaning. And I think, Peter, you mentioned the language was a little awkward to chapter 5, section t.33 this relates also to the city's vision zero strategy. As presented today, states that the -- to pursue implementation actions that enhance the safety of cyclist but do not conflict with efficient freight mobility. Unfortunately this can be read as directly prioritizing the safety of bikers over the safety of people biking. I think we can agree that is not acceptable when we talk about prioritizing safety at every level in our city. We propose that this section be amended to read pursue implementation actions that enhance the safety and comfort of people bicycling -- this proposed language is identical to language agreed on by the Portland freight committee and -- I know this is a minor housekeeping issue in some ways. One that is important given recent conversation here at city council. Very supportive of the southeast quadrant plan as a whole. Minor change to language around transportation will bring the plan into proper alignment of our shared vision of a safe, more prosperous and livable city. I want to thank PBOT and members of the planning and sustainability commission and stakeholders involved. Hard work and commitment resulted in an excellent plan. Our committee is supportive of the green loop. We have looked at it quite a bit. We will look at it as this progress on the green loop continues, and I want to underscore and kind of dovetail with some of what Peter mentioned, we are really excited about the opportunity of the green loop and open to the idea that it may be not particularly one alignment, but I also want to add that it really should be something that works in concert with a network that serves bicycle and pedestrian movement but that the green loop is not necessarily the only method by which we will move people through the district. As Troy mentioned, 23% of trips by bike in the adjacent neighborhood to this area. That's phenomenal. Also when you look at our goals from the bicycle master plan, sustainability plan for the city, we know that we have a target for those numbers to go up, and this district and others around it will have to carry a great deal of that weight based on the

July 8, 2015

geography of our city. I think we have look closely at the central east side and how it will meet our safety needs as those numbers continue to grow.

Fish: Make a suggestion. We are going to lose Commissioner Fritz and a quorum and we are going to go to another hearing date. What you described as a housekeeping matter, I would love to see that in writing and I would like to get commentary from bps on that and the stakeholders and it sounds like we could take that up with the --

Hales: Yeah, I started flagging issues. And I know they have, too.

Fish: I would like to see the specific language and then understand how, if at all, it impacts the mobility piece and how it fits with our vision. If we have something in writing and get commentary on that.

Stude: Happy to provide that.

Hales: Thank you very much. Thank you all. Let's go to the sign-up sheet.

Moore-Love: I believe we have 25 people left. First three coming on up. Willie, ken, and Kelly Roy. And they will be followed by brad Molson, mike Redmond, and Jose Gonzalez.

Hales: Good afternoon. Go ahead.

Willie Lewenson: Good afternoon, hey, guys, nice to see you. It has been a pretty heavy conversation about business and commerce today. I had a chance to look over this document. And I'm not sure who the audience is intended for, but it -- I always find it interesting there is a picture of the Willamette River in all of the documents, and one page dedicated to the waterfront and on that page there was no discussion of access to the Willamette. I have a lot of points I'm going to submit that are housekeeping items, just suggestions about how to make the document better in terms of how to create better access to the Willamette. I felt the central plan did a really good job of really putting intention out there out to create access and I feel like although there are some points, it isn't as pointed and directed as the central effort. I'm hoping we can keep some language from that document and carry it forward and make sure there is more intention. It was great to hear the neighborhoods speak out that they would like to have beaches and better access to the Willamette. Just I guess what I really want to emphasize hopefully you guys will take the opportunity to read over comments that we have made so that over the last 11 years, there has been -- there has been seven planning efforts over the last 11 years related to the Willamette river. Question is why aren't these things happening? This is a greater opportunity to put concrete things in the document that will hopefully allow that to happen and there is a lot of talk about habitat in regards to the Willamette, which is awesome, but I would suggest that should coincide with access for people, because if there is not a corresponding amount of access as there is to habitat, then less enlightened people might trample through the areas. As it is right now, swimming is occurring in downtown Portland actively. People swimming off the light boat dock, the fire boat dock, the beach -- it is happening now. So, I would also emphasize that one last point is that there is a quote that said that parks doesn't officially have a plan to address swimming, paraphrasing, and when they get a chance to do it, they'll do it. I mean, I would just say that this is happening. And there is a certain responsibility that comes with cleaning up a river to the point that you can swim in it. And one of those things is creating safe avenues for people to get into the river. So, there is a lot of communication, safe to get into the river but no direction about how to get into it safely and that's really important. Thanks again for looking at my comments.

Hales: Do please submit those in writing, too. As the council deliberates on the document and suggested wording changes or additions for that matter, we want to get those when we can.

Lewenson: Thank you very much.

Hales: Welcome.

July 8, 2015

Ken Clock: Yes, ken. And I guess I'm not a polished speaker, but I have some thoughts and some feelings from industrial manufacturer in the southeast area. I think there is a disconnect at the moment in the sense that a planner earlier in this meeting said that southeast industrial area successful in its own rite today and we want to protect that. A couple of weeks ago I was talking to another manufacturer there and he said flat out to me, city doesn't want us here. So, I guess it doesn't really quite gel. A lot of folks have put a lot of time into the plan. Recently received unanimous recommendation from the Portland planning commission. To be sure those involved today have a vested interest in the plan. Manufacturing business in southeast industrial sanctuary. Looked at the maps and renderings. I can't escape the feeling what I'm being told feels slightly disingenuous based on what I see. I'm told that the plan will support and strengthen existing industrial business, what I see is a considerably reduced industrial area. I see islands of industrial area completely surrounded by planned housing. Told truck freight will move more efficiently. Bike lane barriers encroaching on already diminished industrial streets. Green loop -- effectively splitting the industrial area in half and further inhibiting industrial traffic. I see major challenges for any industrial business attempting to remain here. There will be complaints from new housing residents and from the plan, despite the so called disclosure waivers that they are to sign and the city will be left to sort these complaints out. Tremendous emphasis in the plan evolves around dedicated and encroaching bike lanes and pedestrian access, and these are not compatible with industrial traffic moving efficiently and would only increase the danger for all of us. That means everybody in the whole area. The plan has many pretty renderings is that I call the ghost of southeast future. And lofty headings advising me, advancing equity. It could be like Sunday. Parks every day. And imagine, the reality is I can't imagine an existing industrial business surviving this plan. I'm not foolish enough to think that my testimony here actually matters, there is some basic facts that need to be addressed. May I continue?

Hales: Quickly, please. Keep going. I will have a couple of questions for you.

Clock: 35 years ago, southeast industrial sanctuary. Our business stayed, many more came, seemingly a good relationship. Now we really find out that we're not your child, we're actually a step child. Slippery slope to dilute -- things you do not know and things you couldn't know about southeast industry. What depth of interaction businesses have here, what binds them together, what encourages them to stay. What will make them leave? Critical mass of business required in order for industry to thrive. Other businesses you manufacture -- manufacture for you, provide local services, purchase materials from, there is also a critical efficiency required whereby local businesses rely on unencumbered -- send employees out to pick up supplies and parts all in a timely matter. Critical mass, critical efficiently seek to exist, industry business will relocate elsewhere again decreasing critical mass. As I said, there are things you do not know about southeast industry. Things that you can never understand. Not in a book anywhere. They're dynamic. Even if you can't fully extend -- understand southeast industry, should attempt it and even more importantly allow for it. Unless of course, what I'm being told in the plan is really an illusion.

Hales: I will make a request instead of asking a question. It is not our intention to adopt an illusion. We are trying to deliberately adopt a plan.

Clock: I understand that.

Hales: My request for you, you probably have already done this, turn around and get together with Debbie kitchen and tell us what amendments you want to see in this plan to get the future that you want. It is not our intention to chase industry away. The planning, this committee of your peers and the staff have worked all of these months to try to get to that point. It is an earnest effort. They may not have gotten it right but there was nothing

July 8, 2015

disingenuous about it. Now it is time to get down to words on the page and colors on the map for us over the next year of what exactly what zoning should be there. I have been of two minds about whether this overlay for employment should be on the industrial zoned blocks or not. My jury is still out on that question, even though there is a recommendation. If you think we shouldn't apply the eos overlay to the whole district, say so. And that is something that the council needs to hear. I guess the other thing, I don't know if you have been here in the last few years, cause I don't remember if you have, sorry. But lots of times this council will have one citizen come in and say something useful and we will change something. And we will do it here, too. So, don't feel like you said something about you're not sure if your testimony would matter. Believe me if you came here often, you would see that happen often. A citizen comes in and says something cogent and we say wow, that's new and we change a document, plan, decision. This is a recommendation, a recommendation that has a lot of agreement behind it and that has some weight. If you suggestions for how we defends and maintain existing industry in the district we want to hear them and I would recommend for purposes of time -- spend some time with Debbie, the chair of your district and say we need this.

Clock: My family has had a business there since the late '50s. And I have been working there for 45 years. And I'm 64 years old. I've never been to a city council meeting yet in my life and I have never been in this building.

Hales: Welcome, and we hope you come back, and, again, I'm serious about this. If you have suggestions that you want us to change in the document --

Clock: I think the overriding thing, if you are serious about protecting the industrial area that is there now, everything that is done there has to be balanced with that question above it. Does this protect industry in this area that we already have?

Fish: What's the name of your business?

Clock: Clock associates.

Fish: Pardon me? Do you have some daughters that work with you?

Clock: I have had a daughter that worked with me.

Fish: I thought you were here once testifying. I echo what the mayor says.

Hales: Let us know what you think we should change. It is a proposal. We are not simply here to rubber stamp something.

Clock: That would be my suggestion. Everything be prefaced with that if you are serious.

Hales: We are, thank you. Welcome.

Kelly Roy: Kelly Roy, owner of adx, and a member of Portland made. Thanks for all offer work on this plan and all of the staff's work on this plan. I think you're aware from some of our previous testimony that Portland made represents over 200 makers and manufacturers. Of the 100 members that were surveyed last year that create over 1,000 jobs and over 270 million in economic activity. And our membership has multiplied by five times just in the last year. Numbers, 5,000 jobs, billion dollars in economic activity and we believe our membership doesn't capture everything that is being made here in our amazing city. I'm here to represent what is called the maker movement. And makers. And we consider the definition of makers as people who make physical goods. They're not software developers and technology. And despite the desire of technology to be in the warehouses, in the central east side, we need that valuable infrastructure for this growing movement in our city. They provide valuable working class, middle class jobs, and those are the types of jobs that I would like to see the city support. We did a survey of our members and there is a need for over 150,000 square feet of additional space for manufacturing, and they're unable to find it in the central east side primarily because of real estate values being driven up. And a lot of the manufacturing spaces being converted to creative office. So, in that vein, we're very concerned about the employment overlay and

July 8, 2015

we actually think there should be an expansion of industrial zoning to accommodate more makers and more manufacturers because this movement is growing. So, what's the maker movement? It's the legions of artisans and craft people and entrepreneurs and doers reinventing and reshaping artisanal manufacturing the people who are starting businesses, developing products, honing their skills and offering support and sharing tools and knowledge with each other. The maker movement is gaining momentum across the globe and everyone is looking to Portland to uncover the who, what, why, and how of this critical resurgence in artisanal manufacturing. As founder and owner of adx, I have had the good fortune of being at the helm of this extraordinary movement. I in the process of writing a book which I have given you information. The book will be written not only about the long history of manufacturing in the city but the next generation of manufacturers who are in the central east side and in need of the space. So, the amendment that was put in front of you that was from me and adx was crafted by troy doss and it is a good start, however it isn't comprehensive. We need a full inventory of existing warehouses, we need an inventory of makers and manufacturers including the number of employees that they employ, the revenue that they generate. Whether they own or rent their buildings and the amount of growth they're experiencing. Because in our surveys, we see nothing but rapid growth, increase in employment, and increases in revenue for the city. And then we also need the tools that we can use to protect and preserve the warehousing and manufacturing space in perpetuity, because it is a critical part of our local economy. We're looking forward to working with you and staff to uncover some of those tools, but we think that the overlay zoning is a very dangerous road to go down and it will put a lot of pressure and put a threat on Portland's growing maker movement, which is really gaining international attention.

Saltzman: Are you in agreement about this?

Hales: Well, I think so. Let me pose the same question back to you that I posed to Mr. Malsin. He made essentially a supply side argument, if you will, that if we apply the eos overlay to the whole district, more of the vacant properties will get developed. Some of the vacant properties will get developed as creative office and that will take some of the pressure off of the remaining buildings that are used for manufacturing. Do you not believe that --

Roy: I don't see any studies that back that up. Maybe it would be helpful to engage someone like Joe court wright to do an economic analysis to see if that plays out. I did not see that play out in the pearl district.

Hales: Pearl district got zoned cx. Different story. The question is whether here, which strategy best preserves affordable space for makers. I think there is no one in the room that doesn't want to do that. Maybe there is. But we don't. We want to preserve affordable space for makers. I'm hearing two arguments. One, hang on to what you have got. If Steve was here he would tell us who did that song. Just hang on to what you've got and therefore keep that industrial zoning, don't have the eos overlay on those buildings, and that will give the makers and manufacturers a chance to hang on because they won't get outcompeted. Opposite argument, those spaces are getting bid up and the best way to keep them is release the pressure elsewhere. You're right. It is an economic --

Roy: It is an economic question and I don't think we have the answer. I think what we need to do first and foremost is make sure that we protect really valuable investment that we have made as a city, manufacturing infrastructure does not come cheap. The amount of electrical distribution that is required. The amount of plumbing and airlines that are required. It's really hard to do that in new development and keep your costs affordable. So, that's why we're requesting an inventory of existing warehouses and businesses. These businesses are already being pushed out of the district and losing the valuable warehouses to tech companies that want to use them as office spaces. So, it is a really,

July 8, 2015

you know, it is a real opportunity that we have to do a comprehensive inventory, and I know this plan has been going on for two years. This movement has been rapidly growing in the past two years. And it is continuing on that trajectory. So, we're just looking for those creative mechanisms for protecting and preserving industrial uses again to support working class jobs. You know, a lot of tech jobs are not working class jobs. Middle class jobs. We are really big proponents of supporting people who don't necessarily go to college and need employment opportunities and manufacturing and this movement provides those types of jobs and so we want to see that protected.

Fish: Let's assume that we have the inventory. Can you give us a preview of -- of what some of those tools are? I know your handout alludes to at least a co-op model and some strategies for actually acquiring and holding. We're pretty prescriptive around here when we talk about anti displacement, anti-gentrification. This is a little loopy goosy -- what are the actual tools that we have funding to implement --

Roy: That's a good question. Other people struggling with this. In San Francisco and in New York. There is a handout that I gave to you about commercial land trusts that are being -- commercial co-ops that are being formed. But we can take some hints from land trusts and land banks, who we want to protect wild lands, mechanisms that we can put in place. And, so, I think we can look to some of those tools that are out there and apply them to industrial land. I think they're just now starting to be applied in that way in different cities around the country. We were fortunate enough to be part of a national round table at the white house where cities around the country were providing best practices and many of those are in hot markets, hot real estate markets. We're available to help with the research, come up with the tools that we think protecting and preserving needs to come first and then we figure out the zoning that allows for the development of vacant land and what not after that.

Fish: And you would anticipate a substantial amount of public funds to lubricate this effort to acquire and land bank?

Roy: I think it could be a combination of public and private funding just like -- we have a lot of examples around the city where public sector and private sector come together around things that we value as a city. Affordable housing being one of them. I think we just apply some of the similar tools but to industrial land.

Fish: One other question. If there was -- if your worst fear was realized and there was displacement, where are makers likely to go?

Roy: Well, we see a number of makers and manufacturers been pushed over to the northwest industrial district. We have seen some makers get pushed out to the suburbs. But then try to come back to the central east side. But we would certainly lose them in our city and all of the employees that come with it. I consider people making these goods a huge part of our culture as a city. They're artists first and foremost who have figured out how to develop a business and a manufacturing company out of that business. They're investing a lot of money and a lot of resources in the buildings in the central east side. So, you know, I imagine they would go to Oregon City, Gresham, other industrial areas outside of the city. But I think as many people have pointed out in previous testimonies, this is a really valuable thing that we have in our central city and it is perfectly timed with this movement where there is a huge demand for industrial space so we have -- what we have existing and this opportunity to expand upon it. Another big opportunity is to make everything more visible, doing factory tours, showing the general public what's being made in our district from art paint, to growth made, iPhone cases, to fashion lines like make it good and Mel and Mary to food products, like Olympic provisions and distilleries, all of these are kind of manufactured items that may need manufacturing infrastructure, so it is a really rich mix of businesses. But I would just say that the threat of this creative office use

July 8, 2015

that the office overlay, employment overlay allows for more of just takes a lot of these cool warehouses out of production and that would be a huge loss for our city.

Hales: Thank you. Thanks very much. Thank you all.

Fritz: I apologize. I have to leave. I have a family commitment.

Hales: I think we can continue a while with the three of us. Let's keep going.

Hales: Good afternoon. Go ahead, brad.

Brad Malsin: Thank you, mayor, and city council. I won't take very long, I think I'm going to change what I was going to say. First of all, I want to thank -- I want to thank bps and -- for all of the effort and all of the people who volunteered on this -- on the southeast quadrant plan. There is a lot of people who are passionate about the city and passionate about what happens and I guess I want to comment about the past and the future. And I think really I think there is an evolution going on in the central east side, as well as the greater city. As opposed to a revolution, and we know that there are districts that have been -- that have quickly changed from one to another. Pearl is a great example. But I think what Kelly's referring to is the makers, there are a lot of makers who -- there is an absolute explosion of people designing and making things with 3-d printers that occurs in more of the office setting. I think there is really kind of an interesting blend between industry of the past and industry of the future. What Kelly tries to preserve is absolutely necessary and we should pay attention to that but I think we still need to pay attention to where the future is and where these creative design jobs, these small manufacturing jobs are and it's -- we see these in all of our buildings. We -- I think the most important thing I want to say about the central east side, in particular, is that we want to -- we don't want to close the door on a lot of the opportunity coming there. And a lot of the kind of creative firms coming there. And if you think back 10 years ago, Jonathan has pointed out many times that we didn't even know what an app was 10 years ago. And now apps run a lot of things. What will be in another 10 years? In our desire to look at what the future is, we have to keep the door open as much as we can. At the same time we need to pay attention to the legacy businesses, industrial businesses, including mike over there, who we have arm wrestled many times about and listened to, and good friend. And I think coming from new York, I've watched this evolution happen where you get the changes going on in districts and neighborhoods and how they conflict and how they orchestrate and how they do this interesting tap dance between businesses and residential and new types of businesses. I think it is just part of the evolution of the district. So, I -- the plan is great. I think the most important part is that people work to find the areas of compromise. We have paid attention to protect, trying to protect businesses. We paid attention to trying to protect the makers. We paid attention to trying to predict what the future needs are going to be and try to find some way of addressing most of these concerns. So, thank you very much for the time and --

Fish: One thing about this process that is striking to me, despite the strong feelings throughout, we're at a moment where there is some consensus, begrudging consensus, maybe in some cases the best kind of consensus because no one is particularly happy. But since the mayor raised the question, I want to pose it to you. What is the consequence if we scale back the project?

Malsin: I just feel there is a certain amount of -- there is an egalitarian kind of approach, people in the district want to be able to have uniformity, have consistency, have the ability to improve the buildings. A lot of these buildings, a lot of the buildings that Kelly is referring to require a lot of upgrades to make them work. So that's a part -- some of the things we could certainly address is how we deal with seismic, how we deal with improvements, what triggers the expenses and so I think that we -- I would hate to shut the door, especially when all of the stars are aligned right now. Interest rates are still low. Incredible number of

July 8, 2015

businesses and individuals want to start businesses here. Central east side seems like one of those places where we invite people to live out their dreams a little bit.

Hales: Well, I won't respond to that. I want to flag something for commissioner Fish and commissioner Saltzman. I think this discussion is a -- is a preview of some other discussions that we're going to have with the comp plan, and that is in order to get the outcome that we want, future that we want, the shaping of this huge wave of growth in the way we want, are we going to be more directive or more permissive than the plan has been in the past? For example, housing context, Susan and I have been talking about this, right now you can build row houses in are 2.5. Sometimes that happens. We might want to say in the plan you will build row houses in this zone. We haven't done that before. We just said you could build row houses, you could build, you know, and that's kind of this issue that -- we want traditional industry. Do we say that's what we want here? Or do we allow the market, as you just articulated, that has been more the Portland approach, is to allow the market to figure it out. The zone downtown, you could build a hotel, office building next door, housing project next door. We care a lot about the design and we will regulate the floor area and density. Philosophical planning question that is going to get to be serious on several fronts in this plan and maybe this is the first real clear iteration of that for the council, having already looked at the west quadrant. I think this is raising that issue are we going to be very specific or are we going to let the market play a broad role? I don't think there is a right or wrong answer, but there is a choice.

Fish: Mayor, in light of that comment, is it your intention to potentially propose more amendments between now and the next hearing?

Hales: Yes, not necessarily my intention, but certainly we will have them. Thank you. Jose, welcome.

Jose Gonzalez: Thank you, mayor, thank you commissioners. My name is Jose Gonzalez. Executive director and founder of malargro. Honored to represent the -- coalition of arts and culture organizations and practitioners, artisans and makers who have a vested interest in the future of the central east side industrial district. In May, cid creators testified to the planning and sustainability commission regarding concerns we had on a number of issues impacting work, affordability, environmental health, public safety, and visibility for arts and cultural activity in the area. There were some strong results coming from that meeting. One was our willingness to collaborate with the city and other bodies in addressing the issues as well as to contribute to the aesthetic plans for the area. And the revelation, thanks to commissioner -- arts and culture is only briefly discussed in the comp, southeast quadrant and central city concept plans. These few mentions would seem to indicate that arts, culture, creative activities have not been seriously addressed with much depth or adequate representation from the creative community. We can do better. For this session, we have submitted a list of process and action recommendations. Gathered through a series of public meetings and shared with members of the central east side industrial council which we are also a member. C -- creatives and other interested parties. These recommendations continue and expand upon those presented before the planning and sustainability commission. We envision a thriving, flourishing creatively infused neighborhood. One that serves to elevate Portland's position as one of the leading cities in the nation for creative and maker activity. And we support the southeast quadrant plan. Even though it is not fully formed, but we are committed to working to seeing that realized in conjunction with the other plans of the city. Thank you.

Hales: Thank you. Thanks very much. Welcome.

Michael Redmond: Good afternoon, mayor. Creative woodworking, Michael Redmond. I have been in the southeast industrial area, started in '82. Started in 1,000 feet. I was a maker and grew into a city block. That is some of what we hope some of those makers will

July 8, 2015

ends up doing, incubate something and they will be able to grow into their art and their craft of what they do. One of the strongest things that we are advocating for, industrial businesses in the central east side industrial district and need to have same freight priority that we started with. We need that security. I think you are going to see a lot of things fall into place naturally if you keep this in place. But I'm getting ticketed right now, so there is a contradiction. And this can be fixed real easy. So, if we could just keep that and you are going to see these people stay. You are going to see me stay and you will see people come into the district because they can get their freight in and get their freight out and please don't make us get a permit. I never had to have a permit before. Other industrial districts don't have a permit. That would be awesome. I can just see that working. We need to be able to load and unload in the street like we always have. That's exactly primarily what I'm saying. I was told by the permit department I can't have a permit on Taylor. I have two doors on Taylor. I can't have a permit on salmon. I have two doors on salmon. That's what your guy said to me. Can we fix this please? Then we'll stay. I think the reason you are hearing some people say that we are being forced out, I've never heard anybody say that they want us to leave. And I can't say that we're getting forced out. But as I get cut a thousand times by parking meter guy, it feels that way. That can be fixed really easy. So, we are in an ig-1 zone, troy, thank you for keeping it that way. Thank you for all the work that has been done. They did listen to us. We were at all of the meetings. I brought my kids. Four kids that are taking over my business. They work there. My daughter is 18. She testified here when we tried to keep the street -- it is what it is and we're working and they're doing a great job. I think we can survive that construction next door. Please give us some teeth to work. Don't let anybody complain when they move next door to an industrial zone. You guys can fix that. You know where you moved. Everybody else is happy. One guy that is not happy, he gets nowhere. Move back out to the country or something.

Fish: Can I clarify something? We have lots of powers but we don't have the power to prevent someone from complaining.

Redmond: I mean, they can't legally make me move though.

Fish: If you have an insight into that, I would want to get a consultation. It would help me in my marriage and with my two teenage children. Insight on that. It is late. We have been here a long day. We actually have a lot of people come -- people come before us who live in the pearl --

Redmond: But they move there.

Fish: From time to time we have discussions about what is it to live in a dense urban area? When you bought your place were you aware there is a grocery around the corner -- I get your point that we can make sure that people understand certain uses that are allowed and with that comes accommodations and you are going to get a little more noise. Consider that or maybe get double-pane glass.

Redmond: Building wider next to a border of an ig-one. Disclosures you're coming up with, giving it strong understanding that you know where you moved. There is a bar there. You don't like it, we're not going to make the bar move. You did make the church -- somehow people get heard and the church can't ring its bell no more. I don't understand that. I don't know who did that. But it did happen in northwest. And the issue with the trucking, the bikes, so, I have a -- I don't have a problem with the salmon being a bike lane. Only problem I have if they have priority over my unloading. We were there first. I was told to move there. Troy zoned it ig-1. Everybody is understanding that we want to keep this this way. Can we somehow get priority so that we can all work together, love each other, I'll move as soon as I can and let you buy, but you don't have priority. You came into my district. Please, you know, consider that. And keeping us there. That will

July 8, 2015

keep us there. I don't have to move. They tried to come by my building and move me to the northwest industrial district. I tried to make it work. It can't work right now. I can't make it work. I can't afford the move. Even with the costs as high as they are. So, you know, again that's -- that's our only problem. I really love what you guys are doing and think Kelly's issues can be solved. We worked for all of the adx people. They go to adx, learn how to do something and they come down to us and we professionally help them take it further. Working for brad for 20 years --

Fish: What you just said about the bikes and the traffic --

Redmond: Priority.

Fish: My son and I took a bike ride through your neighborhood over the weekend. I guess I'm now -- I'm sorry Steve it is not here because there is questions that I would like to put to PBOT about how we square vision zero, safety, and these uses. For example, the city from time to time encourages people to go off of a main thoroughfare, low impact road because it is safer. We map it, and we stripe it, and we say, better to be there than to be on a high traffic zone. So, this is a -- this may be a philosophical question but I think it is worthy of a bigger conversation, are we -- does vision zero compel us to create a level playing field in places where we understand that one use is less useful and there are greater risks? Or does vision zero require us to be more creative about finding a protective route, so that bikes getting the short end of this, right, because they're exposed as opposed to someone surrounded by 3,000 pounds or whatever are encouraged to take a safer route. As you mention this I'm thinking why aren't we saying one is basically a truck route and find a place safer for bikes because we don't want to create the conflicts. We know who usually gets the short end of a conflict like that. I don't know that vision zero compels us to put a square peg to a round hole, but that's a conversation we need to have.

Redmond: I would hope we would go back to when we grew up and we were told we had to look both ways before we cross the street, yet today, a biker is told that he has absolute priority and he isn't looking out for himself like he could be. I think we go back to education. And I really don't believe you're going to stop the bikers from going down the road they want to go. I don't have a problem with that. I would like to try to make it work with everybody. And look at reality. Human reality. They're going to cross. They're going to go. Could be signage you're entering into an industrial zone. Red, painted stripe signs that say this is a dangerous area. Go ahead, proceed -- let's educate them, proceed with caution. Bring your -- if there was a caution, could it --

Hales: Let's not continue that discussion now. I am glad you have it on the table.

Fish: You have our full attention.

Hales: Thank you all very much.

Moore-Love: The next three.

Hales: I think we will lose a quorum after this panel.

Hales: Mike is here. Come on up please. We will take the four of you and then we will -- I think we're going to have to continue after that because we will lose a quorum.

Fish: If there someone from the pellet family here?

Hales: I don't think so.

Fish: I was hoping to put a question on the record about the park being proposed.

Hales: Obviously we are going to continue the hearing. You might want to ask them specifically to come.

Sara Tunstall: co-owner of spool town, small run sewing factory in southeast industrial, and we work with 80 to 100 different clients. I want to tell you how we got into the building we're in and what we see as the future of the plan. Think you all have done wonderful work and I commend you on that. Employment overlay and what that would mean to a new manufacturing business, spool town started four years ago. We started in a building of a

July 8, 2015

business that we spun off from. And moved into the central east side two years ago and we landed in the building that we were in kind of really fortuitously and by the generosity of the building owners, blue collar boot strappers and recognized that is what we were doing with our business and wanted to give us a hand in growing our business and I think it is one of the real reasons that that we were able to get into a 5,000 square foot warehouse in inner southeast that needed no work to it and we could just move right in. It had all of the power we needed. It had compressed airlines run to it. Electrical drops for all of our machines. All of those things were critical to us. Things that would have been extremely expensive for us in a new build. We needed that old warehouse space to be able to move into. My main concern is that the employment overlay would directly pit us against tech companies competing for the same spaces. My feeling is that there is no way that we could afford the same spaces that those tech companies can afford. I think that skip Newberry who was up here earlier talking about that was really getting to the point of why those warehouses are really interesting to tech companies. There is a gritty industrial feel there. Which is great. It's super cool. But it is also necessary for running a manufacturing business. And those warehouses already exist and I think it is pretty critical that we protect them and are able to maintain them for start-up businesses. I think that -- you know when I started spool town four years ago it felt like it would be difficult to start that business. I feel like it would be really difficult now. I think if we were competing against the same tech companies for the same buildings, I don't know if we would be able to have a business that now, you know, employs 18 different people and is growing 40% a year. I'll just leave it open for questions.

Hales: Thank you. That's pretty clear. You obviously are in the camp that believes. And we are having this debate here among ourselves, council as well. It's better to protect that space in your opinion by not allowing competition for the building.

Tunstall: Yeah.

Fish: Glad you made that observation, too. What you just said. I was struck when I asked skip to list the three factors that they were compelling, his first one was aesthetics, and your first one is functionality.

Tunstall: Totally. I mean, I think over and over we think about what would happen if we couldn't be in the building that we are in. Talking to Kelly about that a little earlier and where would we go? I think it is a critical thing for Portland to consider as we grow is where can you have a factory if the only people in those factories are tech companies? And their manufacturing software. It is not the same as manufacturing physical product and there are real logistical requirements for that and they already exist. Infrastructure is already there. Seems silly to waste the money to try to rebuild that and try to do it at a cost I don't think we could afford.

Hales: Thank you. Well said. Welcome.

John Bollier: Thank you. Mayor hales, city council men, my name is john Bollier the past ceo of Stacy and whitbeck currently chairman of the board. Our company has office in -- on the inner southeast side and I live on the southeast side. I'm here to talk about the infamous amendment four. All I would like to say is that we did propose that language but it came because the work that had been done we thought that -- overall, we support the recommended draft plan as presented. And particularly strongly support the recommendations of the plans, Clinton triangle, central east side. And it is just ironic that two years ago, nobody was really paying attention to that property. We have worked with the city and the other bureaus about ideas to reshape that area. The idea of going without the master plan, perhaps, and, of course, with your approval, if that should be accepted, was something that we were following out of the development idea. I think sitting here today, listening to other public comments that have been made, if it comes down to that

July 8, 2015

you want a master plan, then that is certainly something that we would follow through with. It would add time to it, of course, and any business world, any development world, time is, interest rates are low, as Brad said earlier and we would like to be on the forefront instead of on the tail of a development opportunity. If that's what is required, then we'll do it. We have had a lot of interaction with the city already on the property there. We have come a long ways. I don't think -- the idea of low income housing, I was not going to say it was my idea but an idea that I brought to the table before anybody else mentioned it and I am a big proponent of it. Great concept for that area. Fascinating piece of property. Gone overlooked for a long time. Whatever comes out of amendment four, if we were successful in crafting a better language that would be great. That's all I have to say.

Hales: Your situation is a little peculiar and it merits more discussion I think between you and the council and the bureau, and that is when we talk about omsi, Conway, Blanchard site, or the post office, single property owners, in the case of the Clinton triangle, we are talking about you, city of Portland, and three or four other people because there are small parcels in there as well.

Bollier: Right.

Hales: Who does the master plan? I don't know the answer to that question. We ought to talk that through and understand. We say Conway, you must do a master plan, they can plan for their own property so would omsi. It would be absurd for us to require you to plan for our property with master plan. I'm not quite sure how this gets resolved. I appreciate your flexibility. This is a different situation than those others.

Fish: I will say that your piece of property has gotten more attention from that council than any other piece of property in the city of Portland. In some level I'm delighted to actually have you here talking about it because it seems to be the third or fourth hearing where it has come up and it has some special magical power, apparently. But the fourth amendment that has not been yet put on the table but we're debating, does in the amended language suggest that if there is a clear vision, and you mentioned a moment ago affordable housing could be a portion of it. But if we dispense with the requirement of a master plan in the event there is a clear vision that has been embraced and comes to us for approval, do you have a sense of what that vision could be? What is your vision for the property?

Bollier: I think the simpler piece to say -- would be affordable housing number one, commercial and some residential in that order. The property itself, we own a small triangle that is jammed up against Powell and the railroad and the city owns the beautiful piece of property on the frontage road. There is utilities in the way. There is not good access at Powell and 12th and a lot of issues to decide before anybody can come together with a cohesive plan. Everybody asks us for plan. A lot of unknowns out there to be discussed and decided and once those are worked out, then the plan, I think becomes much easier to do.

Hales: Thank you very much. Welcome.

Mike Lettunich: Hi. I have a one-page handout.

Hales: Give that to Karla. She will give it to us. Thank you.

Lettunich: I'm Mike Lettunich, and I am a business and property owner and I wanted to talk about the green loop and specifically the bridge over interstate 84. However, before getting to that, I would like to say that I do support the eos overlay. No one wants condo towers, but this overlay seems like the just right evolution for the district. Regarding green loop and bridge, I think a lot of people are in favor of the green loop and this might be a little redundant. I have given you an aerial photograph taken in 2007, a property that we manage highlighted in yellow and two potential bridge locations as a reference highlighted in pink is where the development is happening in the Lloyd district. We have about a dozen

July 8, 2015

tenants that work in our buildings. There are a mixture, a really good diversity of what central east side is all about right now. We have software, photography, film production and design build shops and our business is also a design build business. We moved there 15 years ago. And sort of became accidental developers because we were lonely because all of the buildings were vacant around us. But we have roughly 300 to 400 jobs depending on seasonality just in the two buildings. Roughly a quarter of those ride their bikes to work. All of the bikes are stored in vertical racks inside the tenant spaces. I figure at least 80, maybe 100 cars are not shoe-horned into the streets of the central east side because of that. I think that we would have more commuting by bike if bike infrastructure was improved. Sure there are die-hards that will ride on busy streets with average visibility. Most people are not going to do it if it doesn't look and feel safe. Portland is known as bike friendly, other cities passing us up because they realize it attracts young, smart people, life blood of a city's future. I hesitated to say this. But I did live in New York for four years. From '07 to '11 trying to start an east coast office. And I actually commuted from Brooklyn to Manhattan daily. The infrastructure there has improved really quickly. Protected lines and protected lanes and cycle tracts I would say that's Portland's competition our buildings at the south side of the proposed bridge. City and planning department have our full support. Vital underpinning and catalyst to the whole green loop and we hope it is not just in the 20 year plan but five year plan. We realize this is an expensive investment. So are parking garages and in a way so is Portland's reputation as a place where it is nice to live and work.

Hales: Thank you very much. Appreciate that. Well, again, I'm sorry, I think we are going to lose a quorum here. We will have to continue the hearing. Let's take a moment and make sure when we know that is. I think July 29th.

Saltzman: Amendment to number four that was drafted by staff?

Fish: If we are going to a second hearing --

Hales: Thank you, John.

Lettunich: Thank you.

Hales: So, yeah, I think we should make sure we know when we are going to continue the hearing to. July 29th, 2:00 p.m., does that work? Again for those of you that signed up today, obviously you will remain signed up. Sorry that you were not able to speak today. We will take you first if you are here on the 29th and will continue both the public hearing and get to council discussion of potential amendments. If, by the way, those of you who haven't got a chance to speak yet still here, I will give you the same request that I did to the -- if you have suggested language changes or additions or deletions or anything else, try to get those to us in writing in advance. That way the staff can prepare a matrix of potential amendments that the council can consider. If you can get recommended amendments to us in advance by getting those to the planning bureau, I assume to Troy Doss's attention, then the rest of us will be better prepared.

Fish: Can I add a comment to that?

Hales: Please.

Fish: This -- it is one thing that is clear to me from today there is a delicate balance in terms of the package that has been presented to us. And I'm getting a sense that everything is connected as John Muir would say. We're talking about potential changes to this plan. But it -- we're going to have people cheer us and boo us depending on where they are and how they view the world. So, what I would ask in addition to any amendments that we have from the community to be considered, if there are any substantial amendments with respect to EOS overlay or anything else, I would hope that we would have -- we would get those at least a week before the hearing so that we also have a chance to pick up the phone and call Susan and say help. Could Joe come over and give

July 8, 2015

us a briefing or could the team come over and give us a briefing. I think particularly if we are going to be making -- if we're going to be making a decision at the next hearing, I would really benefit from a chance to get your feedback ahead of the hearing. Thank you.

Hales: I guess one more reminder that is this plan is adopted by resolution. It is instructions for the planning bureau as they continue the process of updating our code, comprehensive plan. So, actually none of this goes into effect in terms of zoning until the final comp plan document is approved by the council. Trying to resolve the policy and strategy issues at the front end and get the zoning map to conform with all of those previous decisions. But nobody's zoning actually changes as a result of the vote that we will take probably on the 29th. Thank you all very much. We are recessed until tomorrow at 2:00 p.m. [gavel pounded].

At 5:46 p.m. Council recessed

July 9, 2015

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.

JULY 9, 2015

2:00 PM

Hales: Good afternoon, everyone and welcome to the July 9th meeting of the Portland city council. Would you please call the roll? [roll call]

Hales: good afternoon, everyone. We have two items on the council calendar this afternoon. One is a continued hearing and one is a first hearing. If you're here to speak on those items, we welcome public testimony. Just make sure our council clerk knows you want to speak. We allow three minutes to testify. We don't have so many people this afternoon that that will be a difficult problem for us to manage. Of course, as always we maintain the rules of decorum here in the council chambers and if you agree with someone and feel compelled that you just have to indicate your support for their point of view, give them a wave of the hand or if you feel even strongly in the other direction you can give them a thumbs down or some other polite hand gesture but we ask that people not make vocal demonstrations in favor or against their fellow citizens' points of view here so everyone can be heard. So with that welcome. Also, if you have handouts, make sure we have those when you come up to speak and if you're a lobbyist representing an organization, under our code you need to let us know that, please. So with those formalities at all out of the way, let's take up item number 754, please.

Item 754.

Saltzman: Thank you Mr. Mayor. Members of the council. Over one year ago, the city council had its first hearing on revising the floor area bonus and transfer system to prioritize affordable housing. The council charged the housing bureau and the bureau of planning and sustainability to conduct an economic analysis and to develop recommendations for an incentive zoning bonus for affordable housing in the central city. This proposal doesn't reprioritize how we use taxpayer funds. In fact, it doesn't use any taxpayer funds at all. It expands the pie of dollars available for affordable housing development by bringing to the table the development community to help be part of the solution to the affordable housing crisis. So area bonuses also known on the scene density bonuses are provided to developers in exchange for the developers providing a community benefit. Over decades, the current floor area bonus program has grown to over 18 different bonus options. Most of these bonuses, in my opinion, are no longer necessary or effective and are poorly calculated to match the public benefit being sought. The reality is that many of these bonuses are things that the city can require, like eco roofs and bike storage. What we cannot require, however, is affordable housing. State law prevents us from doing that. It is past time to streamline our bonus system to prioritize the creation of affordable housing. In fact, there was a 2007 study that pointed out how many of our bonuses are really not -- haven't been used or are not keeping with current policy priorities of the city. This proposal before us today is crafted to grow the supply of affordable housing. It creates an on-site building option for developers to add affordable housing in future developments for Portlanders who may work in the central city but housing near their work is currently unaffordable to them. A household that makes between 60 and 80% of the median family income is not a wealthy household. It may be a household with two food service workers, a single parent working as a bus driver with two

July 9, 2015

kids, or an entry-level teacher. Our state of the housing report which we brought to council a couple of months ago has shown that the central city and many other Portland neighborhoods are unaffordable to these families. It also clearly shows just how unaffordable our city in general is to so many lower-income families. So let me be clear: This proposal will add -- will also add substantial housing stock for households in the lower incomes from 0% to 60% of median family income by providing an option for developers to pay into an affordable housing fund, which is limited to investing in 0% to 60% of median family income housing. So this fund will aid the city in its goal to create more housing for more families who are experiencing homelessness and other households, such as senior citizens who are relying entirely on social security for their income. And, as always, the housing bureau continues its deep commitment to equity and how it invests these funds. So before I turn the presentation over to the bureau of planning and sustainability, the housing bureau, and our economic consultant, I would like to make a small amendment to the resolution in terms of the timeline. People know I can be impatient and we included a timeline for this to be presented or to come back to council in January of 2016. I have been persuaded that we should allow more time than that and so I would like to offer an amendment that says that the request for changes to the zoning code return to the city council no later than July of 2016 instead of January 6th. So I will make that amendment.

Hales: There's a motion and a second to add that amendment to the draft resolution in front of us.

Fritz: I have a question of that. Has the planning commission been invited to discuss this at all as yet?

Hales: I don't believe they have.

Joe Zehnder, Bureau of Planning and Sustainability: Commissioner, this timeline will allow the bonus to move forward as part of the central city 2035 plan so it will be included in all of the planning and sustainability commission hearings and vetting of that project. So if we move it to July 2016, that's when we're supposed to have the entire central city plan back to you all.

Fritz: Is it unusual for the council to take action on a zoning code issue without having the planning commission hearing first?

Zehnder: You know, not in terms of -- there's precedent for getting direction from the city council to go undertake sort of a zoning process. The assumption is that this is sort of guidance to say with these kinds of parameters, we're interested in you all going and doing a full-blown legislative project that includes something like this and it may or may not make it all the way through but that's what we're supposed to do. A precedent was west Hayden island. We got city council direction to go take it to the next phase and we started a process to do that and eventually, it went to the psc. So it's in the spirit of that, a resolution to give city council intent of interest of something we should try to include in the plan.

Hales: Okay. Further discussion on the amendment?

Ben Walters, Chief Deputy City Attorney: Mr. Mayor, over here, point of clarification. Would that be the beginning of July or the end of July?

Hales: You said July so I would assume that that means at some point in July of 2016 this comes back.

Walters: July 1st --

Zehnder: I said no later than July.

Hales: July 1st, 2016.

Saltzman: July 1st it is.

Hales: Okay. City attorney advises precision and we will follow his advice. Roll call on that amendment.

July 9, 2015

Saltzman: Aye.

Fritz: I'm willing to vote aye for the purpose of putting it on the table. Aye.

Fish: Aye.

Hales: Aye. Okay. Thank you.

Saltzman: Now, I would like to turn it over to our panel and we also have Jill Sherman who's going to walk us through a pro forma by popular demand. We'll start out with Joe.

Zehnder: Good afternoon, commissioners. Just a brief introduction to the proposal we're talking about today. As you've already heard, the central city already has a system of floor area ratio bonuses. There's 18. They've been accumulating over the years since the 1980s. And of those 18, many are less expensive to do than others in terms of the return on far is easier to accomplish than others. Many have never been used and of these bonuses with the top three that are used are the residential bonus, the eco roof bonus and the bike bonus. And in certain parts of the central city, if you build residential development, you can access a 3:1 bonus automatically and the logic to that was in the 1980s the public benefit, one public benefit we were concerned about was whether or not we could even accomplish a residential central city. And so the bonus has been critical to that public benefit. And now, the question is, is it still relevant and is it time to take a look at it?

Hales: Let me interrupt you just a second there. The current residential bonus has no income parameters attached to it?

Zehnder: Correct, it's just a residential unit. Residential unit. So those are the bonuses and there's also a system in the central city of transfers where if you don't use all the far on a building, you can transfer it to another building and that's open to certain properties, certain types of properties and in certain locations and this list summarizes those. It's another way of once again getting some form of public benefit or supporting some sort of public benefit through how far, how development entitlements are used. The ones that we've been talking about in our study are to take a look at the historic preservation and open space. So the study that we embarked on is considered both bonuses and open space. To do this study, we hired the consultant group of otac and eps, David Schwartz here corrected me, and we started with interviews and round tables, focus groups with the development community because we wanted to build a pro forma that we could base the economics of a bonus on and so you need to confirm a lot of assumptions about cost and rental rates and vacancies. This is a list of the developers who were involved in that throughout the project. And the proposal we came up with has sort of five key elements. First, on the bonus end, we're proposing a bonus for affordable housing that's either built on site or we want to have an option where a payment into an affordable housing fund is an additional way to earn the bonus. Secondly, the strata of affordability that we focused and modeled on is 80% of median family income units, and at 60-year affordability. So the level of affordability and the length of affordability affect the economics of the bonus and so this bonus proposal is looking at 80 and 60 years. Three is how we structure the difference between the onsite bonus and the pay into the fund bonus. We want to promote on site development. So we can do that sort of as we develop the specifics of the proposal by calibrating the value of those two bonuses a little differently. Fourth, that we want to have fewer bonus options, fewer than the 18 now that we have, so that we can make the affordable housing bonus a greater priority and also to the extent that we include other bonuses in the final package, we're going to try to calibrate them in terms of their value to the affordable housing bonus so that the bonus -- we're getting a similar valuation or similar amounts of public benefit if you choose one of the other options, but the idea is to try to make the affordable housing bonus the most attractive because of the documented need for affordable housing in general and in the central city. The one exception, there's a

July 9, 2015

couple of exceptions to this just to mention that in south waterfront in particular, in some sub districts, we've got these bonuses that were really designed to be part of the development package because in south waterfront we needed to deliver, for instance, waterfront improvements in the greenway so there's a bonus in south waterfront for additional greenway properties and there's a transfer of provisions in south waterfront, as well. As we do this research, we're going to look at those particular ones and see if there's logic or reasons that maybe they should be continued and we're also going to say if they're continued, how do we calibrate them to work in conjunction with an affordable housing bonus? And so finally, there are limits in the central city now. They run from 3:1 or 4:1 or more depending on where they are on how much far you can add to a bonus. So everyone's assumptions about how much development can be on any given site will be the same as they are today. How you earn it is different. What can this produce? Just two sort of benchmarks on the production of this, all based on how much development we expect to see in the central city over the next 20 years if all of it was on-site units, we could see somewhere between 800 and 1,300 units produced over that period of time. If all of it went into cash, we could expect somewhere between 120 and 200 million over that period of time and it could be some mix of the two, that's how we expect it to work.

Fish: Just in terms of your assumption, we did just recently go through a recession where there were no cranes in the air downtown. So what's your economic assumption over a 20-year period?

Zehnder: You know we're drawing from the comprehensive plan assumptions for the central city. So that is based on an econometric forecast for metro. It's got the assumptions that one or two of those business cycles are in that period, as well. So it's itself calibrated at the region-wide level and for the central city with some assumptions about that. It's aggressive but it's based on how much even with different turns of the economy over the next 20 years we expect in terms of households moving to the region.

Zehnder: But that will turn it over to javier.

Javier Mena, Director, Portland Housing Bureau: Good afternoon, mayor, commissioners, my name is Javier Mena, I'm the assistant director of the Portland housing bureau. First, I want to highlight just the last point, we expect both options of the modified plan to be realized. We expect a number of units, affordable units at 80% or below to be included in the development but we also expect the number of projects paying into the housing investment fund to be realized for development at zero to 60% median family income citywide and as you see on the map, in the central city the market is not developing 80% units. Also based on the housing report, the market for certain areas of the city is not producing zero to 60. And so what this structure allows us to address is both of those issues. Also echoing what commissioner Saltzman mentioned in terms of the income potential from households earning between 60 and 80, here's some examples in terms of maintenance worker, entry level teacher, firefighter, one adult bus driver or auto mechanic, entry-level police. That's in the 60 to 80% range in terms of type of work that we're looking at. And last time we met a couple of weeks ago, there was a concern about -- there seemed to be a disconnect between what we were proposing in terms of the 60% to 80% median family income and the impact this would have on communities of color. And so what we have based on that feedback, we've looked those numbers and within the city, the communities of color population, there are between 60% and 80%, it's 17% compared to 16% of the white population within that income range. And we're looking at as Joe mentioned between 800 to 1,300 units if that was to maximize the production. Within the communities of color, we're looking at potentially 7,000 new tenants and we see it as the job of the bureau to make sure that we do the outreach and provide the resources and options for those communities to be able to access the new units. With that --

July 9, 2015

Fritz: Before you move on, I see now I have some concerns about that and I appreciate you following up after the work session. I want to pass out some italics on the council, the actual numbers. The percentages I don't think quite tell the whole story there. So from 60 to 80% median family income according to your numbers, we have 32,000 white people and about 11,000 people of color. So it may be the same proportion but the absolute numbers of additional people who are going to be benefited by this proposed 60 to 80%, its three times as many white people as people of color.

Fish: Can I get a clarification? This chart -- Javier, would you define what a household is for purposes of this chart?

Mena: Three-person household. A three-person household.

Fish: Up to three persons. And why is that?

Mena: This household, period. It could be one person or four people. It's based on a household number, not --

Fish: The numbers here don't necessarily correlate to people? Or households?

Mena: They are households.

Fish: So if there's three persons in some of these households, it would only be reflected as a household?

Mena: Correct.

Fish: For this data?

Mena: Correct.

Fish: That complicates things a little bit.

Mena: And to answer your statement, commissioner Fritz, I understand there's a greater number of white households that will have access to this and as I mentioned before, it is up to the bureau to make sure that in all of our programs that we establish programs that make these units available to households from communities of color and that's something that we have to take into our own charge. So with that, I would like to it over to Jill Sherman as commissioner Fish suggested at work session. Jill has been graciously agreeing to perform a 101 and its relation to the recommended density bonus update.

Jill Sherman: Good afternoon, mayor and commissioners. My slides will be filled with numbers and no pictures. But that is what performance is about. I'm hoping to go through this quickly, and then have some time for questions and again, the purpose is simply to walk you through kind of the key elements and perform a financial analysis as it relates to real estate development. So there's three columns and I looked essentially at three cases. The base case is an existing quarter block project under development. It had an far of 4:1 and we are able to get to 6:1 using the existing residential bonus. So that's what the column all the way to the left represents, and then we looked at two cases adding an affordable housing requirement, getting the additional density. One assumed that 25% of any additional far would be required to be affordable to households at or below 80%, the other look at the same thing but at a 15% requirement. So in the project, it's wood frame construction over a concrete podium. The total gross square feet just under 52,000. So under the base case, there was no additional far required, because you were able to use the existing residential bonus so no affordability requirement. Under the 15% requirement, you need 11,900 additional far so based again 4:1 means you have 40,000 based on a 10,000-square-foot site. So 15% of that 11,900 is that 1785. 25%, it's 2,975. In all cases, the total rentable square footage is the same. The average unit size is the same and the total number of units is the same. In the base case, you've got a mix of studios, one bedroom and two bedroom units and all of them are at market. Under the 15% requirement, you would get about three affordable units at 80% and I've just broken them out one studio, one bedroom and one two-bedroom and under the 25% requirement, you get a couple of additional affordable units. I've got one studio, three one-bedrooms and

July 9, 2015

one two-bedrooms. Trying to mirror the distribution of units, of market-rate units. In all cases there's about .55 parking stalls per unit, 31 stalls, these are mechanized parking stalls. On the revenue side, the market rate unit are an average of 276 per rentable square footage. And with three affordable units that decreases to \$2.69 on average essentially the average is getting pushed down by the units that are restricted at 80%. And at 25%, you're looking at \$2.66 on average per rentable square foot and the parking cost of \$125 per month stays the same in all of the scenarios. We already looked at information about what that means to be at 80% of area median income. So just you can see a one-person household, a 1.5 person household, I know that seems a bit odd, but the convention for affordability with hud is that you assume 1.5 people per bedroom. So for essentially a studio, you use the income for one person household, for one bedroom you use 1.5 personal household, which is essentially just an average of an one person household and a two person household and for a two bedroom unit you use the three person household. Affordability is calculated by taking that annual income, multiplying it by 30% and dividing it by 12 and subtracting a utility allowance that takes into account costs for utilities that tenant will be paying. That results in a rent limit for studio at \$983, 1,041 for a one-bedroom and \$1,247 for two bedroom and if you compare those to what current market rate rents are for now construction in kind of a location, central city type location, you might be looking at \$1,400 a month for a studio, 16 to \$1,700 a month for a one bedroom and \$2,600 a month for a two bedroom. So you can see that the differential is not insignificant. The expense assumptions for all the pro formas are the same. There's operating expenses per unit per year of \$4,500. So that has to do with your property management and that's staff and personnel and maintenance, common area utilities, landscaping, etc., and property taxes per unit per year of \$2,500. They can stay at 5%. Your project cost is the same in all three scenarios. Due diligence costs are things like environmental studies, geotechnical studies and surveys. Land cost at \$170 a square foot, for a 10,000-square-foot site, that's \$1.5 million. A general hard cost that your general contractor would have, under \$10 million. Other construction hard costs includes things like signage and security that your general contractor typically would not carry in their number. Architecture and engineering fees, building permits and systems development charges, other soft costs include things like insurance, legal fees, there's quite a bit of that that's in here for marketing, so marketing, furniture fixtures and equipment, etc., contingencies are 5% of the project hard and soft costs, developer fees, about 5% of the project costs. And then financing costs which include loan fees but primarily capitalized interest so interest during the construction period and lease-up period on your construction loan for a total project cost of just under \$16.2 million. All three scenarios use exactly the same assumptions for financing. I'm assuming about 62% loan and the rest could be equity. And then without going through those numbers, suffice it to say you come down from a financial analysis perspective I'm looking at a rental constant which is a fairly simple kind of point in time measure of the financial feasibility. It's the net operating income, so that's income less expenses divided by the total project cost, and for this project, in this location, I'm suggesting that the minimum rental constant and I really mean minimum for a feasible project is about 5.6%. And the calculated rental constant is about 5.6% under the base with the current residential bonus scenario. As you can imagine when you lower the revenue side without changing either the expense side or the project cost side, the result is a decrease to the rental constant, so basically, you've decreased net operating income and you've kept the project cost the same. So under the 25% scenario, you get down to 5.3% and under the 15% scenario, it's kind of in the middle at 5.4%.

July 9, 2015

Hales: So at 5.6%, you say that's right at the borderline of what people consider financially viable. So obviously, I think it's obvious that your pro forma is making a case that people would not use this bonus.

Sherman: You would be challenged if nothing changes in the cost structure. In other words, land values don't change and other things don't change. You know, you would be challenged to I think find an equity investor but that assumes again today's land value for that site, which assumes really when you look at that site, you assume you can get to 6:1 far because of the way the existing bonuses are set up. You don't look at that site and say that sites 4:1 that's how it should be valued. You look at it based on what you know you'll take advantage of --

Hales: The sellers incorporated those bonuses into what they assume the property is worth?

Sherman: I think that's true.

Hales: Existing bonuses.

Sherman: Correct.

Saltzman: And this was a very specific case example.

Sherman: its one project, and I think it's more about walking through how the numbers and how income expenses and project costs, you know, interrelate rather than to specifically address the policy.

Fish: You know, I had the benefit of you doing a one-on-one for chair Kogen and me when we were doing the big look at our tax abatement programs and your analysis allowed us to understand the system better, and then we tried to respond with policy recommendations. I have a couple of questions off this which I'm seeing for the first time obviously today. If we were to tweak something, what would we tweak to get net operating income closer to what you think is the sweet spot?

Sherman: Well...

Fish: In terms of the proposal before the council.

Sherman: Right. You could do something with property taxes.

Hales: Or fees.

Sherman: Or fees. I mean, you know, there's other parts of the pro forma. So to keep the return the same, there's a number -- one is that you know maybe land values change over time. I don't know you know, how that would play out. The other is on the expense side and the one that the city and other taxing jurisdictions have control over is property taxes, and then there are obviously also fees in the pro forma if those went down a little bit, you could also make up the differential of the lost income. If that was what you were trying to accomplish.

Fish: So let me if I could pose two other questions that are in the nature of hypotheticals. Let's assume under this proposal there's no disincentive to do the payment in lieu. The way it's currently constructed, there's a bit of a disincentive to opt out rather than build on sites. Let's assume for a moment there was no disincentive. Based on your experience, a typical developer who wants to use this program, more likely to build on site or do a payment in lieu?

Sherman: If the impact to the financial returns are the same?

Fish: Yes.

Sherman: I think it would depend on the particular developer and their preferences. I think I could make an argument for wanting to do them on site at 80%. It's nice, those are important units and also, you've got 20% of the units at a rent that you know are going to lease up just like that so there's a risk mitigation there.

Fish: Okay. And let me add another overlay. So I am probably more inclined to want to focus on zero to 60 mfi than zero to 80, but the way this proposal is constructed, if there is

July 9, 2015

a payment in lieu, in other words, if you don't build on site, the money goes into a zero to 60 account, if you will, which I'm hoping has 30% set aside quality. So by creating a disincentive for doing a payment in lieu, are we working against my interests in having more money go into the zero to 60 pot?

Sherman: I think again if it's financially -- the impact on returns is the same. I think then you're going to developer by developer, they're going to have a preference for either the fee in lieu or the on-site. So while I might think the on-site is a good idea, there may be others who will say I don't want to deal with a requirement that's ongoing for 60 years. I would rather pay my fee and be done with it. I think you'll still get fee in lieu.

Hales: You'll also get fee in lieu for commercial projects. The project has no residential intention.

Fish: I mean, as you know we get pushback from developers around the idea of a 10-year covenant for tax abatements and one of the great I think features of this proposal is Dan has proposed a 60-year covenant for affordability which I applaud but just based on my experience, I would have thought you would say more likely the developer will not want to be -- would prefer not to have a 60-year covenant and the compliance requirements and therefore, more likely to put it into a fee in lieu.

Sherman: Uh-huh. Again, I think it would be developer by developer. I think some will absolutely agree with that statement and there may be others that want to include them on-site for other objectives they have, as well.

Fritz: Just to clarify, though, this far buy-in is available on commercial properties, even when housing is not allowed? So it's like a system development charge on commercial for housing?

Hales: Again, it's a bonus. So it's a discretionary thing, the developer may choose to take advantage of it.

Fritz: Interesting.

Hales: Plus, some development charges you have to pay.

Fritz: But if you want your extra bonus, that's the only way to get it?

Saltzman: That's my preferred outcome. This proposal has a way to go before it becomes final.

Fish: So Javier or Joe, in light of the analysis that Joe has furnished to us, do we have to scrub this a little more to get to, you know, closer to 5.6% or above or do we have a concern now that this is actually going to create the incentive that we hope it does?

Zehnder: We definitely need to look at it again closely. However, I think the big variable, and I think Jill mentioned it as well and I would like to turn it over to David to talk about this a little bit is that the land values today assume sort of an automatic 3:1. And so this system would in our pro formas, they had a different land value and if you assume a land value that's more reflective of having to pay for that 3:1, the pro forma comes closer into balance and that's what ours is based on. That change in land value is an impact on property owners for sure. Every time you know, we change an entitlement anywhere in the city, that theoretically happens and one of the ways you can see it every time we change an entitlement, no matter what it is, there will be a rush of permits before it goes into effect. So in the central city, this is the biggest sort of change in entitlements if you think about it in terms of square feet that we've done in a while but that change in property value is likely to be an outcome but one way to look at it is the property values today are supplemented or inflated by the fact that you can just assume you get a free 3:1 and the principal of the bonus is there's additional development entitlements in return for a public benefit. And a little bit what happened to our system is that the value of the bonus and the value of the public benefit are out of calibration, because they're older, our objectives have changed, they've sort of been added piecemeal over time so you want to get them closer to each

July 9, 2015

other so that you're getting the most out of your bonus. You're using this bonus for the public benefit most efficiently. So no matter what we do, this change in property value impacts what would theoretically occur. David, do you have anything to add?

David Schwartz: I really don't have anything else to add to that. Yeah, it would probably involve just a bunch of sort of wheel spinning figuratively to go through the exercise of evaluating which sort of assumptions in the modeling exercise that we went through you would probably change. As Jill mentioned, land values are probably the single most critical factor or key factor in this analysis under the assumption that the density bonus that exists today is basically capitalized and added into land owners, property owners, their expectations of highest and best use of properties, and if that assumption changes, it's not likely to occur overnight but it is likely to occur for the most part over time, and that's not something that would affect the way we would recalibrate this model, for example.

Hales: You may have done this at the work session and I may not have all the documents in front of me or maybe not and that is you mentioned here in passing at the beginning of the presentation that the current bonuses have been widely used overall. Do we have a box score of how those have been used? And then the other box score that I'm interested in is given what Jill just said about property owners have assumed the presence of the bonus in the value of land and selling land to people for developing multi-family projects, what's the percentage of multi-family projects that are utilizing the bonus?

Zehnder: That's a good question. I have the box score.

Hales: Okay.

Zehnder: Since 2005, there's been over 50 bonuses used and of those 50, almost 50% have been the residential bonus. So I don't have it by square foot, mayor, but in terms of how many bonuses have been used. So there's 23 of the residential bonus. There's 13 of the eco roof bonus. And there's four of the bike locker bonus and then the rest are below that line and just for context over that same period of time, transfers have been used 18 times.

Hales: And there's at least I think six or eight of the bonuses that have not been used at all, right?

Zehnder: Correct.

Hales: Never been used. So I guess I'll let that sink in and be a lesson to us. We have long debates about theoretical ideas and some of them come to pass and some of them don't. But that we should certainly take that into account. But again given what Jill said, I would assume that, at least in the current real estate environment that most residential projects in the central city are using the bonus, right? Do you think so? Even though there have only been 23 so far given the run up in land prices, maybe -- has that accelerated is one way for me to ask that question.

Zehnder: The other notes I have here is that the residential bonus has been used 33% of the time. So and well part of using the bonus, too, is whether or not you need it. And just all those factors that Jill was talking about, your risk acceptance, your level of investment. Where we do another -- I'm not sure how useful this is but where we're finding the bonus most frequently used is in this 4:1 to 6:1 range and what's interesting about the 6:1 is that that is one of the places where if you used all three especially you bump into a new construction type. So which when we started this model, we thought that's not likely to happen. You would go up to the limits of that. But partially what's going on we believe is that it's worth it for developers to bump it up that much because really rents can also go higher. There's a premium. So the same way you know, we're affecting the price of land affects the cost of development, if there's a rent premium, too, you can -- it works on the other side of the equation. So we think that's why the 6:1 has been such an attractive and even the 4:1 and 5:1 have been attractive levels to use bonuses in.

July 9, 2015

Hales: Thank you.

Fish: Is it fair to say as we debate the question of what bonuses should remain that in addition to determining what our priorities are because as you note, the current laundry lists reflects old priorities so what are our current priorities, they must be calibrated to market, and then they must pencil out? Because if they don't pencil out, we're just going to create a strong incentive for people to jump to some other incentive, other bonus that doesn't provide the same level of public benefit and we're undercutting what we're trying to do here with the affordable housing bonus. Is that a fair comment?

Fritz: I have a couple more questions. Following up on looking at the resolution, it says support historic preservation through the faa transport -- [reading] this is saying that affordable housing will be the only bonus available?

Zehnder: Does it say that explicitly? It says based on our study, our recommendation for affordable housing is a bonus and our recommendation for historic preservation and open space is a transfer. And I believe our study didn't reach a conclusion about which or how many of those other bonuses you get rid of but what it did conclude is two things. One is we want to make affordable housing the priority, just given the state that we're in in terms of housing prices and availability. And the second is we want to calibrate whatever else the city council thinks is valuable enough to put in a central city bonus so that it's in the same ballpark and comparable, competitive with the affordable housing bonus.

Fritz: The way what it's written, it doesn't actually say that, in my opinion, so maybe during testimony you could take another look at it to make it clearer that this is one of many? Because it looks like this is doing away with potential far increases for privately owned -- public and private open space. That's one question I have. And then the second question is for the city attorney and that's following up on my previous question about the process. The resolution says that we're directing the planning and sustainability commission to -- [reading] so my question is in terms of state law regarding the planning commission supposedly needing to propose to us changes to the zoning code, when we did the west Hayden island resolution we said planning commission tell us a proposal for how to do this but we didn't say we are going to do this. Could you give me some guidance as to what happens next if we approve this resolution the way it's worded?

Walters: I understood from Mr. Zehnder's prior comments that it would be staff's intention to take it forward to the planning commission and ask for the planning commission's recommendations that would then be forwarded to the council with the proposed changes.

Fritz: So commissioner, maybe again you could have or mayor have staff look at change the final "be it resolved" because saying we're going to recommend changes, do you have enough time to come to us?

Zehnder: If we stay on schedule, commissioner. Yes, that's our intent. Yeah, did we do the last slide?

Zehnder: This the schedule for the central city 2035 plan. So we're supposed to be back at city council in the time frame more or less of what commissioner Saltzman has requested. The only way -- and the language could be clearer possibly in the resolution, but the only way to implement a zoning code provision is through a legislative process. And our legislative processes have to go through the planning and sustainability commission, the hearing, the first evidence, and then a recommendation to city council. So that's the only way to implement a zoning code change, other than a code waiver.

Fritz: It seems unlikely with the schedule, hearings aren't coming to council until July, this resolution says we have to start doing it July 1st. Something for you to look at as we hear testimony.

Hales: Council can come back.

July 9, 2015

Fritz: I'm looking at a planning commissioner and knowing how challenging the whole process is going to be, that just seems unlikely that we're going to be able to do that given that we haven't had any commission discussion on this.

Hales: Okay. Other questions? Thank you all very much. And then let's call your panel, commissioner.

Saltzman: I would like to invite up -- [reading names] thank you all for being here and Jonathan, we'll start with you.

Jonathan Oster: Thank you. Mr. Mayor, commissioners, thanks for the opportunity to testify in support of this resolution today. I think we have to be aggressive in terms of how we approach the issue of affordability, and I think this policy to commissioner Saltzman's credit this policy reflects that aggressive posture. As you all know, it's prohibited in the state, one of two states in the country that don't allow it. It is one of the better tools at bringing a return on affordability in new developments. We fell just short at the finish line. I'm confident that we'll be able to pick it back up in six short months and move it forward but until then and the dialogue we've generated and started, I think it requires us to really move forward aggressively, focused on the issue of affordability without distractions of other types of amenities that frankly both the market is driving already, that we can require outright if we so choose, and also that are just not as critical to working families as the issue of both affordability and mobility on the housing market, and I think it's time, what might have made sense 20 years ago when we were looking to stimulate residential development is not the same today. Residential development is happening, the market is driving it, and it's time we adjust our priorities accordingly. This is the opportunity to do that and take that first step in the central city and hopefully expand that to the neighborhoods soon thereafter. I support an on-site production goal of 80% mfi. Commissioner Fish, we would welcome the ability to reach our low-income families but this is an incentive policy and so I think as you heard, it has to pencil out for developers, particularly in the context of a current profit entitlement context. And I think what you heard today is I wish we were able to deliver that message in Salem this session because it's not developers' profits that are the issue, it's the underlying land values, and we've already given a windfall frankly to property owners by not enforcing a stricter incentive-based code over the last 30 years. It's been factored into land prices. When we add a light rail line in, when prices go up and property owners are the ones that get the windfall. Those land values need to come back and be adjusted and this is one way we start to chip away at that and hopefully build more support for more aggressive approaches down the road and hopefully, we can restore local control over the full gamut of housing tools in the near future. I support the policy. I wish we could be a little bit more aggressive with the time frame. I think you heard that we see this in a lot of different contexts that there's a rush of permits before something is going to hit and I'm concerned about bumping those six months and the schedule is not as favorable as we thought so I want to see us move forward as aggressively as possible. I think we know what we need to do, and it's time to do it. Thank you.

Fish: Can I ask you two questions?

Oster: Yes.

Fish: If the incentives were the same, would you rather see housing at zero to 80 on site or payment in lieu to a fund of zero to 60? If the incentive system was neutral. We're not the state legislature. You don't need to give us your address.

Oster: I'm coming off a pretty brutal campaign.

Fish: You don't need to mention the mayor's name.

Oster: I don't mean to punt but I don't want to choose because I think it's a false choice. I think that developers, we will see developers use a mix, and I think you heard that some

July 9, 2015

developers will have a preference for one versus the other so I hope we don't have to set up a posture where we have to choose one or the other because I do want the city to have the financial flexibility to target residential development at lower mhi. On-site production at below 80% in the city doesn't seem realistic. Otherwise, developers won't bite. It won't make sense for them. So as much as I would love to see us recalibrate the profit entitlement context and I don't know that this is that time.

Fritz: What if you restructured it so that it cost a certain amount, you look at the pro forma for the building at 60%, and then you made the in lieu fee much higher that also went to zero to 60? You get fewer units at 60% but i'm not clear as to why we're -- why you and your organization are supporting subsidies for 80%.

Oster: That's the trade-off is the production. So you will get fewer units at 60% and when we're talking about on site in the central city, I support the balanced approach that would hopefully also stimulate some real money, tangible money, new money that doesn't cost the public anything, that we can then use to hit the 60% and below target in offsite production. I think it's a reasonable balanced approach. I would not oppose the target if the planning department thinks that it can produce units. I'm worried that it won't produce units.

Fritz: We could structure it so it wouldn't produce units but you could get more in lieu.

Hales: Not if they didn't avail themselves of the loans.

Oster: If they didn't take advantage of it and I am worried about the in lieu in the sense that it is more attenuated. It's contingent upon being able to acquire property. I'm worried that the fee in lieu won't return a full unit, a 1:1 replacement for that new unit. I know we can price it high enough to both incentivize on site production and also make sure that developers who take advantage of the fee in lieu are providing some real money.

Fish: I'm glad you made that point because I remember during the struggle over preservation, the big debate over preservation, there were some who said it would be cheaper just to demolish a building rather than preserve it and build somewhere else and we always lead out of that equation build where? And with what? So, you know, we had these rarefied discussions about the cost per unit of preserving as if there was this lot across the street that we acquired that was a perfect competitor. There's one other thing in your written testimony, I try to read my e-mails very quickly, and I think I understand this issue. But you caution us to avoid placating the status quo. They have apparently by-passed my office in raising their concerns. Who are you talking about? Because I don't actually have anybody who's objected to this, they've raised questions about how to fine-tune it but who out there is the enablers of status quo that doesn't like this proposal?

Oster: Then you can use the line for a different purpose. [laughter]

Fish: This is preemptive in case.

Oster: And just in the context of I think what has been a fairly brutal not just recent legislative cycle around this kind of very issue from a manager perspective, I think people resist change and it can come from both sides. There's resistance coming from even more progressive sides that don't want to give up potential environment amenities or benefits, and I think it's time for us to get real with the affordability crisis that we're facing.

Fritz: Have the environmentalists and the bike advocates and the other users of the other bonuses been at the table?

Oster: I haven't heard it but I think that's largely in part to a very strong, fierce antidisplacement pdx coalition that we're just one small part of, that I do think is framing the issue appropriately, and I think bringing potential fence sitters or people who might have some stickiness around this along and getting them on board. So I think it's just been the result of very strong organizing work.

Fritz: I would like to hear what the outreach has been.

July 9, 2015

Fish: The assignment to the planning bureau on this issue was not to go come back with a proposal to eliminate the other bonuses. It was to come up with a proposal that would create incentives for the affordable housing as part of that proposal, they have suggested we scale back the others so that this is prioritized. That actually wasn't the assignment, it wasn't even part of the debate until the presentation came to council, this council hadn't even started discussion about the relative merits of other bonuses so there might have been a lot of good organizing going on but it hadn't even been framed for discussion until we got the proposal. I want to acknowledge that. It might be a good idea to shrink it to two or three. But that hasn't been before us. And so I don't know where all the other advocates for those positions would weigh in and frankly, I don't think we've solicited their view on that subject yet.

Oster: You should be getting testimony today if not invited but welcome testimony that shows a broad range of stakeholders who I think are all on the same page on this.

Hales: John.

John Miller: Good afternoon, I'm John Miller, executive director of Oregon opportunity network. I also sit on the fair housing and advocacy committee of the city and I'm a member of the welcome home coalition. I want to thank you for the opportunity to come and speak in support of this ordinance today. Our partners are advocating for multiple tools and policies to help meet the affordable housing needs in our city and across the state. In light of the city's recent state of housing report and HUD's new fair housing requirements that came out yesterday, there's no doubt that this is a significant issue in the city and that the federal government is going to be watching carefully going forward on what efforts we're making in order to reform affordable housing and make sure there's an adequate supply of affordable housing in all of Portland's high-opportunity areas. Certainly, the central city is one of those key high-opportunity areas and this is a great first step in the city asserting itself to meet that requirement. We know there's no single tool or solution that will address the entire shortfall of homes and the ranges of needs in our community. We need to pursue multiple tools and strategies at all levels of government and across all sectors. To take one example, Oregon on along with 95 other organizations, are working within the welcome home coalition to create a long-term, very large sustainable revenue source to help fund affordable housing. This ordinance is a great complement to that effort. Affordable equitable housing must be a top priority for the city and our region. We can't hope to address any of our shared goals around education, jobs, healthcare, and prosperity, unless folks have a roof over their heads. With thousands of low-income families facing affordable rents and lack of affordability and particularly in the housing report, knowing that virtually no Portland neighborhoods are affordable for low-income families of color, we need bold action. This proposal while it's not a complete solution is a critical step forward. Redesigning and updating the central city bonus system to prioritize affordable housing is absolutely the right thing to do and we applaud commissioner Saltzman for bringing this proposal forward. Today's market, beneficial amenities like bike racks and eco roofs have become common practice. Bike racks, a market imperative. Everyone's putting those in anyway. Speaking for myself I'm an avid biker and I'm on the board of the community cycling center. I get the importance of access to bike amenities but I believe there are other tools out there plus the market is already meeting that need. The proposed program is voluntary, and it's flexible. We support its allowance for either inclusion of affordable units on site or in lieu of contributions to develop housing elsewhere. Although with that said, considering HUD's new rule to provide units within high-opportunity areas I would err on the side of getting the units actually in the buildings within the central city. The city council can't solve this problem on its own. We need to engage the private market. We see all the developments happening on division

July 9, 2015

and Williams. The private market is not involved in this effort. This is an opportunity to allow them to participate without taking a hit, if you will. It can pencil out. I know we had an example that maybe put that into question but I think that's one example and there's lots of different ways that we can tweak this and also pairing it with other programs that the city has. Certainly this would be a great way to engage the private sector. As a former developer of single-family homes, I know how challenging it can be to pencil out projects. And we have to carefully bounce our policies to avoid unintended consequences but in today's market with thousands of new market rate units slated for development, frankly, there's a lot of money for folks to make right now in this market, and it's not such a reach to have them include some of these using this bonus, some affordable units. We urge your rapid adoption of this proposal. Thank you, as always for your leadership and for supporting this progressive solution to solve this critical need. Thank you.

Hales: Thank you. Welcome.

Sarah Stevenson: I'm Sarah Stevenson, executive director of innovative housing. We own and operate 925 affordable rental units in the region with another 62 coming online in old town this month. I support this proposal because it helps us capture the value of density and use that value to address our growing need for affordable housing. I think we all recognize that need, and I think we know that the greatest need citywide is for housing affordable to households zero to 60% ami but we've got a significant gap in the central city for housing that's affordable for our working class. We recognize this need at ihi and we've been working to increase these units since 2012 when we developed 34 workforce units with our own money. It's slow and difficult work, however, because currently there are little or no resources available to subsidize or incentivize housing at this income level and 80% rents will not support the cost of development so if you live it to the market, it is not going to happen. Without some sort of incentive structure. That's why I'm so pleased to see that this proposal leaves an option for developers to build the units on site. As you've heard many times, we think that's a really important option and income mixing, we think that households at 80% will mix seamlessly into market rate developments, making it a more attractive option for developers. Unfortunately, people at 80% can't afford rental housing currently available in the central city. So this proposal provides developers with an attractive option to increase their far to get where they need to go while simultaneously meeting the city's need for affordable workforce housing. It's a win-win, in my opinion. And while I believe that including 80% units in market rate projects is feasible and it can be done, it will likely be attractive to many developers, it's great that there's also a proposed payment in lieu option. It gives developers an option to pay into a fund that allows us to increase resources for zero to 60% housing citywide. We desperately need more affordable housing and targeting the value created by far bonuses is a perfect way to generate these resources. There's a clear nexus between the value generated by denser development in desirable parts of our city and our affordable gap, making this proposal a very reasonable way to increase the focus and efficacy of the bonus program. I urge you to support the proposal and I thank you for your time.

Hales: Thank you all very much. Thank you. Let's turn to the sign-up sheet, please.

Moore-Love: We have seven people signed up and the first three please come on up. [reading names]

Hales: Good afternoon, welcome. Go ahead, Michael.

Michael Buonocore: Mayor hales, commissioners. You all received a letter from me recently in support of this proposal. I'm sure even absent that letter, you would expect that home forward likes and supports this and we commissioner Saltzman's leadership in bringing it forward. I'll be brief. I think, as you know, home forward provides a portfolio of affordable housing and we also provide rent assistance to thousands of families in our

July 9, 2015

community to help them pay their rent and the ability of the rent assistance that we have available today is not enough to help people afford to live in a lot of areas of the central city. And so it really is the creation of hard units, of physical apartments, in neighborhoods that are otherwise out of reach for folks economically that is going to be a critical part of a long-term solution for this community. And this is a step in that direction. It's not everything. But it's a good thing that will help and we're pleased to support it.

Hales: Thank you. Good afternoon.

Margaret Tallmadge: Good afternoon, mayor Hales and commissioners. Thank you for the opportunity to testify today on behalf of the coalition. The coalition of communities of color --

Hales: What's your name for the record, please?

Tallmadge: Margaret Tallmadge. The coalition of communities of color urges council to support the resolution, prioritizing affordable housing development in the cities far and bonus transfer provision. The mission of the coalition is to address the socioeconomic disparities -- and to organize for collective action, resulting in social change to obtain self-determination while promoting justice. We're an alliance of 20 culturally specific community based organizations with representation from six communities of color, African, African-American, Asian and Pacific Islander, Latino, and Native American and Slavic. Our families and communities face disproportionate housing cost burdens, often spending more than 30 or even 50% of their income on housing. The recent state of housing report in Portland reiterates this. While communities of color represent 30% of Multnomah County, and 50% of children, only average white households have median incomes high enough to withstand rising housing costs in most parts of the city. As housing prices rise and rents rise, Portland residents and in particular communities of color and low-income communities are seeing their incomes and housing options severely constrained. Households are steadily pushed to the fringes of cities, communities are increasingly segregated and widespread disparities are exacerbated. We believe today's private market also provides many public benefits, such as water features or bike racks. Instead benefits incentivized through this far bonus and transfer provision must prioritize one of our city's most pressing issues, affordable housing. Without stable affordable housing, our families may not see these benefits of public parks, open spaces or bike racks. The far bonus and transfer provisions are just one tool of many required to meet the housing needs of our communities. No one tool will be the solution to the city's affordable housing crisis. However, incentive zoning practices that support affordable housing development or in lieu funds by the private market allow developers to be part of the solution. Our city needs to capture the value of density and elevate affordable housing as a primary community benefit in this mechanism. I thank you for your time and your continued leadership and support of more equitable housing. Thank you.

Fritz: Could you explain some more? The median family income of communities of color is far less than that. So it's not going to -- other than the fee in lieu which will support the zero to 60, setting the bar at 80% for production of central city housing isn't going to necessarily help communities of color.

Tallmadge: We also see as many have reiterated, that we have a need for housing regardless and we need more units. And to prioritize and capture some of those within the 60 to 80% leaves a lot more room for public investment into the zero to 60. We see that by incentivizing the private market to develop and include affordable housing. We can use additional funds for zero to 60.

Fritz: Even if it's white people who are living if that workforce housing? So-called workforce housing?

July 9, 2015

Tallmadge: We will have -- as you saw, 17% of households as well as communities of color in the study. Representing the 60 to 80%.

Fish: Let's be clear under the fair housing act, the only thing we can do is market and target. We cannot screen. One of the great ironies of the Westchester fair housing litigation is that racial composition of the people living in the houses, the affordable units that were the by-product of the lawsuit saying you're putting up racial roadblocks, I'll give you a hint, it is not heavily tilted towards the people of color necessarily. So fair housing is a tricky thing here and you can target, you can partner, you can steer -- but same thing applies frankly, in something I support, which is retirement homes for the LGBTQ community. It's a wonderful idea, it's a model that works. The only problem is you can't screen out straight couples but you can market and develop something like akin to what hacienda has done very differently with villa de suenos. But you can't say you can't live here. So it is a delicate balance.

Fritz: If you could further help me understand the 16% to 17% at that range, it doesn't make the inequity any worse but if we look at the zero to 60, there's a far higher proportion of people of color versus white folks. So I will support it if you're telling me I should at least that element and I'll fix some of the other pieces but if you're not troubled by the racial inequities, then I will take your advice but I'm still not understanding why.

Tallmadge: Of course, we're troubled by the racial inequities in the city. However, if we're looking at what will incentivize developers to build, what builds more units and that we can funnel funds into the zero to 60% as opposed to using a benefit -- using a benefit to target bike racks.

Fritz: My only question is between setting the bar at 60% for developing affordable units versus setting them at 80.

Tallmadge: If it was feasible, it would be great to have zero to 60% but it looks like you may be going back for further analysis on that.

Fritz: The study that we looked at in the work session says we can set it up any way we want, you just get more far bonus for a fewer number of 60%. So you would get fewer overall units but it's absolutely possible to set it up so that the incentive would be for zero to 60 rather than 60 to 80.

Tallmadge: So again, I'm going to have to go back that it's still fewer households that we're going to be able to house. It's fewer affordable housing units that will be built.

Fritz: Thank you, I appreciate that.

Hales: Welcome.

Heidi Guenin: Good afternoon, mayor Hales and commissioners. I work with upstream public health as our transportation and land use policy manager. Upstream, we work to create the physical, social and economic developments where Oregonians can thrive. And infrastructure and amenities like bike racks and green rooms and public art are all really important to help support pieces of the environment and we continue to encourage the city to support tools to mandate or encourage those. But at upstream we're not just concerned about promoting health outcomes but also reducing health disparities and we have to recognize that some of our friends and neighbors have been experiencing these large health disparities for a long time. Policy helps create some of them and we can certainly use policy to help reduce some of them. It's crystal clear that the cost and availability of housing in our city has created some significant hardships for our communities. Everyone deserves access to stable and affordable healthy housing that has convenient access to jobs and educational opportunities, and the other health-supporting goods and services we need every day and housing, especially the condition, the affordability and the location of that housing is one of the most important social determinants of health. Poor housing impacts can range from really specific and treatable illnesses like asthma to life-long poor

July 9, 2015

educational attainment and life-long poor health outcomes and this is especially true for impacts that begin in early childhood. To achieve the educated healthy and equitable Portland that we say that we want in the Portland plan, we really have to start with the basics and it doesn't get more basic than a roof over your head. And if that's a living roof, by bike racks and public space, that's a fully supportive environment. But we really have to begin with the highest priority and that's getting that roof over your head to begin with. We're excited to get to support to proposal and we hope you will do so, too.

Hales: Thank you all.

Moore-Love: The next three are... [reading names]

Hales: Good afternoon.

Diane Linn: Good afternoon. We'll jump right in. My name is Diane Linn, I'm director at proud ground. We provide permanent affordable home ownership opportunities to working families. I'll do you the service of truncating my comments, much has already been said but let me re-emphasize a couple of points. We're here to support the resolution commissioner Saltzman has brought forward and clearly, his leadership reflects his understanding of the need to bring more tools to the table and really start emphasizing as you've already heard the priority of making Portland, keeping Portland or improving the inclusivity and the diversity of this extraordinary city. In light of the state legislature's stunning failure this session to pass the bill that would have removed the ban on inclusionary zoning statewide, as you've already heard from John, this is a step in the direction of what we can do now. You should know and thanks to your support with that bill and along with your colleagues around the state because this is a statewide issue, we will be back to take on that issue again in Salem until we win the day on that. Oregon is better than this. In the meantime we can't support enough the step in the direction of really testing these incentives and seeing how they're calibrated and how they work so we can, you know continue to improve on and hopefully bring a mandatory component to it. This is a fix to the program so we can capture the value of the densities that you've heard and use it for the greatest of public good again as you've heard already very important housing issues. We've come a long way. We've got a very, very long way to go to provide Portlanders with an affordable unit of housing and we've already heard that the greatest need is for families with children, communities of color, those with disabilities, people with limited incomes. This policy would incent the private market to help create that workforce housing that you've already heard so much about that we serve at proud ground. We have half of the families in the proud ground homes region-wide are families of color or have people in them that are people of color and that has to do with a very effective targeted outreach effort. We can do that and if the -- as the bureau representative said, we need to do that. There are 400 families on our wait list right now. 60% of them are people of color between 60% and 80% of the median family income. This is part of the continuum of housing support that we desperately need to allow people to move into more stable housing to free up those critical units and target the public dollar to the zero to 60% of median income that your addressing, which we're all deeply committed. That's the kind of crisis on the front lines of moving people out of homelessness. We need to broaden our options and allow families to move along. There is a tremendous gap and people of color who are working deserve a chance to live in downtown and the money that could be used in lieu could help support more housing across the board at below 60%. So final point, this is also why we are deeply committed to the welcome home campaign along with those other agencies you've heard about, a dedicated source of revenue to fund affordable housing locally and we're here and we're going to rely on your support urgently for that. Growing the pie and expanding our tools is what we desperately need to do. Every

July 9, 2015

opportunity we get, we thank commissioner Saltzman for his leadership and ask that you support this resolution.

Cat Goughnour: Good afternoon, mayor and commissioners. I'm Cat Goughnour I'm principal at consulting group and policy advocate for Portland's African-American communities. I'm also a member of the diverse -- pardon me. I believe we've provided a letter for you today. We've been working with Bps staff and the members in a collaborative, inclusive and equitable process. To use this iteration of the comprehensive plan to assess, prioritize and respond to the needs of our most vulnerable community members. And our coalition is in support of commissioner Saltzman's bold resolution for incentive zoning. As we approach this next generation of development through an equity lens, we must ask ourselves development for whom and equity for whom? Given the housing crisis impacting Portland's protected class of populations, specifically African-Americans and Native Americans and our local jurisdictional and state duty for fair housing, there's an urgent need to prioritize and direct this public benefit to affordable housing. In the past weeks, we've experienced highs and lows. The lows being the persistence of the bans on inclusionary zoning and rent control which limit the tools that strengthen the protections and provide affordable housing. The highs reflected on the regulation on affirming affordable housing. We must remember that while prioritizing affordable housing is important, prioritizing the siting of affordable housing in areas of high opportunity is essential. The mandate sets a path for government to intentionally integrate low-income and protected class communities into areas of affluence and opportunity rather than continuing to suburbanize and concentrate poverty. One of the goals of the fair housing act is to reduce segregation. The 2011 analysis of impediments there's census blocks where people of color are concentrated but no communities are exclusively segregated. In Multnomah county, the higher income areas of areas of low diversity. In planning for the changing demographics of the region, we must remember that we also have an obligation and opportunity to uplift those that have been left behind as the economy moves from recession to recovery. In thinking about public-private partnerships and affordable housing, it's important to remember that hud's duty to AFFH reads: Although the grantee's obligation arises in -- if the obligation is not restricted to the design and operation of hud-funded programs at the state or local levels, the obligation extends to all housing and housing-related activities in the jurisdictional area whether publicly or privately funded. Thank you for considering this important first step in responding to our region's housing crisis.

Hales: Thank you.

Fish: One comment if I could and I would throw in the Supreme Court for from reversing 40 years of disparate law. I want to be very clear about something. Not a single person is raising an argument that we shouldn't invest in opportunity areas. So we're going to hear a lot of the testimony is making that point and I believe passionately we should invest in opportunity areas. We get a lot of mail and communications from people that can't quite figure out why we're investing in high-opportunity areas when we can stretch the dollar in an area of low opportunity and we explain to them that healthy families, families do better in places of high opportunity so that's why we invest in southwest Portland, that's why we invest in south waterfront and other places. So I think the statement you just made about the interplay between fair housing and opportunity, if you have it in writing I'm going to put it on my website because it's one of the best statements of principle I've heard. But I don't want to sound like I'm beating a dead horse but I fear we're losing the battle in terms of housing the people that home forward houses. And I know why nonprofit developers are anxious about serving that community, because it's highly expensive, it requires a big subsidy, we are criticized when we take public dollars and put them into grants rather than

July 9, 2015

loans. I know those arguments. But I'm going to remind us every year when we come back and look at the data, I'm going to remind us how are we doing in addressing the people that home forward houses? Because the crisis in our community is not just below 80%. It's zero to 30%. And if we don't have adequate housing for people that have very little, then I think we're moving away from a commitment we made 20 years ago. And again, I understand why even the nonprofit community is resistant. Because it's high-cost, and it has other challenges. But we're going to come back every year and look at our progress on zero to 30 because I for one am not going to see the ground on that community of need simply because we face challenges. And I think under the fair housing act, I think it's a particularly urgent part of our agenda.

Linn: That is exactly why the welcome home and the new revenues that we could generate from that, that's exactly the argument we're going to need to make about that because generating revenue is very difficult.

Fish: What I said is one third as eloquent as her, what she said about fair housing and opportunity should be in the charter of the city of Portland.

Goughnour: Thank you.

Hales: Welcome.

Bob Sallinger: I'm the conservation director for the Audubon society of Portland. We have a long history of supporting affordable housing. I think the very first time I testified before you, before this commission, was in favor of the tif set asides and we're supportive of commissioner Saltzman's prioritizing of bonuses and transfers for affordable housing here. We do want to flag a couple of issues and I sent you a letter earlier as well regarding some of the other bonuses and transfers and it's not clear to us right now where prioritizing means eliminating them or creating incentives to push that forward faster. But we do want to flag a couple so green roofs. I've heard a couple of times today that the market will take care of this, or alternatively we could make it mandatory. We heard the exact same thing a couple of years ago when bes eliminated its incentive program, as well. The fact is the market's not taking care of it. The city is far behind its goals, nowhere close to meeting its eco roof goal, missed it by close to 50% and we know that we're falling behind other cities that do have good incentive programs and mandatory programs, including Seattle, san Francisco, san Diego, Washington, d.c., Austin, France just made eco roof mandatory on every building in a commercial zone. We're falling behind. We've lost the edge here. What I say to you is that the market's not taking care of it and we would certainly support a mandatory eco roof program, but we would like to see that done in conjunction with this. If we're going to eliminate the bonuses, let's move to mandatory and go that direction. But we are concerned about simply leaving it to the market or leaving it to a future process where we might consider that and losing the one incentive we have left.

Fish: Can I ask you a question, it won't count against your time. So I raised this question with Joe earlier in light of the timeline. So what if we were today to ask planning and sustainability as part of the review process over the next year prior to coming back to us if with respect to green roofs, they considered alternatives and came back to us with some options when we have to make a final decision about what incentives are in or out.

Sallinger: That would make us very happy and we think that is the right direction to go. We think it should move into the mandatory arena so we would love to see the city start to explore whether that's a route they want to go.

Fritz: Don't they already do that in the west quadrant plan?

Sallinger: We would consider it at some point in the future and that's sort of where we've been at for several years in a variety of planning processes. It's something we ought to look at, we'll get to it someday but if we're going to get rid of the bonuses I think now is the time to pull the trigger on that.

July 9, 2015

Fish: I had intended to offer an amendment to in essence ask bes to come back with options as part of this process. I don't want the green roofs pushed to the side, and then forgotten.

Sallinger: We really appreciate that. The other two issues I'm going to raise briefly are of lower concern, these things are complex and we need to be thinking them if not through this mechanism. One is the Willamette river greenway transfer, having worked on the river planning processes, one of the things we talked about there was we need to better distribute the costs of restoring the greenway and creating access on the greenway and one of the things that came up a lot was the bonus system. So it wasn't just put upon the properties adjacent to the river. That's something we need to continue to consider as we go forward. It is important that we distribute the costs better and it does fall just on the adjacent property owners and that is an equity issue as well because one of the arguments they'll make is we're putting blue-collar jobs on the line when we put all the load on them. Number two is the open space bonuses, there's a suggestion we should just use transfers rather than bonuses because the open space you can get through bonuses is too small to be significant. We would challenge that. The reality is in the central city, we need to be innovative in terms of finding open space and that may be a very small pocket park, an eco-roof, we need to think carefully about we want to just move to a transfer system exclusively or whether the bonuses still make sense there so thank you.

Hales: Thank you. Okay. Others?

Moore-Love: The last person is... [reading name]

Hales: And anyone else that wants to speak, come on up, please.

Raihana Ansary: Good afternoon, mayor, commissioners, Raihana Ansary here on behalf of the Portland business alliance, here to testify on the central city resolution before you today. My comments largely reflect a letter that we sent to city council yesterday. First, we, too, are concerned about housing affordability. Our recent report on middle income jobs shows that housing affordability is a growing concern with a minimum median household income of \$70,000 required per year to purchase a home in most of the city of Portland today. As our data shows, we believe affordability is a growing issue, not just for low-income households but also middle-income households. We there urge that any proposed affordable housing bonus program apply to households up to 100% of mfi. We don't feel it necessary to eliminate many of the current bonus and transfer options to achieve the city's affordable housing goals. The current bonus and transfer system supports the city's goals for density, encourages amenities that support other city goals and allows for greater architectural creativity. Instead of removing bonus options, such as those for bike storage facilities that are working, the city should explore mechanisms to incent and make more attractive a new affordable housing bonus. For example, the 3:1 cap on bonus far that can be used on a single site could be raised for affordable housing. If this additional entitlement were allowed, it would make this affordable housing bonus attractive to developers and drive its use even among the other bonus options. Should this proposal move forward, we strongly recommend that it be revisited on a yearly basis, at least for the first few years to evaluate how it's performing and make adjustments if needed. Thank you for the opportunity to comment. We look forward to working with you to advance our common goals around housing affordability.

Hales: Thank you.

Susan Pearce: Hi, I'm Susan. I'm speaking at this moment as an individual. I didn't come with prepared comments so I'll try not to stumble around too much. I just have been very pleased with everything I've heard today. I want not to add -- I'm going to add to the confusion just a little but to any competition between income levels. Even if you're 100%, I'm very conscious of the struggles that people, families, people of color, but it hits home to

July 9, 2015

me because one of my struggles at the moment is working with my neighbors on the issue of low-income housing, the very, very low-income housing that may be moving, adding to the already sizable collection of people sleeping on the streets in the industrial district, adding the right to dream 2 to that. I have great admiration for what right to dream 2 is doing but I am bucking up against some resistance from some of the neighbors and I've spent a lot of time trying to say these people need a place to sleep. Where else is there? And what I've heard today just confirms what I've been trying to say in terms of the need for housing even for that very, very low-income group. So just thought I would share that.

Hales: Thank you. Good afternoon.

Lightning: Yes, my name is lightning, I represent lightning watchdog X. Again, commissioner Saltzman, everything is precision. I do agree with you on this resolution. I think it's very well thought out. There's a couple of problems I do have is that I don't think a lot of developers are going to take advantage of a lot of these bonuses and I agree with a lot of the developers. They've got to make their numbers work. These land values are very high. As we know, the largest land bank in the city is the city of Portland. You control most of the land. And the thing about it is that what I see here is that I like that affordable housing fund. I want to have more understanding on kind of what your plans are when money goes into the fund. I like the fact that you're focusing on the zero to 30%. In my opinion, the developers are doing an outstanding job through the marketplace and they need more incentives. Keep them building, keep them building the units they think they need to build. Reality is that the more supply out there will begin to drop the prices in rent. People may debate with me on that but it's clear that we have a shortage of housing. That's what the developers do. They need to build more housing. Don't put -- don't impede the developers, keep them building. But we need to focus again what you have done commissioner Saltzman on that zero to 30% by your housing fund. That is the most important area to focus on. Those are the people on the sidewalks, those are the people in the doorways, those are the people that need the housing the most in the city. Those are the people that need additional service to take care of them and you're focusing on that so I do commend you on that. The only other issue again on this plan we've heard from developers it's going to be very difficult to take advantage of this bonus system. I agree with them on that. Can the city do anything for them on land? On making sure that they can build some of these projects? That is for the city to review. Another issue I have here is just when we're talking about being able to take advantage of some of the bonuses and having to be restricted to 60 years, to me that's just an outdated number for what we're going through out in the city. That has to be reduced. That number needs to be reduced. At least by 50% in my opinion. And we need to not mess around with the fdc's and keep the developers building and keep them doing what they're doing and don't impede their progress: That provides more housing, your housing fund gets the zero to 30% into housing, so I respect you on this resolution. Thank you.

Hales: Thank you. Thanks very much. Okay. Anyone else? All right.

Fish: I have two friendly amendments to offer. And I've reviewed them with staff and I'm going to try to state them succinctly. The first is that when a set of recommendations comes back to us in July of 2016, a request that as part of that, the proposal set forth the then-proposed guidelines for the housing investment fund that would guide how the funds that are paid in lieu of are to be spent going forward. And that's my first amendment.

Hales: I'm sorry but can you give us some language for that? Because the function of this resolution is directing the planning and sustainability bureau to do certain work so maybe if you could --

Fish: It directs three bureaus, mayor.

July 9, 2015

Fritz: It would be another "therefore be it resolved" what when it comes back, it would have what he asked for.

Fish: Proposed guidelines for how the payment in lieu will be spent or guidelines governing expenditures of the payment in lieu that are placed in the housing investment fund.

Fritz: Second.

Hales: Okay. And it's directing the housing bureau to do this?

Fritz: It's another "therefore be it resolved."

Shannon Callahan: Do I push a button? Okay. Would you mind if it just said for the payment in lieu and not specify what fund it goes into? We don't know -- not that it wouldn't go into the housing investment fund but I do -- [overlapping speakers]

Fish: I want to be as broad as possible and we've been in council so long this week I think we're all beginning to get mushy-headed. It can be another --

Hales: It would be --

Fish: Or it can be an --

Hales: It may be best --

Fish: A separate, that the housing bureau will present proposed guidelines for how the payment in lieu shall be allocated, invested, whatever. John, am I close enough?

Fritz: I second it again.

Hales: Okay. Got it.

Fish: And my second amendment is -- and I had previously talked to Joe about this and I ran it by Shannon, I would like the eco roof issue to remain on the table for the commission to consider as an incentive bonus but primarily in order that they can come back and present us with alternatives.

Fritz: I have a friendly wording language on that.

Fish: I'm struggling with wording today. I take any lifeline.

Fritz: This would be an I and this would be the merits of other current bonuses that should or should not be continued or be made mandatory as part of the comprehensive plan.

Hales: The functional word would be "review."

Fritz: Guiding principles.

Hales: Right. Further explore what you want them to do?

Walters: Are you asking for a comparison or an analysis?

Fritz: Analyze is a good one.

Hales: Analyze the function.

Fritz: Analyze the merits of other current bonuses that should or should not be continued or made mandatory as part of the comprehensive plan.

Fish: That makes it slightly broader but would include my concern that eco roof be -- that there be an assessment of its utility as an incentive bonus and alternatives to that approach.

Hales: Analyze the merits of other current bonuses that should be continued or made mandatory.

Fish: And I think by way of legislative history, the PowerPoint and the discussion makes clear that priorities calibrated to market and penciling are the filter for this. If there's something left and I would ask that eco roofs in particular be focused on, that you give us a menu of options if we are to remove it as part of the incentive bonus.

Hales: Okay. So now, any further recommended amendments?

Fritz: I have several. And commissioner Saltzman, this has been a really good presentation. I haven't been able to bring my amendments beforehand, I didn't think I was going to be able to support it but I hope we can get to clarifications here. In the now therefore be it resolved, the first part, we need to clarify that instead of the bureaus, I'm on

July 9, 2015

the third line, it says other city bureaus to propose changes, ask the planning and sustainability commission to consider changes. So it does have to go through the planning and sustainability commission.

Saltzman: That sounds good.

Hales: I have a suggestion, which is how about adding the word "develop" before propose because that's what the bureaus do. The bureaus develop proposed changes, and then they go to the planning commission, and then they come to us. Or "prepare." in other words, we get to direct our bureau.

Fritz: I want to make it clear that there's a public process.

Hales: I understand that.

Fritz: A lot of concern last night getting e-mail at 10:30 in the evening, didn't realize that this was going forward. I suspect given that we had one non-housing advocate here that there might be folks who will be concerned about other things. I want to be clear.

Hales: I'm trying to wordsmith. What do you think Joe?

Zehnder: There's two options but one is even at the end, maybe this helps. It's in the implementation -- where is that? Be it further resolved that the very last "be it further resolved" and if you go down, we're going to craft changes to the zoning code, reflecting these principles --

Fritz: That's the problem, Joe. We want them to consider them but it's a principle that under state law, things are supposed to go from the planning commission rather than us directing them -- [overlapping speakers]

Hales: He's going to add some language.

Zehnder: And you're requesting us to undertake a legislative process and bring the recommendations of that process to the city council no later than, you name the date. So that's how we usually do it. You tell us to consider this, and bring it forward and put it through a legislative process which means planning and sustainability commission and city council and I'm only offering that because I think it covers it, a lot of what you're concerned about in one statement, however, you want to do it, that is how this will take place.

Fish: The point is we're not putting any sideboards on the commission, deliberations or actions, they can accept it, reject it, in the ordinary course.

Fritz: My proposed language was the first two lines, ask the planning and sustainability commission to consider changes in the city zoning code, including but not limited to the following guiding principles. Which makes it really clear.

Zehnder: That is fine thank you. Sorry.

Fritz: Thank you commissioner. And then --

Hales: That's the first one.

Fritz: And under g., the things we're supposed to consider, that to me read only that, so I would like to respond to the testimony by adding comma, far bonuses or other support mechanisms. Because I do think we need to have a more thorough discussion of how do we promote historic preservation?

Hales: Now, it says far transfers.

Fritz: Yes, after that comma, far bonuses, and/or other support mechanisms.

Fish: That's a fourth amendment, I'll second that. Joe, you've heard us attempt to articulate all four amendments and we'll scrub the language. Do you have any objections to them?

Zehnder: No actually that would be the standard course and it makes it more clear that that's the expectation. So that's good.

Fritz: And did you have a question?

Fish: Shannon, so far, you're doing the heavy lifting here, are we okay on these four? [indiscernible]

July 9, 2015

Hales: I think I captured that. G. So we'll walk through these again before we act.

Fritz: The final concern is the discussion at the beginning as far as setting the July 1 deadline for implementation. I think it might be better to just word it to bring proposed changes to city council as part of a comprehensive plan update.

Zehnder: And actually it would be the adoption of the central city 2035 plan.

Fritz: Whatever that is.

Zehnder: That makes us able to implement this more quickly because it's a post-acknowledgment plan that could still be under roof.

Fritz: Could you tell us the language we need to there? Bring proposed changes to council as part of...

Zehnder: The adoption of the central city 2035 plan and you could say expected at city council by July 2016 if that's important.

Saltzman: Maybe I'm just imagining that but our deadline for adopting the comp plan keeps adjusting every six months to be a year around the horizon. I would like to keep the pressure on to do these changes by a year from now.

Fritz: That was part of the reason I'm raising this is to ask you might it go in a separate parallel track? Does it have to come as part of the comprehensive plan?

Zehnder: The fastest track is part of the central city plan and so if you want to include that that is expected here by July 1st, 2016, it will be getting here then and that's our intent, commissioner. And actually we moved at the direction of the mayor, moved that timeline up. We're committed to getting this done as soon as the comp plan goes through.

Hales: I would offer that reassurance. I'm interested in doing this soon, as well. But you can believe me that I will keep the pressure on the bureau to maintain the schedule.

Zehnder: And I can assure you that's so. [laughter]

Fish: I'll second that.

Saltzman: I don't want to have to replay this tape.

Hales: Any further amendments? Let me make sure we walk through those. I have now therefore be it resolved, that it will state that the bureau of planning and sustainability will work with those bureaus and prepare proposals for the planning and sustainability commission to consider and then go on with the language that's there now, right?

Fritz: Except using included but not limited to.

Hales: Okay. Then I have a change to g., which adds after the words provisions, or far bonuses, comma far bonuses and/or other mechanisms in the zoning code, right? Then I have an addition of a sub-l. That says analyze the merits of other current bonuses that should be continued or made mandatory. And I have a change to the final be it further resolved that adds after the word "to" in the second line, undertake a legislative process to implement any changes. And then striking the "no later phrase" adding the phrase "in the adoption of the central city 2035 plan."

Fish: I have to compliment you. Did I miss the -- the guidelines for the payment piece?

Fritz: That's another one.

Hales: That's a be it further resolved that will now appear at the end of the document that the Portland housing bureau will prepare proposed guidelines for now payment in lieu will be allocated.

Fish: I think that's broad enough.

Saltzman: On your last amendment, there was something about the comp plan.

Fritz: Which is expected by the July, 2016 date.

Hales: We'll give them the whole month.

Walters: Mayor, going back to the first amendment in the first now therefore be it resolved, where is the modifying language of including but not limited to --

Fritz: Just insert the word "using" after central city and the third line.

July 9, 2015

Fritz: Including but not limited to the following guiding principles.

Walters: So is the intent of that then that the a. Through now I. Guidelines be suggestive as opposed to being the expectation that that will be the filter by which the recommendation will be processed?

Fritz: A guiding principle is definitely a directives but there may be other things that communities who are interested in the other issues might wish to bring to the planning commission's attention and I personally would prefer for the commission to be able to consider those.

Walters: That's great. Thank you.

Fish: Mayor I move amendments one through five as package a.

Fritz: Second.

Hales: Okay. Any further discussion about those amendments?

Fish: And we'll take a vote on the resolution.

Hales: Correct. Roll call on the package of amendments as just iterated and hopefully captured in text.

Saltzman: Aye. **Fritz:** Aye.

Fish: I always get a kick out of it when I get an e-mail saying we don't do our business in public. I think we're pretty transparent and this is democracy in action. Aye.

Hales: Sometimes, they might wish that we did not. Aye. Roll call on the regulation itself.

Saltzman: I appreciate this discussion today and the support of the city council. I think we all recognize that access to good jobs, transportation options, strong schools are the building blocks for family success. Without affordable housing in our most amenity-rich areas, we're in jeopardy of becoming a city that does not represent the values that Portlanders share. Portland is missing a major tool. The best practice for many cities already in place to develop affordable housing. And that is the program. I would like to acknowledge and thank Barbara Shaw and Javier Mena of the bureau. [reading names] deserve sincere thanks for their work to date and the future work they will do and I want to thank mayor hales for his initial cosponsor ship of this proposal and to -- [reading names] for their support. Thank you for all of those who showed up to testify today and I also want to thank David Schwartz, our consultant, for doing some fine analytic work and I tend to be impatient on these things but I feel comforted in knowing that all of us will be watching very closely the clock on getting these proposals up and running and truly providing more affordable housing in our community. And Shannon Callahan for her help, as well. Thank you. Aye.

Fritz: I reiterate their thanks and commissioner Saltzman and Mayor Hales's portfolio. Also Claire Adams in my office. Appreciate the testimony today. It's been very helpful to me. I especially appreciated the Portland business alliance referring to the income levels that we're talking about as middle income, and I think it's very important to remember that when we talk about workforce housing, people who make minimum wage are also part of the workforce. They are also part of the working class and to suggest that they are somehow less of the workforce than those who make 80% of the median income is a disservice so I personally am training myself to not refer to workforce housing, to refer to it as middle income housing. This plan will hopefully get 35 to 60 additional units at 60 to 80%, which is better than not having additional units, especially if it's per year. I as I said was prepared to vote no because I am very concerned that the communities of color most need to have the housing at zero to 60% based on the demographics that the housing bureaus have put together. I am persuaded by the testimony that we heard from the communities of color that I need to take their advice as I strive to make policies that become equitable and racially fair. So I personally would have said that we should made it zero to 60 because I think that would have made it much more likely that we get more

July 9, 2015

money into the affordable housing funds, but I am taking the advice of my consequence. Again thank you Commissioner Saltzman. Aye.

Fish: Dan thanks for your leadership on this, I think this is an innovated idea. It advances our opportunity agenda I like what Jonathan said about onsite units creating certainty. I don't think I've given enough thought to. It adds another tool to our toolkit and it doesn't divert one dollar of tax payer resources to this program. As you know to the offset, so you're adding new value. And frankly as I've struggled with this a little bit because who we're serving I think we should be more flexible when we're talking about a new tool that doesn't constrict our existing tools, but expands them. I hope this is successful, I will however on a regular basis come back to I think and fundamental part of the problem that faces our community that is increasingly getting short shrift which is people who have nothing. If we subscribe to the view that we want maximum bang for our buck, we will go against our opportunity agenda. If we subscribe to the view that we shouldn't stretch and use more grant money -- back off zero to 30. If we subscribe to the view that it is harder to house the poorest of the poor, the problem will get worse not better. I understand all of the head winds that we face. But I think we have to insist that that document and group of need, which is the biggest documented group of need, never fall off of our radar in terms of a priority population. I think this really is a legacy proposal, Dan, and it would not happen without your customary bull dog approach and I want to compliment you for that. Aye.

Hales: Affordable housing in Portland is really serious. Serious effort to use a complicated tool, incentive program to make a difference in that big complex issue. And Joe may know this story, I think Josh may know it. Even though this is a serious issue, whenever I think about a big complex public policy issue, I have an irreverent thought based on a line in the movie. The movie, "the dream is alive." IMAX film that used to be shown at the air and space museum. Dramatic moment, team of astronauts, shuttle doors open, one out in space and another operating the arm attempting to capture a satellite, solar max, the size of a school bus and rotating once a second on the axis. It had to be stopped, opened up, and circuit board replaced in order to make it function. So, there was a very bully Texan named Ox. They all had nicknames. Out in space ready to use the tools. A fast talking New Yorker named Pinky inside operating the shuttle arm. I guess he got the nickname from his delicate touch. In contact with the ground control guy in Houston. They are trying to align the camera so that Houston can watch them capture the satellite so that Ox would talk and -- and Pinky finally gets this. They finally get this thing lined up and, you know, Pinky says, is that right? Houston says you got it. That's right. Man, that's a beautiful satellite. Ox hasn't said much up to this point. Interjects, doesn't work. This is a big complicated mechanism that doesn't really work. Only getting a 33% utilization. It is being used for housing that would probably be built in the market anyway. Used for bike racks that are being overbuilt to our standards and being used for eco-roofs that have become pretty much standard issue on anything better than a lead silver building. It is time not only to make sure that we tune this think so that it does actually work, and that might mean making it more generous than now and reviewing it more often than we have to make sure that it is working. If it is an incentive, then we have regrounded in that in this discussion today. If it is an incentive, as opposed to a mandate, more comfortable or more practice thinking about mandates in these things, incentive that has to work in the marketplace. It has -- people have to say I want to do this. It makes it worth my while. We had that in Oregon for solar panels for a while and here in Portland especially and now the incentives aren't quite so good and not as many people are installing solar panels. These things have to work. I'm going to be very interested to monitor this more carefully after we retune it this way to make sure that it actually works. So, commissioner Saltzman, thanks for your energy and leadership on this. I appreciate it. I think this was overdue. And to focus on

July 9, 2015

affordable housing and to maybe make this complicated machine a little simpler and maybe a little more effective is good public policy. Thank you all for good work and we look forward to making it real no later than July of next year. Aye. [gavel pounded]

Hales: Thank you all. Let's take a momentary break then we will return to the final item in the afternoon.

Item 755.

Hales: With no particular fanfare, let me turn it over to the chair of the noise review board and noise control officer for their presentation. Good afternoon.

Paul Van Ordern, Office of Neighborhood Involvement: Good afternoon, mayor and commissioners. Paul van Ordern city's noise control officer and office of neighborhood involvement. Jump into the project, three primary components. Pile driver code changes we are going to discuss. Suggested changes from the noise review board to our location for appeals for the noise variances and a change to the definition of ex zoning that I will be discussing. The chair of the noise review board will start off on back ground for why this project at this particular point in time. I will follow up with more background and outreach on the project, and after that an explanation of the three primary components that we are bringing forward. David sweet, the chair, will take over from here.

David Sweet: Thank you, Paul. Mayor, commissioners, David sweet, chair of the noise review board. I don't have to tell you that construction activity is booming in Portland right now. With pent up demand from the recession, and things are going great. And it's particularly impacting people in a couple of areas of the city and in particular the pearl district, which is already heavily populated. And now with all of the building going on there, people are being subjected to quite a bit of noise. Noise is regulated under title 18, the noise code. Pretty much the same way it has been since 1976. Most construction activities are limited to no more than a certain decibel level, but certain activities, such as pile driving, scraping, concrete saws -- are exempt from the standards because they couldn't meet them. They couldn't meet any reasonable standard. They're too loud. Rather than set an unreasonable standard, council in '76, set hour limits on construction activity. Noise from construction is allowed from 7:00 a.m. To 6:00 p.m., Monday through Saturday. Outside of those hours, it must meet the same restrictions as any other noise source, entertainment, stereo, a factory whistle, anything else. Now, the -- in May of 2014, at our noise review board meeting, more than a dozen residents of the pearl district came and spoke with us about the impact that pile driving was having on their lives. And pile driving is a particularly loud and disturbing sound, and it -- we are aware that it is a health hazard. So, we're grateful that these people came forward to tell us about their experience. In response to that, noise review board set aside the work plan and focus on the pile driving issue to see what would be appropriate for any changes to the noise code to bring before you. We have studied it since the fall of 2014. And we've learned a lot about it. We've learned that there is apparently no practical way to reduce the sound of pile driving at the source. It is a hammer hitting a pile. You can't -- you can't muffle it. You -- people have tried building a barrier around it, but since the pile is constantly moving down, that barrier would have to be hoisted into place by a separate crane and moved down as the pile is driven into the ground. And we were persuaded through testimony that this was -- decreased safety on the work side and we were uncomfortable recommending it. We saw no other way to actually reduce the sound of pile driving. We heard testimony that there are other ways of placing piles, other than driving them. And one in particular continuous flight auguring is a way to auger rather than drive, and as the auger is withdrawn, concrete is poured into the hole to place a pile. It's much quieter. And we heard testimony from geotechnical engineers that while this is appropriate for some buildings in some locations, it is not appropriate for every building in every location and it needs to be up to the

July 9, 2015

engineer, the project engineer to make that call as to what technique needs to be used. There are other methods, such as vibrating piles or hydraulically pressing the piles into the ground. Also not necessarily appropriate, particularly in the pearl district where piles sometimes need to go as deep as 120 feet. So, with no practical way to mitigate it and we did not feel comfortable limiting the technique for placing piles, we were left with the only method that we could see available and that is to limit the hours when pile driving takes place. And we heard from residents that if we gave them some additional time in the morning and perhaps weekends off from this particularly disturbing activity, that that would help. And, therefore, that's what we are proposing is that for pile driving, unlike other forms of construction activity, that it not start before 8:00 a.m., rather than 7:00 a.m. And that it be allowed Monday through Friday, not on Saturday or Sunday, to give people relief, an extra hour in the morning and relief on weekends. We are also proposing that nearby residents be given notice when pile driving is going to take place. Research has shown that when people understand what noise is coming and why it is going to happen, it is less disturbing to them than when it's suddenly there. So, we feel that this notice while it will place an extra burden on developers is -- is important enough that there is a public purpose in doing it. In examining noise issues in the pearl, we noted that most of the pearl district is zoned central employment or ex. And the noise code classifies the ex-zone as an industrial zone. Industrial zones are permitted more noise than commercial zones, which are permitted more noise than residential zones. And looking around the city we saw most of the uses going in in central employment zones are mixed-use residential commercial, and we felt that it might be appropriate to change the way that the noise code considers that zone to call it a commercial zone, rather than an industrial zone, and this would reduce the amount of noise permitted in those zones outside of the permitted construction hours. And some construction activity certainly can occur outside of the permitted hours, but it needs to be quieter. This change would reduce that further and offer greater protection in the pearl and on Williams avenue and other places that have that zoning. Thanks to commissioner Fritz for pointing out to us that there is also ex zoning in the central east side district, and after we formulated our recommendations, we did manage to consult and meet with the central east side industrial council, and were persuaded that their area should be excluded from this change, and staff will be proposing an amendment to our original proposal for the ex-zone.

Fritz: That's not in here today, is it?

Sweet: We have --

Van Ordern: It's not part of the ordinance from the board but a staff recommendation to consider a change that I will describe.

Fritz: Thank you.

Sweet: One other thing while we've got your attention is that we've noted recently that there have been a couple of appeals of noise variances. This has been unusual. The noise ordinance has been around as I say for almost 40 years, and 40 years ago, there was no code hearings office, and council routinely heard all sorts of appeals, including appeals of nuisance abatement charges. But over that time, appeals like that, administrative appeals, have been transferred largely from the council to the code hearings office. They -- we haven't changed the noise code in that way. I think primarily because it hasn't come up. But since it has most recently, we're also recommending that appeals of noise variances go to the code hearings officers. Those are the three changes that we have come up with in the code.

Hales: Thank you.

Van Ordern: I will just jump in. A little additional comment on notification. During this project, we not only did our normal notification, which is about 400 plus mailings to

July 9, 2015

interested parties about noise, to neighborhood associations, business associations, and anyone who asks us to be on the noise review board mailing list. Each board meeting, a notice mailed about the meeting's agenda to those interested parties and neighborhood associations. We reached out to the pearl district neighborhood association chair, patty Gardner and described the project and learned that it was not that the pearl district neighborhood association saw as a major issue for them for the work that they were working on. We wanted to make sure that they were at least appraised and now it was a project that we had running and several board members followed our work and we may hear testimony from individuals on the board today. We were successful in reaching out to the development industry, which we didn't necessarily have at the table initially. I asked Kathy couch in our office to do outreach to a myriad of entities within the development industry, not just the developers themselves, but the building trades. We had a geotechnical engineer from outside of the city participate and we had a geotechnical engineer with the bureau of development services, Jason butler brown is here today participated in our dialogue. And then the last part of the puzzle is the noise office regularly at neighborhood associations throughout the city. Any meeting I was out, like a broken record, described the project we were working on. What was of most interest, understandably the pile driving issue. A tight focus on just a handful of neighborhoods at this point. As we all understand it is often hard to garner neighborhood involvement for an issue sometimes seen as outside of that particular neighborhood's impact, experience, or list of issues they're focused on. We didn't see a lot of ability to garner neighborhoods where this might be an issue in the future to come to the table, but we did try. The three elements that are on the table today before us, as the chair of the noise review board described, the first one element of changing the hours and the date -- days of pile driving. Straightforward concept. And that's one I think should be fairly amenable to both the development industry and to the neighbors to be supportive of. Interestingly, when we did research of other cities, we did not find much of a record of something to lean on to base our changes on. The two cities that were of note, Seattle and Boston. Seattle does place limitations on their work from 8:00 a.m. To 5:00 p.m. Monday through Friday's, and on weekends, you can work doing pile driving from 9:00 a.m. To 5:00. A little bit of support in Seattle for the concept of both in their case, a later start time and an earlier end time. But not necessarily support for our concept of the Saturday and Sunday limitations of no pile driving. And then Boston was an example of 7:00 a.m. To 6:00 p.m., only Monday through Friday. That was interesting to see. Otherwise there were a few examples sounded like they would be wonderful and offer some direction to head in. One was New York City, where their construction cases, their noise office gets involved in creating mitigation plans. As we interface with the city of New York, we learned their mitigation plan primarily focuses on a component of requiring a noise barrier around the entire construction site. At first that might sound like a wonderful idea in Portland. But in new York, where they go much deeper into the ground and a different set of parameters to be able to solidify their buildings and make sure that they're safe from a stability standpoint, structural standpoint, it doesn't help us in Portland, because in new York they're down so far in the hole that the work they're doing is shielded by the barrier at the top ground level. In Portland, most of our work is high enough up off the ground that a barrier at the ground level is up over the line of sight that the sound is going to go directly to neighbors. You might have positive impact as the pile gets down deeper on a first floor issue. Maybe the first floor, primarily in the case of the pearl -- commercial uses. That didn't really offer us help. On their code, it sounds like they are doing wonderful work, it wasn't applicable to the work that we're doing here in Portland. We didn't find other cities offered us guidance on where to go in regards to hours or changes. Notification requirement -- anyone doing pile driving to effectively mail

July 9, 2015

all residents within 500 feet of the site would be a notable improvement. As the council heard during some recent appeals -- I don't have that. It was included in the actual language of the code changes themselves.

Fish: Through with this slide?

Van Ordern: Yes. So, the -- I'll just read the language in case it is not from front of you. Owner of a site on which pile driving will occur should cause a notice to be mailed to all residents within 500 feet of the site. Mailing will occur no fewer than 30 days prior to the commencement of pile driving. Should list the expected starting and ending dates for pile driving and telephone number for further information. We think that would be a positive improvement. As we learned during the appeals process, many neighbors were concerned that they were not notified of the pile driving. As we reported our notices to building management did not necessarily make it into the hands of the neighbors. We feel in this case a direct mailing to the residents themselves would be a notable improvement for people who would not necessarily have the parameters of what the experience would be with pile driving. The second component which I have up on the slide was our exploration of could we positively change the definition of ex zoning in the noise code and make improvements in the pearl while not impacting the rest of the city? The concept being that in the moist code ex zoning is considered industrial for a determination of your sound levels under the noise code. Exploring the concept of reclassifying ex just in the noise code, not in title 33, to a commercial standard for the specific decibel levels -- and it was actually an interesting element that the board was supportive of this concept because the planning bureau in explaining the mixed use zone process will change the ex-zoning in the city to a cm zoning classification. They have a series they will be creating. And so realistically, from our discussion with the planning bureau, it looks over the next several years this concept is ex being really considered for the noise code a commercial standard is going to happen as we incorporate the cm zones into the noise code. It is going to happen anyway in a few years and I hope was to offer some changes in a shorter time frame for the pearl, which interestingly enough, this was a map you have seen when we -- two maps you have seen when we have talked about the appeals in the past. Map on the left is the pearl where it is almost ubiquitously ex zoning, and the map on the right, a patch work of zoning like we see throughout the city more commonly. The concept being in the case of the pearl, we all recognize that things have changed and we really don't have an industrial fabric in the pearl. In the case of most of the other neighborhoods, ex zoning is patch worked around a lot of other zonings and zoning classifications and you don't really have much of an industrial use situation. What was most interesting is after we were finished with the formal board dialogues, we did get some helpful comment from commissioner Fritz that we should have a dialogue with the central east side industrial council, which we did. And what came out of that dialogue was a recognition of an interesting approach to -- a modification that I would offer staff to our concept of applying ex zoning throughout the city as commercial. What we determined from that dialogue is that it would be logical over the next several years before planning changes the ex-zones to a cm classification, to apply the existing standard of ex zoning as industrial within the central city plan district, but only for the east side of the river. This seemed like a reasonable approach to give the central east side industrial council and other users on the east side -- another opportunity to comment on what the impacts would be with the change --

Hales: A way to make that change would be in the ordinance, I believe, section c in the lists of residential zones and commercial zones and industrial zones where now you're striking central employment under industrial, you would not strike the words central employment, but you would add the words in the central east side industrial district, right?

July 9, 2015

Van Ordern: Yes.

Hales: You would retain the classification of central employment as industrial only in the central east side industrial district.

Fritz: Not everything east of the river.

Van Ordern: No.

Hales: Everything west of 12.

Van Ordern: This seemed like an interesting approach just from even my past dealings with the lower Albina area. There are a number of different operations in that area that are potentially industrial in nature and don't have a strong residential focus right next door to them like we see in the pearl, for instance. So, it seemed like this was a good fit. It may not be the perfect fit. That would be my suggestion to council from staff since we didn't get that through the full process with the noise review board.

Hales: Sounds good to you.

Van Ordern: Yeah, yeah.

Hales: All right.

Van Ordern: Just as a clarification, question had come out of at least one council office what are we talking about in changing the zoning from a commercial -- or an industrial classification to a commercial classification for ex zoning? If you are looking at the matrix for figure one within the city's noise code, if you have a source of noise in an industrial zone, which is on the left hand of the chart and you go over to the right hand of the chart and go up to industrial, you will see that the permitted level daytime, 7:00 a.m. To 10:00 p.m., is 75 decibels. Whereas if you go back to the beginning of the chart and say that your source of noise is commercial and you say that that sound is emanating to another commercial zone because you would be changing the ex-zones next to -- next to one another in the pearl to commercial, ex -- you would have a 5 db reduction down to 70. Which is significant. 10 db reduction is seen as a halving of the sound. It is not that radical of a change but a notable change that would impact my ability in our discussions on appeals to be able to say more readily that grinding metal would have exceeded the commercial standard. Whereas industrial standard, it would have been harder to argue that the appeal case in the past, concept of grinding before 7:00 a.m. This would enable to have a stronger basis for arguments about different noise sources that right now we don't have a strong basis to say are in exceedance in the neighborhoods. Last item, the concept of the changes of venue of appeals from the city council to the auditor's office, via a hearings officer. That is something that we have just a preliminary dialogue with the hearings office. Interesting component of that is with the recent dialogue, with the city's ombudsman's office about changes to notification and changes to appeals that will be going into place September 1st, I would suggest if we do incorporate that element, I would suggest that we use a date of September 1st so that we're not operating under the old rules as well as the new rules that will be in place. I think that fits well with some of the things that citizens have testified to us in the past in terms of a concern for notification, a concern for more readily being able to have their issue heard by a body. We understand that the hearings officer would have an ability to hear our cases within 30 days, and as we saw with our appeals for the noise variances, a little bit of a stretch longer than that. This should hopefully be a way to expedite variances being heard and not having events have occurred by the time we get to a hearing. And those are the three primary components that we are bringing forward today.

Hales: Thank you very much. Questions?

Fritz: I do have some questions, but I'm mindful that citizens have been waiting to testify maybe we can hear them first.

Hales: We will bring you back first. Let's take testimony.

July 9, 2015

Moore-Love: We have 12 people signed up. First three please come on up. Rory Martindale, garth and Joel Burt.

Hales: Come on up, please. Good afternoon, thanks for waiting.

Joel Burt: Thank you. Appreciate the opportunity. Mayor, commissioners, my name is Joel Burt, with Dewitt construction. This is a testimony against the proposed rule change. Regarding the noise review board's recommendation for the restricting the hours and days of operation for pile driving, some relevant testimony should be heard by the council members to commissioners to -- before the final action is taken. Under the current code, pile driving can be performed daily from 7:00 a.m. To 6:00 p.m. Excluding Sunday's. Reducing the hours available for pile driving and eliminating Saturday work will result in extending the duration citizens are exposed to the very noise that the board is trying to mitigate. We previously testified that the average pile driving project in the downtown area specifically the pearl region only lasts about three to four weeks. The number of piles that can be installed during -- working six days versus five days can shorten a project for as much as seven to 10 days. If these rule changes are imposed, however, that is expected to increase accordingly. Restricting pile driving to eight hours also precludes a contractor from working a full 10 hour day. The benefits of -- four tens are well documented. Working four tens would greatly reduce the amount of noise the surrounding citizens are exposed to by giving them a three day respite from any driving noise. Saturday work is typically used as a make-up day for lost time due to inclement weather, breakdowns, and unanticipated project schedule delays. We are aware that we could get a variance for Saturday work, but overwhelmingly the immediate need for Saturday work is unanticipated and we wouldn't have time to go get noise variance and the time it took to get that, would just extend the time for the project. Therefore effects of reducing the hours of pile driving and eliminating Saturday work will have the opposite effect by increasing the days that citizens need to be exposed to the pile driving operations. These proposed restrictions do not just affect the pile-driving contractor, it impacts all of the other crafts that follow the deep foundation installation. Excavators must grade the area where the pile is driven. The carpenters, the surveyors, all of the other crafts. They can't do any of their work until we drive the pile. So, it has a major cost impact on a project. So, all of these ripple effects equate to large economic cost that has been added to the price of the structure, which ultimately is passed on to the end user. That could have an adverse impact to local-income or subsidized housing. Just one --

Hales: Go ahead.

Burt: No one wants to complete the project ahead schedule more than a pile driving contractor. It is always our intention to get in and out as quickly as possible. Time is money. And imposing these seemingly minor restrictions will, in fact, result in extended duration of the project, therefore, exposing the citizens to more excessive noise.

Hales: If I understood one of your points, the four tens. If the hours allowed for pile driving, 8:00 a.m. To 6:00 p.m. --

Burt: Under the current. Under the current rules, we can drive from 7:00 a.m. To 6:00 p.m.

Hales: Right. This would be 8:00 a.m. To 6:00 p.m. That's 10 hours.

Burt: That's true. We need a little time to get ready.

Hales: Getting ready doesn't make noise, right? I'm just trying to understand --

Burt: Typically not, no.

Hales: It is not construction operations are prohibited, it is the driving of the piles.

Burt: That's correct. Right. But that's what we do. We drive pile.

Hales: I understand, it seems to me that, you know, given any kind of reasonable interpretation, that this ought to allow four tens.

July 9, 2015

Burt: It would be very tight. It would be difficult. Now there is a cushion where we can do the four tens without a problem. We typically do that.

Fritz: Currently work 10 hours or work the 12 hour day?

Burt: Typically it is 10 hours in the summertime. In the wintertime, of course, it is a little less.

Hales: Thank you. Who would like to be next? Go ahead.

Rory Martindale: Mayor Hales, commissioners, thank you for allowing me to speak to you today. My name is Rory Martindale I'm the safety monitor for Dewitt construction. I think it is ironic that we are speaking after the council heard affordable housing issues that affect this city. I believe these recommendations that the noise board has recommended to you will add additional costs to the projects and with constraints to the development of future high density housing. I respectfully disagree with the noise board's review recommendations that the city limit the hours and days of pile driving within the city limits. This disagreement is not because I want to discredit any of the great citizens and the right to be heard. This disagreement is -- all right. My point is that these recommendations from the noise review board will limit the developers, property owners, and contractors to efficiently work for a sensible, affordable, safe, effective product of the city's infrastructure. Dewitt construction has been an active in pile driving in the city of Portland for the past 36 years. We are premier power driving company, set many of the foundations of the buildings that make up this city. This includes pile driving. We always try to be good stewards and with the use of the proven foundational techniques that include that method. We understand that the part of the growing community is building high density multiuse neighborhoods. We drove pile at the same time frame as the pearl block 17 project. Neighboring communities are to the south, south waterfront and to the north at Swan Island. Swan island project directly adjacent to the Willamette River and northwest waterfront apartments and condominiums. This project was about a mile from the pearl's block 17 area, and installed about 350, 130-foot-tall pile. Of those projects, we had one project with no known complaints. The south waterfront. And during the same time period, this is only having the same make up as multiuse high density area as the pearl. Swan island project produced two none-formal complaints not registered with the noise office. The point to transform the title 18 noise code with these recommendations based upon a singular event at pile driving at block 17 does not seek to add merit to the code. The board's recommendation pressures and restricts the developers, property owners, and contractors to complete projects by increasing the cost and time lines to extend the time it adds to more cycles in which equipment has to operate. We are adding added costs to those projects that will be passed down. It does not make sense to add more days that will subject the citizens and our employees to the extended exposures. The points are there are no other studies within the city to give merit to the weighty consequences that these recommendations carry to our work. This simply is tying the hands of the project developers, owners, and contractors. It actually extends the time period in which the activity will produce more unwanted activity and extended periods. This does not give the citizens the relief they seek. Late afternoon hours and extra days or weeks. Recommendations affect employees' families with stretched out work hours, more time spent in traffic, not being able to participate with their families, it produces more late afternoon activity as people arrive home in those neighborhood is after their work day ends. We want to avoid unnecessary time frames. It is in our best interest. Not only for this community, but for the safety of our employees. We want to be efficient and complete our work timely. This produces less risk to our personnel, less cycles of equipment, and helps reduce the exposures that the recommendations would expand.

Hales: I want to get you to wrap up. You have used up your time.

July 9, 2015

Martindale: I urge you to keep the current code status and let us complete the projects in a safe timely matter. Think about the consequences of these recommendations. We will work to minimize our exposures. We have great value in our employees. They are citizens, too.

Fish: Do you mind if I ask a question? I apologize, I have to leave shortly. You said that the -- that these regulations would increase the cost. What is the -- have you run the numbers and what is the increase cost that you're referring to and as a percentage of the project?

Burt: We had testimony earlier during the review about the great cost that would be involved from the geotechs to the developers. It is about \$1,100 per hour for the drill rig. That one extra hour we're not installing pile is significant. You extend that over a four, five week period, and, like I said earlier, that equates to about one on the low end, 1.4 on the high end, 2.5 piles that we could install a day just from that one hour.

Fish: You have a rough -- as to what the cost would be. I guess the second question I want to ask. You alluded to affordable housing, and forgive me if this is an uninformed question. Do you do any pile-driving generally with projects that have a four over one, concrete base and a four floors of wood structure, does that building require pile driving in any part of the city?

Burt: Yes.

Fish: Can you give me an example?

Garth Ullakko: I believe in the pearl, some of the previous projects in the pearl, and --

Fish: That's because of the soil conditions?

Ullakko: Yes.

Fish: Even for a five-story building.

Ullakko: Yes.

Fish: It can be a one-story building.

Hales: Good to know.

Ullakko: I was just here for technical questions if you had any.

Hales: Answered one. Any others? Thank you all very much. Appreciate it.

Moore-Love: The next three.

Hales: Come up if you are here. I don't see lightning.

Hales: Come on up, Stan.

Fish: Stan is in a state of shock.

Hales: Being called to speak. At long last. Welcome. Go ahead.

Fish: In another hour, you would have gotten free parking.

Stank Penkin: I walked. I always walk.

Hales: Go ahead. Whoever would like to be first.

Mary Sipe: Give us your name and proceed. Mary, hello, again. We're back. I have very carefully prepared presentation, and I just threw it out. I'm going to just speak to some issues that I feel have just bubbled up right now and so pardon me if I am a little scattered. I want to clarify one thing. Pile driving is several different methods. And when we're talking about the restrictions that we requested regarding pile driving, we are specifically referring to what's called impact hammer pile driving, and I think we made this pretty clear when we were here before. And one of the things that is striking me right now is that there is all of this conversation about how the way to give the citizens the relief that we have requested is, you know, to not extend the duration of time by making these changes. Well, honestly, the way to give the citizens the relief that they have requested is to focus more on the cfa, continuous flight auger cast. When that equipment is used, noise is not an issue. It blends in with the rest of the construction noise. Another point that I wanted to make is that we keep hearing about how it's more expensive, it takes longer, issues around the

July 9, 2015

contaminated soil that the auger cast brings up. And it's -- do we want to focus on the cost and the time and all of these things and completely ignore the impact, the negative impact that the impact hammer has on livability and really health issues of the citizens that are living in the neighborhood? Also, it was just mentioned that this is all being brought about because of block 17 impact driving that was done. Actually when we came to you before, we came because there were five to six more projects slated to begin before the end of last year. And they were all going to have impact hammer pile driving. We took it upon ourselves to go directly to the developers of those projects and they agreed to use a different method. And that's the reason that so far block 17 is the only one that is used the impact hammer. Am I out of time?

Hales: Close. Wrap up.

Sipe: Okay. The other thing that I want to just hit real quickly is on the restriction on the hours of the day and the days of the week. The one thing that I would urge you to consider is variances. If we allow variances to that restriction, it makes it worthless. And already tiffany from white street properties has contacted the noise control office and asked if variances are going to be allowed. That tells you a little about the value. Thank you.

Fritz: Could you please send us your written testimony.

Sipe: I will. I brought copies.

Hales: Leave those with Karla. Thank you.

Patrice Hanson: Patrice Hanson, retired psychiatric technician and resident of the pearl. I was here a little over a year ago with Mary and other neighbors to present our concerns and research in regard to the impact hammer pile driving. Our research showed serious detrimental effects on health. Also showed the economic impact on those who work in a home office or local business. We also discovered that there are, indeed, quieter methods. So, as Mary said, we were facing the possibility of many months of traumatic pounding until the developers decided to switch to the auger drill. And that was greeted with much gratitude and appreciation. I was awarded a northwest examiner community award for efforts which resulted at least in part in this change that positively benefited live ability in the pearl. This represents the voices of many people, not just a few, many people. And the kind of consideration they want and deserve as development continues and our city grows. I've heard -- I heard today and I heard it -- the noise review board hearings that the impact hammer was basically a nuisance that only lasts three to four weeks. Well, on block 17, it lasted seven weeks. And it was much more than a nuisance, but a traumatic assault. The construction that has been going all around us for the past year might be considered a nuisance, but, you know, it is something that somebody can live with. I can live with it. And -- but the impact hammer is another story all together. Some have said it is a cheaper method, but then the expense truly ends up being carried by the neighbors who do not stand to benefit from the end result and it is hard to see this as just. But I very much appreciate that the work that so many people have been putting into this issue to try to find a resolution. I see limiting the hours and requiring adequate notification as very good, but knowing that alternatives exist and that there are places in the world where the impact hammer is not allowed, like japan, I see this as inadequate. It is a partial solution. It is reasonable to expect strong limitations around the use of the impact hammer, allowing it only perhaps in a rare case where it is proven geological considerations that require it. And I'm concerned that pacific foundations, the company that provided the auger drill were not invited to the noise review board hearings to testify where the proposals why made. Plenty of representation for those who primarily offer the impact hammer. It would have been good to see represents in the field of health. Federal noise guidelines, avoid impact pile driving where possible in noise sensitive areas. Drill piles, use of sonic or vibratory hammers are quieter alternatives where the geological conditions permit there use. I trust

July 9, 2015

that out of this hearing today that you will make wise decisions that really serve the highest and the best good for everybody involved. And thank you.

Hales: Thank you.

Stan Penkin: Good afternoon mayor and commissioners. Stan Penkin. A resident of the Pearl District and a board member and an officer of the Pearl District Neighborhood Association. I am testifying today on behalf of myself, as well as a board member of Friendly Streets, a nonprofit organization that advocates for a quality of life with livability issues across the entire city. As a now retired builder and developer, I understand the challenge of constructing buildings efficiently and cost effectively. I understand and strongly believe that livability is a crucial element to the health and viability of a city and its neighborhoods. Those who live in dense urban areas, unrealistic to think that city life will be an idyllic one without noise, graffiti, trash, other nuisances that are just part of city life. But many of those nuisances can and should be mitigated if there is a sincere and cooperative will and effort to do so. I have not had the misfortune of living directly next to -- relentless impact hammer pile driving, I am familiar with its discomfort and have empathy for those who are subjected to it day after day. Current proposal to limit the hour of impact hammer pile driving is a recognition that there is indeed a problem and it is a good start, I also feel that more can be done. Some of the recent construction activity most particularly in the Pearl District was mitigated by the use of the auger drilling method. Geotechnical reasons why the auger method may not always be feasible, I would like to see further review and investigation into developing a code that would place restrictions on the use of impact hammer pile driving methods where it is feasible to do so. I support the reduction of the hours. I support the proposal to go to the code hearing officer and adjustments to the rezoning. But hope to see future discussion about expanding mitigation efforts. Current concern has been largely relegated to the Pearl District, Portland is growing rapidly and it is expected to continue to do so for years to come. Neighborhoods will be subjected, many neighborhoods will be subjected to the problem and now is the time to think ahead and get in front of it. Thank you for your thoughtful consideration.

Hales: Thank you. Questions? Thank you all.

Moore-Love: Next three.

Hales: Good afternoon.

Tom Foster: Good afternoon. I am Tom Foster. I do live in the Pearl District and I am a realtor there and so I understand the costs that go into construction and any time you increase costs, it impacts the end product. However, I think the issue here is really clear. The issue here is the intent of the law. The intent of the law is to mitigate noise. But we have exceptions for the law. Exceptions are situations where impact pile driving, like jackhammers, somebody mentioned metal grinding -- that we have exceptions for that. So, the exceptions are valid. However, with the impact pile driver, we now have an auger-type, so the exception that has been granted for the impact pile driver is no longer a valid exception. I think that the council should consider banning the use of pile drivers unless the engineer for the project indicates that it's necessary. Thank you.

Hales: Thank you. Good afternoon.

Maryhellen Kincaid: Do I get his minute and 30 seconds to add on to mine?

Hales: No, you get your own time. You know that.

Kincaid: Countless hours of rewriting and threw it out and made notes based on it. In the end, I will skip to the chase because that is what you did in the last hearing. I need to say who I am. Mary Helen Kincaid. I don't live in the Pearl District but I have a great interest in noise because of past encounters. This is not just about the Pearl District. There will be noise on Fremont, Mississippi, Albina, Killingsworth and all of these people are going to be back here complaining about this. I want to tell you a couple of things of what I would want

July 9, 2015

to know if I were you, that I don't know whether you know, Dewitt construction, according to the deet foundation institute which they are a member, owns three patents for pile drivers. Of course they are not going to want to do away with pile drivers. Citizens that bring complains -- people that complain become irritating to us, but in this case I think they brought respectable arguments, research and solutions. I want that to be recognized. Patrice mentioned that she was northwest examiner community leader she was focused on newsletter for her efforts and I think that needs to be recognized. Pile driver contractor at a noise review board -- another thing, pile driver contract noise review board hearing, said pile driving happens for 3 hours 52 minutes in an eight hour day. It doesn't just happen 3 hours and 42 minutes and stops. It happens all day long. You don't know when it is going to happen. No predictability there. It is very disturbing. I have a question and I don't remember who asked it, about the cost. If a contractor has people working on Saturday's, I'm guessing they are getting paid. From my research they are getting paid time and a half. If they are not working on Saturday's, they are reducing the cost there. My question -- gentleman said they could work four 10 hour days, I say take that, that gives you Friday, Saturday Sunday. Right now they have five 10 hour days with the current proposal. I think each of you should try and find a -- I think the noise variance system -- you can't find them, you can't track them. Left up to the variance holder to inform citizens and they don't know how to contact them because they don't get the information and that process needs to be looked at and examined. I think there is precedence in place with bds -- I don't know Dan's address, but each of you should try and -- make up a city address. Find a variance in your neighborhood and try to track what happened with that. I don't think you will be able to and that will incentify you -- nobody knew how to appeal. Didn't know they could appeal. When I sat in the lobby one afternoon, I -- I asked people, do you know and they said no, we don't know. Some are afraid of raising rents. I don't think we should operate on the only method available outcome. You should operate on a desired future outcome. That is my new catch phrase from bureau planning. We want a desired future outcome. We should operate towards that not just what we can give up with. And then to cut to the chase quickly, I think the whole ex zone thing should be handled with mixed use zone development. Already looking at it. Already doing it. Too complicated to change zones in certain part of the city. Go back and recharge if it has to be change. Five decibels -- that is just my opinion. Lots of more places than the central east side. There is whole other areas of the city that would have that problem. And lastly, if you are going to ban impact pile -- pile -- impact hammer pile drivers, if you are going to ban those, ban other things in the same classification of noise. Scrapers, cement cutters, all things that are exempt now because you can't measure the noise because they would never come into compliance. They should be banned as well because they make noise and disturb people. I think the pearl district neighbors are getting off or letting it get by easy by not banning all of those things currently exempt during those times and pile drivers mentioned with all of those, all of those noisy things. Lastly, I always have a quote, Maya Angelou quoted as saying, it wasn't her, another woman Joan Walsh England, the bird does not sing because it has an answer, but because it has a song. And my song today is help these people live a sustainable life that they can enjoy their time, if only for two days a week when it is quiet so that they can have the picnics, they can have the time on their patios and that they're able to enjoy their lives. Thank you for letting me to go over two minutes and 12 seconds.

Fritz: I have a question. What do you think about the proposal to have the appeals heard by the hearing officer.

Kincaid: I think the hearings officer is a great place for an appeal, but I think the person does the appealing, should be the person that wants the variance to the existing codes. In

July 9, 2015

public works appeals panel, when a developer doesn't want to put in what's required, 50-foot sidewalk because it triggered code things, they have to go before an appeals panel and make their case. So, I think that because there is not a really good notification process in place, if people don't know that there is something that they can appeal, they aren't. And I think that is why they haven't seen appeals. Only because of the vigilance of David that this whole appeal thing came up. Because he took the time to figure it out. But I think if you want a change and don't want to go by the code, then you should be the responsible party to ask for that change.

Fritz: Thank you.

Hales: Thank you. Welcome.

Ryan Hyke: Good afternoon. Ryan hyke. I work for the Pacific Northwest regional council of carpenters. We represent over 20,000 carpenters and pile drivers in the Pacific Northwest, many of which live and work in this area. They would be negatively impacted if these revisions were made. We strongly encourage no revisions to the current noise regulations to pile driving that would heighten the current regulations. I want to note that Dewitt construction, they're a partner of ours, as is pacific foundation. Both of those contractors do install auger cast pile. So, I don't think it would be any problem of Dewitt's to install that type of pile. I think why they're speaking against it or one of the reasons is that that type of pile would not work in many of the soil conditions. It just wouldn't work. That's all I have. Thank you.

Hales: Thank you.

Kincaid: Can I say one thing about the soil conditions?

Hales: Quickly.

Kincaid Deq went out and examined the contaminated soils and that question was asked and neighbors were concerned about this as well as that. And I can get you testimony on what happened but they basically said in some places yes, but not all places and it was just a minimal area because there is a whole Hoyt street mitigation plan. There is already facts on what it would do.

Hales: Thank you. Thank you all.

Moore-Love: Last two who signed up.

Hales: Come on up. Good afternoon.

Kerrie stabndlee: Good afternoon, mayor, commissioners. I am 4900 southwest Griffith drive registered acoustical engineer. I've been on the board -- I was on the board 25 years and then was off for a few years and have been asked do come back on. Maybe another 25, I don't know. I just wanted to provide my support to what's being proposed. I was one of the people who on the board when we decided to submit this to you who would like to have seen a little more done. Maybe some investigation into some mitigation requirements, but I agree that at this point in time, we're probably not there to be able to develop that. But I also want to encourage you to not just make these changes and leave it for another four years before you look at it again. I would encourage you to adopt the changes that are being proposed as a good first step. And as a -- as you have heard from the Dewitt, they would like to see that that not affect them forever. Maybe you can consider doing some code changes later in which you say if you can meet these limits, these level limits, you are allowed to use the hammer if the distance is far enough. Something -- and I try to propose that as a possibility, but we didn't have time to develop that. So, I'm just saying -- I think for a first cut, this is a good step. It does give relief to people in the pearl district and other areas in which the hammer pile driver will be used. And I don't think you can, as has been testified to, I don't think you can limit the type of pile driving that will be used. That is something that the geo-engineer needs to be called on to decide. And with that, if you have any questions, I'm happy to answer those. If not --

July 9, 2015

Hales: Thank you for your willingness to serve.

Standlee: Thank you.

Susan Pearce: Hi. It has been so long. I'm Susan Pearce. I am speaking at the moment as a former member of the noise review board for a number of years preceded by a year or so on the noise review task force. In both cases appointed by commissioner Charlie Hales. And I -- at the very end I'm hoping to have some time to change a hat. My comments are random. I am ever so sympathetic with construction noise having spent a summer with all of my doors closed because of construction on both sides of my house. I did not hear this said much here, but I can -- I know that the problem is compounded when there is more than one project going on at the same time. I have also reams of material in my files, my computer files about the health effects of noise and sleep deprivation, partly related to train noise in my neighborhood. We have heard from people from both sides. Nobody seems to be really happy. I would support Kerrie Standlee's suggestion that we accept what she -- is offering at this time. I know them to be diligent in their research. But also that we need to continue looking at this issue as there are new developments and new technologies, similar to what we recommended some years ago with the issue with leaf blowers. Adjusted -- at regular intervals. I might note that the mayor has helped to get the noise office back up to a total of full-time equivalent hours of three for the first time in decades, and thank you for that. I know the difficulties of working as a one-man, and that 2016 is the 40th anniversary of the Portland noise office. It was a leader in the United States. We need to continue to support them as we go forward. Now, as I change hats, as I look around, I think I may be the closest thing as a representative from the central east side. If I can comment on that exemption. The map that we saw today is a little different than the map that we saw yesterday that shows even more block faces of ex zones right across the street from ig zones. And I -- and I know the question came up a little bit yesterday. I don't -- I think that it is very appropriate to exempt them from the rules. Also to point out that in answer to a question that came up from over here, that -- can I finish my sentence?

Hales: Please.

Pearce: Especially in the southern triangle, if not other places in the central east side industrial district, but especially in the southern triangle, the -- it's made up of layers and layers, up to 120 feet or more of saw dust, and the need to -- I don't know enough about pile drivers to tell you what kind it takes, but I do know that they need to drive way down that was necessary for the new mlk viaduct and that was why it had to be built. A number of -- rail heritage foundation that we had to support the building with all its components.

Hales: Right. Good. Thank you very much. Thank you both.

Hales: Okay. I think we want to get staff questions addressed here. Come on up. Come on up. I don't know we had anyone else to speak.

Hales: Just give us your name.

Cybil Joan Glebo: Thank you. My name is Cybil Joan Glebo I live in northwest Portland. I live in affordable housing, so that came up. I live in a building where there are a lot of older people and people on affordable housing are very often vulnerable and doesn't really have any place to go. I earn my living by providing support services for people with disabilities, and I can't really offer much technical expertise beyond what people have already talked about. I did present a letter, or submitted a letter to the noise board and I would like to quote from it briefly about public health. It is well recognized that the stress of prolonged exposure to loud noise is harmful to health. The more intensity it is with no let up, the worse it is. I think the pile driving noise is probably hard on the construction workers, too, but I can't speak to that. This is especially serious for people already dealing with health concerns, such as neurological conditions. We're talking about multiple

July 9, 2015

sclerosis Parkinson's, autism, high blood pressure, hearing disorders, I have a hearing sensitivity, migraines, cancer, anybody preparing for or recovering from surgery, anybody with ptsd or similar conditions. Surely everyone knows someone who is experiencing some of this. Anybody who needs to heal, rest, study or work at home would be adversely affected. How about people who work a split shift or night shift and have to sleep during the day. I have a hear sensitivity -- I carry around construction worker headphones to wear. I don't know what pile driving would do to me. I would probably have to go somewhere. A lot of people can't afford to escape from it. And Portland is known for live ability. And I understand that we have a risk for earthquakes and that this is a very serious matter. I should say this probably, I was in Santa Cruz at the time of the 7.1. The town collapsed. It was river -- you know, what they call liquefaction land there is a seven, an eight, a nine, is pile driving really going to solve this problem. And what about in the meantime, the effect on the health of the people dealing with it? I understand there are costs involved. What about the cost of the health of the person who is undergoing chemotherapy and is trying to survive. So, you know, I know this is controversial, and it -- there are -- there is a lot to be said on both sides. I'm here to speak for the people who perhaps are not here to speak for themselves such as some of the people that I work with. And some of the people who are my neighbors. I guess that's really all I have to say. I do appreciate -- I appreciate the opportunity to come and say this and that people are giving an ear to all of us. Thank you very much.

Hales: Thanks very much.

Glebo: You're welcome.

Fritz: Given the late hour --

Hales: Might want to continue.

Fritz: Yes.

Hales: I think that is a great idea. I think we should continue this a week to give the council a chance to get questions answered and we might want to take up an amendment. If we are going to make the change that I described or any other changes --

Fritz: One of the reasons I am -- the office of neighborhood involvement to delve more deeply into the issue. One of the changes proposing to take away appeals to city council which then will limits -- limits our ability to hear some of these concerns. That was why we raised it. I think there is actually several issues within the testimony that we heard today and potentially improvements that we might want to make. We could send it back to the -- put it back -- continue it --

Hales: Continue it. We had the hearing. Heard from people. We have questions to address. If we can continue this until next week --

Fritz: I would prefer a little more time.

Hales: You and I are both going to be gone.

Fritz: I will not be gone until the end of July. I could do work with folks who have been here today to get more information and look at other amendments that I might want to propose.

Hales: Why don't we continue this for two weeks? I won't be here. But -- so that might be a problem.

Fritz: Such a task master. Other things that I have planned for the next two weeks.

Hales: Maybe I won't go out of town then. I don't want to continue it to the 29th -- we can just continue it indefinitely and let you work on it and reschedule it.

Fritz: I would appreciate that. Thank you. Of course I will do that in collaboration --

Saltzman: My only point, there are people -- people want us to -- impacted by this.

Hales: I don't want to continue it indefinitely with a sense that we're not going to come back to it. Let's set it for July 29th. And then that we will have the prerogative of holding it

July 9, 2015

over. We know it is on the schedule for July 29th. We will continue this item until July 29th.
And we are adjourned.

Hales: Thank you. [gavel pounded].

At 5:27 p.m. Council adjourned.