



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

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

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

Commissioner Fish arrived at 9:37 a.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Simon Whang, Deputy City Attorney at 9:30 a.m.; Ben Walters, Chief Deputy City Attorney at 11:20 a.m.; and Jason King, Sergeant at Arms.

Item No. 994 was pulled for discussion and on a Y-4 roll call, the balance of the Consent Agenda was adopted.

COMMUNICATIONS	Disposition:
988 Request of Colleen Kellogg to address Council regarding the City's plan for dealing with homelessness and stable housing (Communication)	PLACED ON FILE
989 Request of Rachel Bell to address Council regarding The Tall Trees of Portland art exhibit and companion book (Communication)	PLACED ON FILE
990 Request of David D. Red Thunder to address Council regarding comp plan for West Hayden Island (Communication)	PLACED ON FILE
991 Request of Evan Ross to address Council regarding lawlessness and crime in the Old Town Chinatown Neighborhood (Communication)	PLACED ON FILE
992 Request of Trena Sutton to address Council regarding her backyard homeless transitional camp (Communication)	PLACED ON FILE

<p style="text-align: center;">TIMES CERTAIN</p> <p>993 TIME CERTAIN: 9:45 AM – Proclaim September 15 to October 15, 2015 to be Hispanic Heritage Month in Portland (Proclamation introduced by Mayor Hales) 30 minutes requested</p>	<p>PLACED ON FILE</p>
<p style="text-align: center;">CONSENT AGENDA – NO DISCUSSION</p> <p style="text-align: center;">Mayor Charlie Hales</p> <p style="text-align: center;">Bureau of Police</p> <p>*994 Accept a grant in the amount of \$437,882 and appropriate \$300,000 for FY 2015-16 from the U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Assistance FY15 Edward Byrne Memorial Justice Assistance Grant Program to prevent or reduce crime and violence (Ordinance) (Y-4)</p>	<p>187354</p>
<p style="text-align: center;">Office of Management and Finance</p> <p>*995 Authorize contract with Skyline-ATS and payment of \$20,000 for on-site specialized training for Sonet technology in connection with the Public Safety Systems Revitalization Program radio project (Ordinance) (Y-4)</p>	<p>187353</p>
<p style="text-align: center;">Commissioner Dan Saltzman</p> <p style="text-align: center;">Position No. 3</p> <p style="text-align: center;">Portland Housing Bureau</p> <p>996 Amend Intergovernmental Agreement with Multnomah County for additional County funds in the amount of \$272,233 for outreach and housing placement for veterans and people experiencing homelessness in East County (Ordinance; amend Contract No. 30002899)</p>	<p>PASSED TO SECOND READING OCTOBER 7, 2015 AT 9:30 AM</p>
<p style="text-align: center;">REGULAR AGENDA</p> <p style="text-align: center;">Mayor Charlie Hales</p> <p>997 Extend term of Street Closure Program in Old Town/Chinatown for a period of one year (Second Reading Agenda 986) (Y-3; Fritz absent)</p>	<p>187355</p>
<p>Bureau of Police</p>	

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<p>*998 Authorize an Intergovernmental Agreement with TriMet for transit police services (Previous Agenda 980) Motion to amend to add new findings 3 and 4 to state the main priority of transit police is not fare enforcement, but to provide safety and security services; and recognize the ongoing role of the Transit Equity Advisory Committee: Moved by Fritz and seconded by Saltzman. (Y-4) (Y-4)</p>	<p>187356 AS AMENDED</p>
<p>Office of Management and Finance</p> <p>*999 Authorize purchase of replacement Police Patrol Vehicles at \$2,329,151 (Ordinance) Motion to add directive c. to direct Mayor and Fleet Manager to advocate for the development of more fuel-efficient police vehicles: Moved by Fritz and seconded by Fish. (Y-4) (Y-4)</p>	<p>187357 AS AMENDED</p>
<p>1000 Authorize up to \$20 million of interim financing for local improvement projects (Second Reading Agenda 982) (Y-4)</p>	<p>187358</p>
<p>Commissioner Steve Novick Position No. 4 Bureau of Transportation</p> <p>*1001 Authorize contract with Sergeants Towing, Inc. for abandoned vehicle towing and storage services (Ordinance) 10 minutes requested</p>	<p>CONTINUED TO OCTOBER 7, 2015 AT 9:30 AM</p>
<p>Commissioner Amanda Fritz Position No. 1 Office of Neighborhood Involvement</p> <p>*1002 Adopt regulations for marijuana license procedures and requirements (Previous Agenda 984; add Code Chapter 14B.130 and amend Section 3.96.060) Motion to accept amendments to 14B.130.040D and .080A(2): Moved by Fish and seconded by Fritz. (Y-4) (Y-4)</p>	<p>187359 AS AMENDED</p>
<p>PORTLAND PARKS & RECREATION</p> <p>*1003 Amend contract with ESA Vigil-Agrimis Inc. in the amount of \$10,000 to complete the River View Natural Area Management Plan (Ordinance; amend Contract No. 30003423) Continued to September 30, 2015 at 2:00 PM. (Y-4)</p>	<p>187360</p>

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<p style="text-align: center;">Commissioner Nick Fish Position No. 2 Bureau of Environmental Services</p> <p>*1004 Extend contract with GSI Water Solutions, Inc. for CERCLA and Risk Assessment technical assistance at the Portland Harbor Superfund Site and add \$500,000 (Ordinance; amend Contract No. 36324)</p>	<p style="text-align: center;">REFERRED TO COMMISSIONER OF PUBLIC WORKS</p>
<p>*1005 Extend contract with GSI Water Solutions, Inc. for Source Control technical assistance at the Portland Harbor Superfund Site and add \$300,000 (Ordinance; amend Contract No. 36325)</p>	<p style="text-align: center;">REFERRED TO COMMISSIONER OF PUBLIC WORKS</p>

At 12:57 p.m., Council recessed.

September 30, 2015

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **30TH DAY OF SEPTEMBER, 2015** AT 2:00 P.M.

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

Commissioner Fish arrived at 2:10 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Linly Rees, Sr. Deputy City Attorney at 2:00 p.m.; Ben Walters, Chief Deputy City Attorney at 3:30 p.m.; and John Paolazzi, Sergeant at Arms.

<p>1006 TIME CERTAIN: 2:00 PM – Accept the State of Housing in Portland October 2015 Report (Report introduced by Commissioner Saltzman) 90 minutes requested Motion to accept report: Moved by Saltzman and seconded by Fish. (Y-4)</p>	<p>Disposition:</p> <p>ACCEPTED</p>
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At 3:41 p.m., Council recessed.

October 1, 2015

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 1ST DAY OF OCTOBER, 2015 AT 2:00 P.M.

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

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

	Disposition:
*1007 TIME CERTAIN: 2:00 PM – Authorize a grant agreement with Track Town Events, LLC in an amount not to exceed \$1,930,459 in sponsorship of the International Association of Athletics Federations 2016 World Indoor Track & Field Championships (Ordinance introduced by Mayor Hales) 1 hour requested for items 1007 and 1008 (Y-4)	187361
1008 Waive Title 33, Planning and Zoning, to allow short-term, temporary public use of an indoor track and field facility at 2400 NW Front Ave from December 1, 2015 through February 28, 2016 (Ordinance introduced by Mayor Hales) Motion to amend to remove emergency clause: Moved by Fish and seconded by Fritz. (Y-4) Motion to add new finding 5. and directive d. to state BES intent to sell the site and provide for a short-term lease with Track Town Events, LLC to be negotiated and executed by the BES Director in connection with a portion of the property: Moved by Fish and seconded by Novick. (Y-4)	PASSED TO SECOND READING AS AMENDED OCTOBER 7, 2015 AT 9:30 AM

At 3:00 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.

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Closed Caption File of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

SEPTEMBER 30, 2015

9:30 AM

Hales: Good morning, everyone. Welcome to the September 30th meeting of the Portland City Council. Would you please call the roll?

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

Hales: Welcome, everyone. I think we'll have some of our colleagues joining us momentarily. There they are. Good morning, Commissioner Fish.

Welcome to this meeting of the City Council. We have some citizens signed up for communications. We'll take them first, then we'll move into the rest of our Council calendar likely starting with the proclamation at 9:45. If you're here to speak on a regular Council calendar item, sign up with our Clerk and let us know you would like to do that on a particular item. We typically allow people three minutes to testify. If you give us your name, that's all you need to do. You don't have to give us your address unless you're a registered lobbyist, let us know that.

We typically maintain the route of decorum in this Council chambers. We want your help with that. That is if you agree with someone and want to indicate your support, feel free to give them a thumbs up or a wave of the hand. If you disagree with them, give them a polite hand gesture to the contrary, but we ask that we not make demonstrations in favor or against our citizens' points of view here so we can all be heard. With those simple rules of procedure, out of the way, let's call on our Clerk to read 988.

Item 988.

Hales: Good morning. Welcome.

Colleen Kellogg: Thank you for allowing me to address the Council. My name is Colleen Kellogg, I live in Southwest Portland with my husband and two children. I teach second grade at Montclair Elementary. I brought four members of our social justice committee with me today. I will say that I signed up to do this ahead of time, so this week's news and all that's happening may have changed how I wrote this, but I'm gonna move forward.

I am concerned about the apparent growing homeless population in our city. I spend a lot of time driving through the industrial eastside for my children's various sports practices --

Hales: Let me interrupt you for a second. If your students and kids would like to join you up here, that would be OK. Would you like to come and sit up here, too?

Saltzman: If they don't mind being on TV.

Hales: Or maybe just stand behind her. Oh, they've got chairs for them, OK. We always show a special courtesy of the students.

Kellogg: Thank you, that was really nice.

Hales: Thank you, Commissioner Fish.

Kellogg: So, I spent a lot of time on the industrial eastside, and the tents seem to be increasing exponentially. In our own neighborhood, we have noticed people sleeping in our parks, under access ramps to the freeway, and it pulls at our heart strings. It's just sad.

Last week, Mayor, you suggested the City declare a state of emergency in regard to the homeless crisis. Before this announcement, I was curious what the City's end game was regarding safe and affordable housing for all in Portland. I recognize that

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homelessness is a multi-pronged problem -- or we recognize -- involving possible but not exclusively mental health, as well as physical health issues, possible drug addiction, and lack of unemployment opportunities. It is hard to imagine addressing those separate issues when folks don't have access to stable housing. With the state of emergency declaration -- and then we listened to your announcement, we did not hear all of them, we got here at 9:10 -- what specific sets does the Council foresee and are there any actions citizens can take to help provide dignity, safe, and stable housing for the most vulnerable in our community. It seems that shelter beds are only a short-term fix. Rather, radical ideas may be the only way to influence the systemic change in the way that the City reverses the homeless trend. I'm not sure what these ideas might be, but there must be a model program and other cities that have successfully tackled this complex issue.

Again, downstairs we heard there was some plans, but we would like to know exactly what specific action items other than shelter beds we might expect to see, when they might take place, and how will they be sustainably funded?

Hales: Great questions. And actually, we want to solicit your ideas and also students' ideas because when the Council takes up this proposal for declaring an emergency, we really are looking for what tools do people suggest that we use. You've got a City Council that's committed to working collaboratively on this issue and among ourselves and with the County and the housing authority, but we also depend on volunteers a lot. And there are churches and other groups that want to do more in terms of helping the homeless. So, your students' ideas, your ideas over the next few weeks in particular, will be very helpful. So, I hope you keep them coming, email us and call us. Come back next week, if you can, and come to other Council sessions because we're going to be talking about this a lot.

Kellogg: So, the summit you referenced downstairs -- is that something if we were to email we could possibly discuss?

Hales: We are going to be meeting with west coast mayors here in Portland so we're looking for ideas from those cities and also to share ones from here. That would be helpful.

Fritz: For those of us relying on Twitter from the feed downstairs, could you give us a summary of what the proposal is?

Hales: The Home for Everyone consortium -- along with a couple of our colleagues here -- laid out a proposal this morning to invest an additional 30 million of City and County money in the Home for Everyone plan, both providing more shelter space for this winner and more rapidly housing folks that are looking for transitional housing from shelter to long-term. So, we're going to flush that out. Marc Jolin is our staff person who leads this combined effort between the City and the County, so he's going to have a specific plan and proposal for us, but it's basically upping our game by a 30 million dollar increment of how much the City and the County are investing into housing and homeless services.

Fish: Mayor, before we lose this group, could we ask the kids to come out and stand with us and get a picture?

Hales: That's a great idea. Come on up. [photo taken] That was great, thank you for coming. Let's take the next communications item, which is 989, please.

Item 989.

Hales: Good morning.

Rachel Bell: Good morning. My name is Rachel Bell, and I would like to thank Mayor Hales, Commissioner Fritz, Saltzman, and Fish for letting me speak to you today on behalf of Overcup Press, The Tall Trees of Portland art book, and our exhibit that will take place in the City Hall atrium starting next week. I would also like to personally thank Mayor Hales for proclaiming next Tuesday, October 6th as The Tall Trees of Portland Day here in Portland. It's a day to celebrate the working artists and thriving creative culture in Portland.

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At this point, some of you are probably thinking, “why, yes, we do have some great tall trees in Portland.” You wouldn’t be the first to think that, and that’s what this book is about. The tall trees represented in this page, though, are really more about the artists and the craft-makers who have the courage and the conviction of their art to stand tall.

The term “tall tree” is taken from a Japanese proverb that says the tall tree catches the most wind. And in other words, to stand out, to stand tall, you risk being knocked down -- something these Portland-based artists risk every day in their work. Matt Wagner, who’s the curator of the show and the author of the book, not only assembled over 30 of Portland’s most vibrant working artists, he exhibits the qualities of these trees as he works to bring these and other artists to a broader audience around the world. While you may not know his name, you will certainly recognize that the influence he has on art in Portland.

Wagner is the owner of Hellion Gallery in Old Town, he’s worked with Travel Portland at events in Tokyo where he introduces Portland artists to art collectors in Asia, he’s a founding board member of the forest for the trees mural festival which just completed its third year, he’s partnered with numerous brands on projects ranging from artists and residents programs at Nike to curating beer labels for Gigantic Brewing. And most recently, he curated a sculpture show featuring three artists, AJ Fosik, Blaine Fontana and Peter Gronquist.

In this upcoming show at City Hall, Portland residents and visitors will have an opportunity to see recent works by all of the artists featured in the book. Some of these artists -- all who live and work in Portland -- have shown at major galleries around the globe. Recently, artist Josh Keyes found himself invited to contribute art to Blinky’s Dismaland show, an art show that made headlines around the world. Jewelry designer Beth Wagner has been commissioned to make custom jewelry that has become a featured part of the storyline in several episodes of the TV show Grimm. And when you walk through the halls of Doernbecher Children’s Hospital, you’ll be greeted by murals created by Maryanna Hoggatt. The work of these Tall Trees artists surround you every day in Portland. As their art reaches other corners of the world, it’s clear they represent the independent spirit of the city they call home, Portland.

So, in closing, I would like to invite all of you to attend the opening reception for the Tall Trees of Portland art show next Tuesday, October 6th at 4:00 p.m. in the City Hall atrium and to view the works on display through Thursday, October 15. In addition, if any of the Council members would like to take a look at the Tall Trees of Portland book, it is on loan to Commissioner Saltzman’s office. You can speak to Jenny in his office, and she can make it available to you.

Saltzman: That’s Commissioner Fish’s office.

Bell: I’m sorry.

Fish: We’re often confused. Rachel, I have a copy of the book. We are excited to host you. Thanks to Hellion Gallery and Overcup Press. Next week, we have two great things that are happening that I want to announce to the public. On October 5th, we’ll be welcoming your exhibit and we’re excited to have that. October 8th, which is Thursday, at 12:30, we’ll be celebrating Portlandia’s 30th birthday. So, but both in your calendar.

Hales: The statue, not the TV show, right? [laughter]

Fish: Right.

Bell: I was gonna say, I think I missed a few seasons.

Fish: I’m not allowed to give it away, but I will say the most famous singer in Oregon may be performing. I can’t say anything more than that.

Hales: Thank you very much. I’m really glad, Commissioner Fish and Rachel, that we are using that atrium -- atrium -- as an art space. “Art-trium” -- that’s maybe that’s what we

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should call it. Because it is intended to be community space, not just an office building for us, so thank you for livening it up with art. Let's do more of that, so thank you very much.

Bell: Thank you.

Item 990.

Hales: David, are you here? It looks like he may not be. Let's take 991, please, then.

Item 991.

Hales: Good morning.

Evan Ross: Good morning. My name is Evan Ross, I am a Northeast Portland resident. I own a bike tour and rental shop downtown in Old Town/Chinatown. I have for about eight years. I brought a handout this morning, hopefully you got it. It just has kind of some bullet points and some suggestions that I brought today. I'm interested in working with the City and with Council to try to find some solutions. I'm a board member of the Old Town/Chinatown Community Association, and we are interested in improving the neighborhood for the benefit of everybody. Thank you for continuing to work within these issues, in our community and for taking the time to listen to my concerns today. I was able to attend a meeting of stakeholders yesterday hosted by Mayor Hales. Thank you. I feel like there is great momentum that has come from the community that enough is enough and it's time for long-term solutions. I've had a sharp increase in complaints from my employees and my customers about not feeling safe and being harassed or threatened while trying to enjoy time at the Tom McCall Waterfront Park, along with North Park Blocks, and so that's one of the reasons that I'm here to talk to you today.

I'm heavily involved in my community through participating in the community of association and as an entrepreneur that started his business in 2008, I like to tackle challenges. But I decided to speak with you today after I was attacked outside of my business. On June 20th, I exited my business to find that someone had broken into my car across the street and was actively trying to steal it. I had already approached the vehicle when I realized that there was someone in there and they reacted by pulling out a knife and exiting the car trying to stab me. I was able to defend myself with an empty five-gallon water jug, the only thing that I had in my hand at the time, besides my phone on which I was frantically calling 9-1-1 for help. The police responded quickly, and it took four officer to subdue the individual who was trying to escape. Later, we found that they were high on meth and heroin. You may have seen the article in the Oregonian.

I'd like to point out that our community is dealing with two different population groups -- at least two -- and I believe we talked about this yesterday -- and that the community is becoming more and more aware. On one hand, there are Oregon residents that have housing needs because they struggle with unemployment, low income, mental health needs, and or addiction issues. And on the other hand, we have traveling gangs of individuals who we usually might refer to as service-resistance. It is this second group that I would like to focus on today.

The problem lies with behaviors -- persons choosing to commit crime instead of focusing on specific populations. It's not illegal to be homeless and I am a homeless rights advocate, but committing crimes is what is illegal and I think that that's what we should enforce. And so, you can see on the handout, I'm advocating for increased foot patrol in Old Town/Chinatown, more consistent enforcement of existing laws regarding camping, school zone drug use, etc., reaching out to other cities such as Salt Lake City that has put together some great plans and has had really effective outcomes from their housing the homeless with long-term housing, more aggressive officer recruitment, and also creating an urgent plan and solution for indoor housing.

Hales: Thanks very much. We appreciate your advocacy and your volunteering in the community. We're also really glad you're OK. That was a scary moment.

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Ross: Thank you. Have a good day.

Item 992.

Hales: Good morning.

Trena Sutton: Good morning, everyone. My name is Trena Sutton. I've spoke before this Council before -- two of you on the panel right now. I came here to talk about a proposed transitional area called My Backyard -- that's the name that we chose for it.

I had a really unique experience last night. I went to Gresham City Council. They finally figured out that they have homeless in Gresham. So, it was packed. We had 150 people there, standing room only. And I am not going to embellish this one little bit -- it's on record -- police, everybody, presidents of neighborhood associations, faith-based community, civic organizations, private citizens -- every person that stood up and talked, said that the only viable answer right now is to put in more transitional areas. Now, these are not overnighters. These are people who would go and be in a safe place and transition into permanent housing, get back into the community. My people in the central southeast -- which is off of 82nd -- that is what they want. We cannot confuse -- which I applaud the gentleman over here -- criminality with homelessness. They're not anonymous.

The homeless people that I represent, do not want the criminals there anymore. Sometimes, their lives involve criminal activity, such as drug use. So, what I'm saying is we need to be progressive here. And I want to really applaud Mayor Hales over this declaration of emergency for homeless. That is very progressive. Something else Mayor Hales did -- he went out with a couple of my friends that are Park Rangers and visited my people over there. And I knew that he was going, but I chose to not go out there. David asked me to -- one of the park rangers -- and I said, "no, I don't want to influence you. You need to go out and I want him to see what I see every single day."

I need to put many people into areas -- I have so many allies. This is not a Trena Sutton project. I don't bring my board in because they work during the day. I have to have something tangible. There is a piece of property on 105th and Foster. Now, a police officer brought this to my attention. He also brought it to my attention that his brother up in Washington has shipping containers that he's willing to donate. Those are \$2000 apiece. He already renovated shipping containers for the U.S. Marshal Service. We can put people into these transitional camps, give them safety, that are drug and alcohol-free, 24-hour security, just like Right 2 Dream Too, and give them a real shot at succeeding in life. Because they're not safe out there, either.

I don't know anyone here would have been aware of it -- we had a predator over there who sexually assaulted a 66-year-old man. U.S. Marshals were looking for him. Clackamas sheriff's office, Portland Police. Transit cops got him. But you know how they got him? Because homeless people provided the intel to get him. They don't want the drug dealers out there. They don't want any of these people out there. People have got to stop confusing criminals with homeless, they are not the same. Thank you.

Hales: Thank you very much, Trena. Thank you for what you are doing. Thanks.

[applause] Even for things we love, we shouldn't clap, Joe, but I can't blame you much.

OK, let's move please to our consent calendar. We have a request to pull 994. I think that that's the only consent item anyone has requested to remove, right? Let's take a vote, please, on the balance of the consent calendar.

Roll on consent agenda.

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

Fish: Mayor, in terms of managing our calendar, I will on the regular agenda be pulling back 1004 and 1005 to my office. In case anyone is here to testify on those.

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Hales: Thank you for letting people know. So when we get to those items, they will be returning to Commissioner Fish's office until further notice. Let's move onto 993. I think Javier Mena is here.

Item 933.

Hales: Javier, do you have a copy of the proclamation?

Javier Mena, Portland Housing Bureau: There it is.

Hales: Ok, good. I want to welcome everyone here to talk about this today -- particularly, Javier, who is going to read the Spanish version of the proclamation.

Mena: Actually, I apologize -- Catalina is going to read it in Spanish and I will just be making a few remarks.

Hales: Thank you. Why don't I start and read the English version and then the Spanish, and then we'll turn it over to you.

Whereas, the Hispanic heritage of the United States extends historically over five centuries and has been a consistent and vital influence in our country's growth and prosperity; and whereas, the definition of Hispanic is tied to national origin or Spanish culture, regardless of race; Hispanics represent people with origins for 24 different countries, including the United States, Mexico, Puerto Rico, the Dominican Republic, Cuba, Guatemala, Belize, El Salvador, Costa Rica, Honduras, Nicaragua, Panama, Colombia, Peru, Ecuador, Paraguay, Uruguay, Brazil, Venezuela, Argentina, Bolivia, Chile, and Spain; they reflect an array of distinct and vibrant cultures that have enriched our community in valuable ways; and whereas, Hispanics continue to be the fastest growing population in Oregon and represent 12.3% of the state's population; in Portland, there are over 60,974 people of Hispanic descent making up 10% of the city's population; while Portland's overall population grew in 2013 by 1.2%, the rate of growth for the city's Hispanic population for the same year was 6.9%; and whereas, Hispanics have supported Portland's economy with a myriad of contributions in the fields of commerce, science, technology, public service, health and more; today, their purchasing power is more than \$4 billion and continues to grow; whereas, Portland recognizes the mini-organizations, institutions, and people helping Hispanics overcome disparities such as poor health outcomes, low educational attainment to ensure that they remain a thriving community; and whereas, Hispanics make up 3% of the City of Portland's governmental workforce; and to attract more Hispanics to City jobs and to support them throughout their careers with the City, the Unidos Latinos Americanos or ULA City employee affinity group has been established; now, therefore, I, Charlie Hales, Mayor of the City of Portland, Oregon, the City of Roses, do hereby proclaim September 15th to October 15, 2015 to be Hispanic Heritage Month in Portland and encourage all residents to observe this month. So, if you would like to read it again, please, in Spanish.

Carolina Iraheta Gonzalez, Portland Bureau of Transportation: Thank you, Mayor Hales and Commissioners. My name is Carolina Iraheta Gonzalez and I work with the Bureau of Transportation, and I'll be reading the proclamation in Spanish.

Dado que, la herencia hispana en los Estados Unidos se extiende históricamente más de cinco siglos y ha sido una influencia constante y vital en el crecimiento y prosperidad de nuestro país; y dado que, la definición de hispano está ligada al origen nacional o la cultura con influencia española sin importar cuál sea la raza. Los hispanos representan más de 24 diferentes países de origen, incluyendo: los Estados Unidos, México, Puerto Rico, República Dominicana, Cuba, Guatemala, Belice, El Salvador, Costa Rica, Honduras, Nicaragua, Panamá, Colombia, Perú, Ecuador, Paraguay, Uruguay, Brasil, Venezuela, Argentina, Bolivia, Chile y España. Reflejan una variedad de culturas distintas y valiosas que han enriquecido nuestra comunidad en forma notable; y dado que, los hispanos continúan siendo la población con más rápida tasa de crecimiento en Oregon

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y representan el 12% de la población. En Portland, hay más de 60,974 personas de origen hispano que representan el 10% de la población. Mientras que la población general de Portland creció un 1.2% en el 2013, la tasa de crecimiento de la población hispana de la ciudad fue del 6.9% en el mismo año; y dado que, los hispanos han contribuido a la economía de Portland con un sinnúmero de aportaciones en las áreas de comercio, ciencia, tecnología, servicios públicos, salud y otras. Al día de hoy su poder de adquisición en Portland es de casi \$4 mil millones y continua aumentando; y dado que, Portland reconoce las diversas organizaciones, instituciones y personas que ayudan a los hispanos a superar desigualdades como salud precaria y bajo rendimiento escolar para asegurar que continúen prosperando sus comunidades; y dado que, los hispanos representan un 3% de la fuerza laboral del Ayuntamiento de la Ciudad de Portland. La asociación de empleados Unidos Latinos Americanos (ULA) ha sido reestablecida recientemente para poder atraer más hispanos a trabajar para el Ayuntamiento de la Ciudad; por lo tanto, hoy, yo, Charlie Hales, Alcalde de la Ciudad de Portland, Oregon, proclamo que del 15 de septiembre al 15 de octubre de 2015 sea Mes de la Herencia Hispana en Portland, y invito a todos los residents a celebrar este mes.

Hales: Thank you very much, Carolina. Javier?

Mena: Thank you, Mayor Hales, esteemed City Commissioners. My name is Javier Mena, I'm with the Housing Bureau. Although I have been in front of you many times, I appreciate this rare opportunity to talk to you about an issue other than housing but something that is equally important to me and I'm very passionate about and that is the Latino, Hispanic, Chicano community.

The City, under your leadership, has emphasized diversity and equity as a key value of what we do and how we do it. However, due to many challenges and pressures, this conversation sometimes gets narrowed. We as a City must strive to consistently expand the lens to ensure inclusivity. Our communities of color, especially those with limited resources and limited to access to government, including our Native American, Latino, Asian Pacific Islander brothers and sisters, are negatively impacted by this narrow focus.

The Hispanic Latino community, like many others, is a rich and very diverse community. We have a challenging history in part due to government action and inaction. Many feel marginalized, some losing their sense of culture and belonging. Now, our immigrant brothers and sisters -- who have travelled as far away as Chile and Ecuador, like myself, or Mexico -- come to a city they see as a paradise filled with opportunity, yet, I do not believe those opportunities are available to everyone. As of 2013, the city's Latino population slide over 10%. According to the Office of Equity and Human Rights report, Hispanic Latinos are just 5.1% of the City employees. If you narrow that to leadership and executive positions, it's down to 2.4%. We can do better. We must do better.

It is up to all of us -- you, elected officials, my esteemed ULA colleagues, myself -- to maximize the Latino community's potential. In doing so, not only will the City benefit as an employer, but the entire city of Portland will be recognized for their rich, diverse, and welcome community that it is. We have the power to do this. Gracias.

Hales: Thank you very much. Council comments? I just want to say, in order to get the change that we want in a more equitable city, we've got to have advocacy in the community and inside city government. So that's why it's so important that our managers and our leaders in the bureaus, which you two represent, are being those kinds of advocates and that we have this affinity group to help to make sure that we're advancing our goals in our own ranks and in our own leadership at the City, so thank you.

Fritz: I'm happy to work with Amalia Alarcon de Morris, our great Latina leader of the Office of Neighborhood Involvement and I also particularly appreciate that Cristina Nieves

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has been participating in your group. She's my executive assistant and has recently been promoted to policy advisor because she's so great at figuring stuff out. So, I appreciate her work with you and the affinity groups that come together under the Diverse Empowered Employees of Portland within the Office of Equity and Human Rights. Thank you for your work.

Hales: Thanks very much. Thank you both.

Iraheta Gonzalez: I just had one last comment.

Hales: Please.

Iraheta Gonzalez: I just wanted to say that we have students here from Portland State University from Casa Latina, so we have some Latino students here.

Hales: Stand up, please. Where are you? Ah, welcome, students. We always break the rules for students. [applause]

Iraheta Gonzalez: And just that I hope that we are able to bridge stronger relationships, specifically with students of color from PSU so that we can open the doors here at the City of Portland to students that are looking for job opportunities. Thank you.

Hales: Thank you very much. Thanks for coming. [applause]

OK, I think that it's time to move to our regular agenda. We could take the pulled items. I see that we have staff from the Police Bureau here on one item. We might have it on more than one, so let's take 994, which was the item that was pulled from the consent. We'll do that first.

Item 994.

Hales: Good morning, Katherine. Welcome.

Catherine Reiland, Portland Police Bureau: Good morning. This, as the ordinance said, is to accept the JAG grant that we applied for back in June. The JAG funds were made under disparate certification to the City of Portland, to Multnomah County, and the City of Gresham. Our award -- the City of Portland will receive \$210,099. Multnomah County will receive \$165,081 and Gresham \$62,702.

The Police Bureau plans to use JAG funding for the following two items. One, to hire one FTE senior administrative specialist for the Police Bureau detectives sex crime unit to work as a victim advocate. The SAS will provide trauma-informed direct services in ongoing to support victims of sexual assault and their families throughout an investigation, during the court proceedings, and continuing services beyond the conclusion of the investigation. That amount will be \$100,099 to fund that.

The second item is to contract with LifeWorks Northwest for 110,000 to coordinate treatment, temporary housing, counseling, and training opportunities for individuals involved in prostitution-related offenses.

Of the Multnomah County, we'll retain .36, FTE as a north neighborhood deputy district attorney for 12 months, and retain a .45 FTE parole and probation officer for 12 months, and hire one FTE enforcement sergeant for three months.

The City of Gresham will use their allocated portion to purchase scheduling software for their Police Bureau personnel and their -- that's the total award -- 62,702 for Gresham.

Hales: Great.

Reiland: Any questions?

Hales: Thank you for laying that out for us in detail, that's great.

Fritz: We get this grant every year, it seems. So, is the senior analyst in the Police Bureau that you mentioned -- is that person already employed?

Reiland: No, that would be a hire.

Hales: It's a new position.

Fritz: Is this additional money, or we're using it in a different way?

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Reiland: We're using it in a different way. That's what we have used in the past.

Fritz: So we hire the person for a temporary one-year position and decide what's the most urgent thing?

Reiland: Correct.

Fritz: Thank you.

Hales: Other questions for Catherine? Thank you very much. Anyone want to speak on this item?

Moore-Love: Joe, did you want to speak on this?

Joe Walsh: I think Lightning --

Moore-Love: He doesn't want to speak.

Hales: OK. Alright. If there's no one that wants to speak on this item -- oh, sorry, Joe, you do.

Joe Walsh: My name is Joe Walsh, I represent individuals for justice. Once again, we object to these items being slid underneath the table, no discussion -- that's what the consent agenda is, in case anyone doesn't understand it. Usually, it is just paying bills and normal stuff. But when you get into \$300,000, I think that the people really should hear from staff what it is. So, once again, we're saying to you, don't put these things on consent agenda, put them on the regular business.

The other thing that bothers me about this is the traditional way of handling these grants is to hire people and that's what you're doing again. What does that have to do with the person that is on the street? What does that have to do with the person involved in drugs? It has nothing to do with them, you just hire people. And in a year, if the grant goes away, they get fired. Stop hiring people. Use the money for what it's supposed to be used for. Thank you.

Hales: Thank you. Mr. Johnson, good morning.

Charles Johnson: Good morning, Commissioners. For the record, my name is Charles Johnson. I think that in the past, we've done a much better job here in Council chambers bringing forth people who've directly experienced trauma from human trafficking and non-consensual sex work. And I agree with Mr. Walsh that the issue is so important, it would have been better if you had used this as a regular agenda item to bring forth to this community the work that's behind the funding of this .45 FTE and this little shell game of work. I just want to encourage the Council to engage directly for all of you to make sure that you get to events where people who -- you know, great for people who have had success working through the police department and nonprofits have been able to no longer have to apply their wares on 82nd or wherever, but also to make sure some of this -- these human resource hours go to engaging with recidivist and is repeat offenders and find out what they experienced that led them to go back to a traumatic way of life that felt the program wasn't what could rescue them from sexual exploitation. So, I hope that you will make a note in how you manage this program so that recidivists and people who didn't get assisted will have a chance to get their voice heard and find a way to help even more people. Thank you.

Hales: Thank you. Anyone else? Let's take a roll call vote on the ordinance. I'm sorry, I didn't see you. Good morning.

Robert West: Good morning. My name is Robert West from the police 9-1-1. And I noticed that they were talking about having supervisors. I find that police dealing with street crime - - oftentimes, it's the unit officers. I think the City would be much better off having car units than someone sitting behind a desk, and I wanted to bring that up. I also think that it should be an agenda item that people can talk about. I went to look and see if there was a sign up. All I saw was a marijuana issue and Sergeant's Towing. I feel that something like

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this is important due to the amount of money that it should be an agenda item that people should be able to talk about and discuss.

Hales: OK. Thanks very much. Alright. Anyone else? Let's take the vote, please.

Item 994 Roll.

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

Hales: I'm really glad that we as a community are focusing on the victims of prostitution the way that we do, and on making sure that the purchasers of prostitution are the ones that are getting the enforcement attention. That's the right way to do this. And then when we do identify victims, to have advocate and services for them is the right kind of policing. Thank you. Aye. OK. Let's move onto the regular agenda.

Item 997.

Hales: This is the second reading. A vote on the presentation we had last week, roll call.

Item 997 Roll.

Saltzman: Well, I'm pleased to support extending the street closure program. As we heard last week, it seems like we have garnered a lot of support in the Old Town/Chinatown community, so thanks, Mayor Hales, for doing this. Aye.

Hales: It's not an emergency, so we keep going.

Fish: It's not?

Moore-Love: Right, it's a second reading.

Fish: A second reading. I want to thank Chad Stover, who has been shepherding this from the beginning. It started with a lot of controversy, and now it seems to be working with a lot of buy-in. It's a nice job at the street level. And Charlie, I think this is very promising and we're learning some things, so let's extend it. Aye.

Hales: We sure are. Chad and this community worked very well together. Well done, Chad. Again, look forward to the physical changes that are coming -- we hope next weekend at 3rd Avenue -- and the community building that's going on in Old Town/Chinatown. More to come. Aye.

Item 998.

Hales: OK, I know there's a proposed amendment here and Assistant Chief Modica is coming up to discuss this with us. Good morning.

Kevin Modica, Portland Police Bureau: Good morning, Mayor. I also have a staff member from TriMet, the director of safety and security, Mr. Harry Saporta, who can join me as well.

Hales: Oh, good -- yeah, please. Come on up. OK. There were some Council questions about this last week. There is a proposed amendment. So, walk us through this, please.

Modica: Good morning. And yes, we're returning to the table. We had an opportunity to answer the questions presented to us by Commissioner Fritz, and we put work into making sure that there was some binding language in the ordinance about the priorities of the transit policing and the law enforcement services provided to TriMet. Commissioner, did you want to --

Hales: Commissioner Fritz, did you have some questions and some issues you want to discuss? I think we need to act on the amendment.

Fritz: Right. I really appreciate meeting with both TriMet and Chief Modica. My concerns are still present. However, what we have compromised on in the ordinance today are two amendments to state that the main priority of the TriMet transit police division is not enforcement of fare requirements but to provide safety and security services for the TriMet system. And then number four in the findings, TriMet established the transit equity advisory committee in 2013, to provide input and guidance to the TriMet general manager on fairness and equity considerations. The transit equity advisory committee is composed of representatives from communities of color, OPA -- what's OPA?

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****: OPAL is the --

Fritz: It's supposed to be OPAL, so I'd amend that to OPAL. OPAL environmental justice, the Multnomah Youth Commission, NAYA Native American Youth and Family Association, and other community leaders. The transit equity advisory committee is committed to consider impacts regarding race, economic status, houselessness, and fare enforcement. So, I move the addition of those two findings.

Hales: OK. Commissioner Fritz moved three and four. Is there a second?

Saltzman: Second.

Hales: We'll put those on the table and take testimony. Roll call on accepting those amendments.

Roll on amendments.

Saltzman: Aye.

Fritz: Thank you very much for working with me. I understand that the Portland Police also have an advisory group that we could add more folks who are experiencing houselessness to to help advise how you operate, and so -- I am seeing a nod from the Police Commissioner that we can make that happen. I appreciate you working with me. Aye.

Fish: Aye.

Hales: I want to thank you, Commissioner Fritz, for focusing on this issue and working with the Police Bureau and TriMet. I think that this amendment really captures the sense of the Council and the concerns that we heard from the community about what instructions we give to our public safety professionals about what the City's priorities are, and I think that this captures this very well. I suspect Assistant Chief Modica and his team will have no trouble following that policy. Aye.

Modica: Thank you.

Hales: Any concerns, any problems?

Modica: No, sir.

Hales: Thank you very much. We'll take testimony. If there's anyone that wants to speak on the amendment, come on up. Good morning.

Joe Walsh: My name is Joe Walsh, I represent individuals for justice. We applaud those two amendments. Sound really good. Can we implement them? I don't know. It seems to me there's a problem that we have vacancies in our police department. We're looking for 13, 15 officers to fill different positions in our police department. I may be wrong on that because I'm relying on my memory. But I'm also concerned of the number of police officers we're sending to TriMet. That doesn't make sense to me. If we need officers, why are we sending people to TriMet? I don't like the idea of sending officers with guns to TriMet, because what are they doing? They're investigating crime. How do they do that? They look -- you know, I have never been approached by a police officer for TriMet or the bus. I've been riding them for 10 years now. Never been approached. Why is that? Because I'm white. It's because I'm old. I don't fit the profile. That's what goes on all the time. So, these amendments are really good, Commissioner, and I applaud you for that. However, you have to have goodwill. You have to have these police officers say, look, you're there to prevent crime. Someone is selling drugs, bust them. Someone looks like they can't afford to get on the bus, leave them alone. That's not your job. Your job is to protect us and serve us. That's what you are supposed to be doing there, mister police officer. So stop screwing around with college kids that just look -- I saw a cop walk up to a college kid that just walked out of college and check her. And she was overdue. And I don't know what the result was because my bus came. That's not his job. So, again, we object to using your police officers to TriMet because I don't trust TriMet. I don't trust them.

Hales: Thank you. Good morning.

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King Bishop Stylz: Good morning. King Bishop Stylz, man about town. I applaud the amendments. I really appreciate the safety aspect because I, too, have experienced -- not personally, myself -- but have watched women, young men be harassed for either not having an ID and being under 17, or being five minutes over their ticket. So, I agree with Joe with the fact that, you know, there needs to be a focus on exactly what officers are to be up to, and that is to keep us safe and not to be harassed for not having an ID or being five minutes over our transfer ticket. I think that that is a better use of all of our time and our money, and I really appreciate the work that you are doing. Thank you very much.

Hales: Thank you. Thanks for coming. Anyone else? OK, so we have an amended ordinance in front of us that we can take action on. Let's do so, please. Roll call.

Item 998 Roll as Amended.

Saltzman: Aye.

Fritz: I appreciate, Mayor, the additional time to consider this and your leadership of the Police Bureau. It is all about the implementation. I was both pleased and then further concerned in the conversations that I had regarding police enforcing things like people eating on the train and such. And I think that, as I mentioned last week, we should have a community conversation about how we fund TriMet and whether there is a place for at least those under 18 and other groups to be able to ride without paying the fares, since the fare is such a small proportion of how we fund TriMet, but that's a different discussion for a different day. I appreciate the extra time on this. Aye.

Fish: Commissioner Fritz, thanks for your amendments. Aye.

Hales: You know, the Police Bureau is a chain of command organization. That's good and sometimes not-so-good. One of the good things about being a chain of command organization is that when this Council, through me as Police Commissioner, gives the bureau clear instructions and policy goals, they follow them and they try really hard to make those goals real. So, when we said to this Police Bureau that we're serious about changing the way that we deal with people experiencing mental illness, we're going to follow this Department of Justice settlement beyond the letter, they are working really hard at that and they are making good changes. When we say equity is a priority, our Chief and Elle Weatheroy are focusing on equity in this bureau. And when we say as we are here today that the priority in our transit system is to keep people safe, not fare enforcement, they'll follow those instructions as well. I appreciate us being clear about that.

It is very important that people using the transit system be safe and feel safe. We have hundreds of thousands of people who get to work that way every day, and I have worked in the transit industry and seen what happens when the customers of the transit agency stopped thinking the system was safe. It is very difficult and expensive -- not to mention, painful -- to recover from that low spot. We don't want to get there. So, I think this is a good policy that will keep a great system safe and accessible and a great ride for everybody. Thank you, Commissioner Fritz, for your amendments. Aye.

Item 999.

Hales: Good morning.

John Hunt, Office of Management and Finance: Good morning, Mayor and City Council. My name is John Hunt, I'm the City fleet manager. The item before you today is to do a replacement of vehicles that are well beyond their economic life cycle. We've looked at the age, the cost history, the reliability of the vehicles, and we performed mechanical assessments on them, and the vehicles that need to be replaced, need to be replaced. We have put money aside over the life of the vehicle that resides over in the City fleet replacement fund and the funding is available. With me today is Officer Garrett Dow, and he wants to speak to the operational need of this particular style of vehicle.

Hales: Good morning.

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Garret Dow, Portland Police Bureau: Good morning. I'm currently operating as the fleet coordinator for the Police Bureau and was involved with the selection of this vehicle and trying to determine the best vehicle for the current needs of the officers. Looking at the different vehicles that are available, the Ford Interceptor Utility, in my opinion, is the best car for our officers out there. Providing best leg room, head room for the front seat passengers, the officers, and also prisoners that we may transport or other citizens we may transport, and also the ever-increasing amount of equipment that we carry from the first aid supplies to road flares to ballistic shields and spike strips and all of the various equipment. The Ford Crown Victoria was a canceled line some years ago from Ford. That vehicle was a favorite among police agencies, but it's no longer available. So, this vehicle Ford Interceptor Utility is, again, in my opinion, the premiere vehicle to replace that vehicle. Also offering all-wheel drive. My experience in Portland with the rain -- especially when we have the leaf season, the very slippery roads -- the all-wheel drive provides a superior road handling and traction to keep our officers safer, especially in the wet handling conditions.

The added profile of the vehicle -- as I've been testing it, we see better yielding of citizens as we are running in emergency response over the lights and sirens to calls, which should reduce collisions and provide better safety for officers and citizens alike. Thank you.

Hales: Questions?

Fritz: I have a question.

Hales: Please.

Fritz: So, I have a son who is 6'5", so I understand about needing leg room and head room and such, however I want to thank Maxine Bernstein at the Oregonian, whose article said that Seattle found the new Interceptors averaged 8.4 miles per gallon during one test period compared with 6.7 miles per gallon for the Crown Victorias. There was an estimate that they get 10 or 11 miles per gallon. That's awful in terms of the climate action challenges and plan. So, I had not realized that our current police vehicles were getting that poor of a gas mileage, and I wonder, did you factor that into your consideration.

Hunt: I'd like to speak to that. A couple things the taxpayers would like to know as well. We are buying them through a dealer through the state price agreement, but on the fuel economy piece, there's actually two offerings that Ford has. One is a sedan and the other one is the Ford Interceptor Utility. It's a uni-body construction, so as far as the fuel economy, they're almost the same -- they are within one mile per gallon difference. Ford took that into consideration when they built them. So, the fuel economy won't be a lot different than their sedan that they offer.

Fritz: But that's 10 miles per gallon.

Hales: The question is, are there other choices that are more fuel-efficient that we considered, and why did we reject those?

Hunt: I would say that the vehicle that we're purchasing is designed for police use. Anywhere within the City fleet that we can -- in fact, through our Climate Action Plan, in the directive to have 20% of the sedan fleet be all-electric vehicles, we're doing everything that we can to move forward with very clean, efficient vehicles. In the case of the patrol sedan, there's an awful lot of heavy and large equipment that needs to be hauled in the vehicle and it just demands this type of vehicle for the type of work that they're doing with it.

Fish: Can I ask you a question? Is the mile per gallon figure you are using based on the assumption that the vehicle is being used for routine police work, which is stop and go and, you know -- or is that apples to apples comparison, as if you put a car on the highway? Because one thing I have learned on ride alongs is I'm surprised that they get a mile per gallon given the stops, starts, the way that cars are used, but we measure cars based on

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standards. So, is this the actual mile per gallon of the car based on the actual standard, or is it the standard for these cars used by a police officer?

Hunt: That's a very good question. The one mile is through Ford Motor Company -- their testing. In the real world, it can change based upon the stop-and-go nature of the use of the vehicle. But again, the engines are made very well and they have maximized the fuel economy as best as can be done at the current point in time with the technology.

Hales: Yeah, I think this will be an interesting challenge for us. We have some City vehicles that can easily be electric or be the most efficient vehicle around -- whether it's a Leaf or a Prius -- for those trips, the building inspector that is going out to a job site that kind of vehicle might suffice. You know, if a City worker in the Portland Building is going out on a field operation, that kind of vehicle will suffice. Then we've got fire trucks, backhoes, and police cars, and those are sort of work horses that gasoline engines are still the rule in the police cars and diesel engines are the rule in trucks. But the question is, when the next technology comes along, like we're trying to do with electric, can we try to migrate as quickly as possible with something more efficient? I think that you're hearing the counselor would like to do that. We wish it was now.

Fritz: Well, I know Commissioner Saltzman's got a Highlander, and I'm pretty sure that gets better than 10 miles per gallon.

Saltzman: That's a good lead-in to my question. My Highlander is a hybrid. And I'm just wondering, does Ford make hybrid Interceptor vehicles which get more fuel efficient and make more sense from the physics of it all?

Hunt: Right now, today we're buying where there is hybrid or electric options. I think that the Mayor said it very well that in kind of a teasing way that you can't put five yards of hot asphalt in the back of a Prius. So, we're trying to balance that out. But we do look at that and if there is that option, we're moving that way with the hybrid option.

Saltzman: The hybrid is not available, is not an option for the Interceptor?

Hunt: No.

Fritz: And did you look at the Highlander?

Hunt: We're looking at vehicles made with a police package, and that means that the braking, its handling -- because they are really rigorously tested through the Michigan state police and the LA County and Ford Motor Company to ensure these vehicles will operate well in police use. So, they're designed for police patrol.

Fritz: Is there a way to partner -- it sounds like it's a nationwide thing. Could you as fleet manager partner with your other fleet managers and say, "our Council is not going to approve us buying vehicles that are 10 miles per gallon" and get us a hybrid police vehicle?

Hunt: In fact, I am tied with a national network and there is advisory committees that are put together, and that -- you're exactly right, that has come up. And wherever they can increase the fuel economy -- in fact, there's technologies that are put in to reduce the idle time and different technologies that are out there today, but it's -- you raise a valid point that anything that can be done -- and we do have a network where we provide this information back to the manufacturer.

Hales: Well, this is a good discussion, and we'll take testimony if there is some. The direction I'm hearing -- and I want to support it -- is that first of all, we have -- and Mr. Hunt, someone who is a national leader, who's been recognized for his work in managing our fleet, so we know that you are involved in your national professional organization, so that's an opening. I'm on the transportation committee of the U.S. Conference of Mayors. So perhaps between several of us involved at the national level, we can start talking to other cities about perhaps a bulk effort -- if not a bulk purchase, at least a bulk influence on what's being produced to match the values of our City and our Climate Action Plan in the

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vehicles that we buy. There are other progressive cities like Seattle and San Francisco who also are C40 cities, so I'm sure that they are trying to implement their Climate Action Plan as well. What I would like to do -- my recommendation -- we'll hear from the public -- but my recommendation would be proceed with this batch because we've gotta have vehicles to replace the ones that are wearing out, but I think that there is a loud and clear direction here that we want to try to be moving in that direction of efficiency as fast as possible and maybe even kicking the door open if we have the chance.

Fritz: Mayor, would it be helpful -- and Mr. Hunt, would it be helpful to have an addition to the resolution, so that it's official Council policy? To add now, therefore, the Council directs, after A, the procurement officer is authorized to enter into the contract and you are authorized to deliver checks, to add a C, "the Mayor and fleet manager are directed to advocate for the development of more fuel efficient police vehicles"?

Hales: I have no problem with that. I think it's essentially in our Climate Action Plan but already, but we could put it in here if you would like.

Fish: Second.

Hales: Moved and seconded. Any discussion? Roll call on accepting that amendment.

Roll on amendment.

Saltzman: Aye.

Fritz: Aye. Thank you.

Fish: Mayor, I really like the idea of the cities using their buying power to actually get the industry to respond. So, I wish you luck with the conference of mayors. Aye.

Hales: Aye. OK, thank you both very much. We'll see if there is public testimony on this item. Anyone want to speak, come on up.

Joe Walsh: My name is Joe Walsh, I represent individuals for justice, for the record. One of the things that during the discussion that I was thinking about is when we export automobiles to Europe, the EU will not accept them unless they get 42 miles to the gallon. 42. We do about 25 here. I think that the average is about 25. So, I think that the Commissioner's questions are really good.

The other thing that came into my mind was that the police vehicles in Europe are very small. They're kind of tiny. It's almost like the Pope goes around and rides in all of them. It's interesting to me that we have these gas guzzlers, when we are all saying we have to do something about the climate. So the discussion that you had is very good.

I have a suggestion. Why not say that this Council will not buy vehicles that get less than. And I'm not going give you it -- I would think 20 miles per gallon. But you guys work on that. But that sends a really strong message, that this Council wants a minimum of whatever you decide. So, when they do buy these police automobiles -- and I know it's a restrictive industry, and that's problematic. However, you can get around that. Go into the details. You can work those. But the Council needs to send a strong message, and I think that Commissioner Fritz is onto something here and we should say, look, if you can send automobiles -- and you can check this fact -- 42 miles a gallon to the EU or they won't accept them -- why in god's name are we so low? That's our problem.

Hales: Good morning.

Robert West: OK, I want to bring up a couple things.

Hales: Just put your name in the record, sir.

West: OK. My name is Robert West, I'm with filmthepolice911.com. I want to bring up a couple issues.

One is I go by North Precinct every day, and there's always a bunch of police cars inside the parking lot after a shift change. And I find it funny that there's always cars in there and the City needs more cars.

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The other thing that I wanted to bring up is that the City -- instead of buying for everything, we should look at what we need for what areas that we have. Downtown doesn't need extremely fast police cars. You're not going to send a police car 120 miles per hour down a downtown street. A Prius or an economic car would be better for the downtown area. Also, my understanding with the police is that they tend to send officers that are needed from other areas. Like for instance, if something happened on 162nd and Stark, they would send officers from North Precinct because that's the closest to their area. They wouldn't send them from downtown. And so, with that, I think that the downtown area should definitely have fuel-efficient cars -- Priuses or something like that. That would send the community a message that, yeah, we want policing, but we also want fuel economy and we want to be good for the environment. That's what I wanted to bring up.

Hales: Thank you very much. Good morning.

Lightning: Thank you. My name is Lightning, I represent Lightning Watchdog PDX. I'm absolutely in agreement to be looking at the electric cars, but also have to have a more realistic approach to it. My understanding is that if you go electric in the future possibly, that you also will get certain tax credits, possibly up to 7500 per vehicle purchase. That makes a big difference on the overall price. As you know, on this order here, we're at about 33,000 per vehicle.

Now, the only issue that I do have on people saying going to smaller cars and let's worry about 10 to 20 more miles per gallon -- and again, we're still using fossil fuels currently -- but where I have an issue on that is to really look at it -- and I think the gentleman said -- is the overall safety factor. If they're in a high-speed pursuit, a larger vehicle with more weight -- I mean, come on, let's face it, it will be more beneficial to be in a vehicle like that than some small Prius. So, when you're looking at it from a safety factor and the people in the vehicle at high speeds, you don't want to be in a small vehicle, plain and simple. You want to be in a vehicle that is built solid, sound, and it's going to protect you if you are in an accident. That's the main thing. So, going to the small vehicles out on the street is great, but it's a risk you are going to take out on the highways at a high speed. My opinion is safety must be number one. Mileage per gallon is down the list. That's my opinion. Thank you.

Hales: Thank you. Good morning.

Charles Johnson: Good morning. For the record, my name is Charles Johnson. It's interesting that on this item, we're talking about two million dollars' worth of cars and last week when we were paying attention to the TriMet budget, we itemized the 1987 van. So, there's a little bit -- as Commissioner Fritz pointed out -- a disconnect on our values. But definitely, some of these Crown Vics are looking a little bit ragged. I don't have a huge problem with you approving the two million dollar purchase, but I think that we should really look at leadership and what's happening especially in the urban corps. I'm not an expert. I can't talk about policing and response time in the East Precinct and the distances that are needed to cover the time. But one thing that is a problem here is when I'm downtown, the only police that I see are in their cars. And actually, we've been talking about can improving community policing. I would rather see police in Priuses but I would mostly prefer to see real, actual police officers walking the streets and engaging with real citizens, not driving around in cars. So, I hope that while you work this two million dollars' worth of Ford purchases through the budget, we can also look at giving people the policing that is really, you know, common, actually -- was common in America for generations. And I understand that we have a kind of a nice situation where we have less police per capita than some other cities our size and bigger, and I hope that our Portland citizens can keep our act together and maintain that. But it's a valid point that we should look at the whole fleet of police cruisers and if there's a role for cars that are more like European police

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vehicles, especially in the urban core. And hopefully, some shenanigans through Uber and connections with Lightning's favorite person, Mr. Elon Musk, we can get some police patrol vehicles that make sense inside the central city area. Thank you.

Hales: Thank you. Anyone else? Then we should take a vote, please, on the amended ordinance.

Moore-Love: We need Commissioner Fish back in the room.

Hales: We do -- it is an emergency. So, let's set that over for a minute for when he's handy. Rachael? Oh, here he is. Be ready. Take a roll call now, please.

Item 999 Roll as Amended.

Saltzman: I appreciate the discussion. I hope that we can strive to find more fuel efficient vehicles but ones that do meet the needs of our police officers and our police bureau. Aye.

Fritz: I agree, thank you. Aye.

Fish: My daughter is trying to wish her father a happy birthday, and we're having a technology glitch. Aye.

Hales: You are excused whenever that comes in. I appreciate the discussion. I will take that to the table at the U.S. Conference of Mayors. Because I think that there may be a bulk influence and bulk purchasing opportunity there among cities. And I'll second Mr. Johnson's comments. Under my direction, the Police Bureau will be using three classes of vehicles that comply with our direction more, and that is, we'll be using shoes, bicycles, and horses in a greater number rather than vehicles wherever that's possible. And we have successfully used walking patrols in areas like Hawthorne, where it was hugely appreciated by the neighborhood, and they were on their feet. So, I agree with that. In the Police Bureau, we're looking for every opportunity that we have to expand that policing. And that's of course not only better for the community, but doesn't use any fossil fuel at least for that part of the trip. Thank you for the direction. We look forward to maybe having the next purchase be a little different. Aye. OK, let's take --

Fish: Mayor, it's your position that we should keep them out in patrol in order to comply with our Climate Action Plan?

Hales: That's right. Some people that deal with horses might argue with that.

Fritz: You said expanded? We're not expanding, are we?

Hales: No, we're not. [laughter]

Fish: There was a subliminal message there, but OK, we'll come back to it.

Hales: We'll talk about the ponies again, no doubt. Let's take up the next item.

Item 1000.

Hales: This is a second reading and roll call vote, please.

Item 1000 Roll.

Saltzman: Aye.

Fritz: Aye.

Fish: This is a lot of money, and the description doesn't really do justice to what we're doing, but we'll try to get more information in the future, but we did have a presentation last week where Jennifer Cooperman walked us through this in detail. Aye.

Hales: Aye. Thank you. Item 1001, please.

Item 1001.

Hales: Commissioner Novick isn't here, but what I have here is the introduction. The intent of this ordinance is to award a three-year abandoned vehicle towing and storage contract to Sergeants Towing, Inc. The contract provides towing, storage, and disposal to abandoned vehicles parked in the right-of-way as required by the abandoned auto program and requested by the Bureau of Development Services, if an abandoned auto is on private property. So, good morning, gentlemen. Take us through this, please.

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Patrick Kramer, Portland Bureau of Transportation: Good morning, Mayor Hales and Commissioners. My name is Patrick Kramer. I'm the towing coordinator, PBOT regulatory services. Beside me I have Donald Hunter, who's the supervisor of parking enforcement division and he's available for questions specifically regarding the auto program.

The ordinance before you today is to award the abandoned vehicle towing contract to Sergeants Towing. This contract is used by agencies -- primarily, abandoned auto program -- to remove the abandoned autos from the city streets. This increases the neighborhood livability and promotes public safety.

After a competitive bid process through procurement services, proposals were evaluated. It was determined that Sergeants Towing had the highest score. On August 11th, the towing board of review voted to recommend to you the award of the contract to Sergeants Towing.

If I could just take a brief moment to summarize some of the changes from the previous contract. The first is a reduction in the tower's response time to abandoned vehicle tows. Previously, it was 24 hours. We reduced that to two hours. Secondly, the successful proposer had a higher bid than the previous contract, so the City will enjoy the increased revenues from that. And then there's also a streamlining of the process in which a vehicle owner who appealed the tow of the vehicle and was successful can be refunded their money for that tow. So, by your approval of the contract, the City will enjoy increased revenues and streamline process for removing abandoned vehicles from the streets. With that, I'm open to any questions that you may have.

Hales: Questions?

Fish: I have a couple. Typically, when we take up towing in this body, it's because there's been complaints from the public about how towing and companies operate. And I know that Senator Avel Gordly, when she was in service, had a great interest in this -- she had a staff person who worked on it almost full time. There were concerns about performance and customer issues and the like. And I think one of the questions that we need to ask, even though we're talking about abandoned vehicles -- so we're talking about, essentially, cars that are left on the side of the road -- is what is Sergeants Towing's record in terms of the better business bureau and customer service? And are we forging a partnership with one of the good guys or one of the people that people have concerns about in our community?

Kramer: Yes, excellent question, thank you for that. How I'd respond to that is part of the request for proposals, the RFP, it was -- the companies were evaluated both on past performances of their contracts with the City as well as BOLI violations. Sergeants came back with no complaints. And Sergeants, actually -- just for historical purposes -- previously had the abandoned contract, if I remember right, from 1995 to 2010. So they had it for some time and were successful and the City was happy with their performance at that time. So, we have no reason to doubt that performance this time, too.

Fish: That's very helpful -- past performance is an indicator of future performance. And to what extent to abandoned vehicles actually get claimed by someone?

Kramer: It's very low. Most of them do not get claimed. Most of them are auctioned off or scrapped.

Fish: OK. So we don't have a lot of those examples of someone -- a member of the public going to try to claim a car and then having a history of how they dealt with the company in terms of the customer service.

Kramer: Exactly. The majority of them don't -- the vehicle owners don't have any kind of interaction with the tower. It would basically be if the City was happy with the performance of the towing services, for the contract.

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Fish: You know, on Sunday Parkways, the route went through Sellwood -- Brooklyn and Sellwood -- and I remember on one of the streets we were going through there was a totaled car on the road that had a sign on it saying, "free" so someone was being enterprising, I don't know that they got --

Hales: Seeing that car, I suspect it's still there -- that there were no takers -- unless you towed it away because it was abandoned.

Fish: Would you remind us -- when we tow an abandoned car and no one claims it, what do we normally get for that car?

Kramer: That's part of the abandoned auto fee. And so any vehicle that's not picked up by the vehicle owner, the contractor pays the abandoned auto program a fee, and it's based on a bid that was part of the RFP process that they submitted to us.

Hales: That's the 75% of the index price of the scrap metal value?

Kramer: Exactly.

Fish: And that price has been arrived at through a competitive process?

Kramer: Yes.

Fish: Thank you.

Saltzman: I'm curious, and maybe our viewers are curious -- what constitutes an "abandoned" auto?

Donald Hunter, Portland Bureau of Transportation: An abandoned auto vehicle -- the City Code requires it to have three criteria. Either failure to display current registrations, appears inoperable or disabled, or wrecked or partially dismantled. It has to fall in one of those three categories to be considered abandoned.

Hales: So simply being not current on the plates is enough?

Hunter: Correct.

Fritz: And that concerns me. Because the goal of this program is to get garbage off the street, right? It's the ones like Commissioner Fish just referenced that's been sitting there and you can't give it away. The goal is not to make money out of this program. And I'm concerned about the new requirement for towing companies to get out within two hours of this -- could you just walk us through what the timeline is from the moment somebody calls in a request for removal of an abandoned auto to the moment that it gets crushed?

Hunter: Our department is complaint-generated. When we get the call from the citizen -- this time of year, the summertime, if you called in the day, we may not be able to respond to get there for anywhere from five to seven days because this is our peak season. When the weather gets nice, we get more calls. Once someone calls it in and our officer gets the case, they go out and see if the vehicle meets the criteria. If it falls on one of these three categories, they place one of these green tow warnings on the vehicle which notifies the ownership of the vehicle that they have 72 hours to comply. And so, the officer will go back -- not quite 72 hours because this time of year -- again, after we may not get back to it to a week to seven days to follow up. If the vehicle is still there, then we proceed to cite it for abandoned auto and tow the vehicle away.

After we tow the vehicle, through DMV records, we send out a letter to the last registered owner letting them know that it was towed and they have 15 days to recover the vehicle. After 15 days, by code, it becomes City property to dispose of.

Hales: So I'm pretty troubled by the first criteria --

Fritz: Well, I'm not done with my line of questioning --

Hales: I'm sorry, keep going.

Fritz: Thank you. Does the 72 hours, is that -- that's just 72 hours, it's not business days or take any account of holidays or anything?

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Hunter: It's 72 hours. It's what is in the code, 72 hours. So, if we put a tag on there on Friday, yes, Saturday and Sunday, our officers are not out there on Saturday and Sunday. Monday is a holiday, and it's well past 72 hours before we respond or get back to it.

Fritz: But if the property owner was out of town for the holiday weekend, they could have left before the tag was put on and then be back in their car --

Hunter: That's a possibility, yes.

Fritz: So that's of concern to me. I am also concerned about the Mayor's concern about expired tags because that doesn't seem necessarily to be evidence of it being abandoned. And Jasmine Wadsworth on my staff has been working with you, and I really appreciate you answering her questions and mine. The reasons cited for the new two-hour requirement rather than 24-hour requirement to get the tow truck out is to cut down on the number of times that they go out, where it's gone on arrival -- the car has been already been removed. To me, that's a good thing. If the property owner has been able to get back to their vehicle and take it and do something with it, our problem is solved. It's no longer littering the public right-of-way. The revenue we're looking to increase goes from 50,000 to 165,000. That's really not a significant amount of revenue for PBOT. We're not looking to pave our streets using towing money. In fact, the City service fee is only going to increase from 3100 to 6000 so that again is not a significant amount of money. Compared with the hassle for a property owner of having to take time off work to go get their automobile, get it out of the pound, pay the fees -- I mean, if you're cited for having an out-of-commission vehicle and given 72 hours, it may be a week before payday. It may not be something that you can get AAA or if you don't have AAA to have the money to be able to tow it yourself.

That's not very long. So it seems to me -- and when we asked, we were told that last year, 160 cars disappeared after the 72 hours but before the tow truck got out there. To me, that's a good thing. So my question is, why aren't we giving property owners longer?

Often, these vehicles have been there for months, if not years. Why don't we give a week or more after you post the green tag and why don't we mail notice to the property owner by looking at the VIN through the window to be sure they know their car is about to be towed?

Hunter: Many of the vehicles -- when we talked about current registrations, it's not as if the registration expired a week or two. A lot of these are several months old. A majority of these vehicles have been expired for some time, some of them even two years with expired registrations. These are complaint-generated cases that we receive from the public. Someone in the neighborhood see this vehicle as an eyesore many times, and that's the reason why they call us and we go out on it.

Hales: Let me pursue that a little further. Because we don't have a hard and fast threshold about how far beyond the registration period had has to be before we tow it, right? It is complaint-based.

Hunter: Correct.

Hales: Forgive me for using a personal example, but it's on point. My wife and I own a 1987 Toyota pickup truck for which we paid \$500. It is not a thing of beauty, though, most of the time it's operable. Most of the time it's parked in the driveway, we don't use it very much. We use it when doing remodeling projects on the house to haul stuff. So, it sits around a lot and grows green mold, which is what cars do when parked in Portland under trees. And you know, the registration on that thing lapsed and it sat in my driveway for a couple of months without me remembering to get the new stickers on it. But no harm was done because it was in my driveway -- or, no harm was done to me. You know, that's a pretty ugly truck. If I parked it on the street, I wouldn't really blame my neighbors for complaining. So, pretty concerned that failure to comply with a relatively minor issue of registration of the vehicle if it's otherwise operable, tires are full, windows aren't broken out -- what's the neighborhood harm other than I have an ugly truck?

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Ben Walters, Chief Deputy City Attorney: Pardon me for coming up, Ben Walters with the City Attorney's Office. Just a point of clarification. What constitutes an abandoned vehicle is not defined within the contract. The contract is the implementation of what the Council has defined as an abandoned vehicle in code. So, if the Council chose to or is uncomfortable with what constitutes an abandoned vehicle, the Council could change that by a code amendment.

Hales: I understand that, but you know, every now and then in this process we learn something. I didn't know that is our policy and this Council is using this moment to check out the policy.

Fritz: Plus, the contract is saying we want you to whip them out of there faster and that's the piece I'm concerned about.

Walters: That's a different question --

Fish: Let me --

Walters: What constitutes an abandoned vehicle -- the Council has the authority to change that definition should it choose, but it's not in front of you as a code amendment today.

Fish: So we could -- that's an important clarification. Let me give you another example. It's not directly on point but illustrates the equity that my two colleagues are raising. I have a friend that was doing some work on his house so he got one of those structures that you put in front of your house on the street and you store your furniture in there. I forget what they're called --

Hales: Pods.

Fish: Right. And the vendor that leased him the pod for this project didn't give him clear notice that he had to get a City permit or something. So, he filled it with all of the stuff and he went on vacation with his family. And he came back and it was gone. And so the first thing he thought, "oh, my god, it's been stolen." Well, it turned out it had been towed because it didn't have the sticker. And so whatever part of our code says if you have a pod that isn't properly licensed -- and he had gotten a notice but he was on vacation. So, when he -- it cost him like \$500 to recover the pod, which he was duty-bound to do because it was leased, so he had to pay whatever it was. But interestingly, the way the pod is towed is it is a flatbed truck comes and puts it at an angle and slides it up, so everything in the pod was destroyed. So, he lost his stuff, he had to pay \$500. And he would not fall within any category of someone that would be the poster child of what we're trying to get at. This is not someone who was running a business out of his pod. He didn't fail to pay and it was abandoned. He just didn't know our rules as well as he should and he paid a huge price.

I also am troubled by the idea there is going to be some fairly innocuous behavior -- and by the way, if you're stopped in a car with your plates not updated, you get a ticket. They don't get you out of the car and tow your car, right? So it's still an administrative fine. And Mayor, I wonder, this is -- the Commissioner-in-Charge is not here.

Hales: Right.

Fish: And yet, we have to have a contract to at least enforce the other portion. Can we simply declare a moratorium on enforcement of the piece we have concerns about and have that come back for further discussion? Because I know we have to have a company enforce the parts we don't have a concern about.

Hales: Right. And it sounds like from what I see here that the current contractor contracts with Retriever ended on August 31st. Are we on an extension of the old contract with them?

Kramer: Yeah, it would expire today. And may I interject one more thing?

Hales: Please.

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Kramer: Commissioner Fritz, you'd expressed concerns about the expediting of the tow response by the tower. There was a secondary reason for that as well. The reason for that was to cut down on an unscrupulous tower coming in and taking the car before our contracted towers got to it. This came up a couple of years ago. And so, that cuts down on the possibility of that happening again, and so that was actually partially in response to that as well. And again, I believe our City Attorney mentioned it, but the contract is completely flexible on the abandoned auto process and how long you want to give a person before the call is called in to the tow truck. So, it's completely flexible that way. So if it would change, the contract would still not be affected by that and the services would just be provided per their policy.

Hales: Well, that's good to know because my recommendation -- Commissioner Novick's staff is here -- my recommendation is that we do go ahead and approve the contract because policy direction will then change how the contract is used. We have to have a contractor. And they've gone through a process to select a contractor. I don't have much of a quarrel with that. But I do have concerns -- and I know you do as well, Commissioner Fritz, and others here -- about are we operating this as a livability program pure and simple and exercising both -- giving direction about what we do and don't do based on that being the touchstone of this program as opposed to a revenue program or an enforcement program for the motor vehicles division? It's none of those.

Fish: Mayor, I just had another idea I wanted to share with the two of you since you're leading the discussion. We could say as part of this that we direct the bureau to give 30 days' notice in the event of a registration issue to give Steve's office a chance to come back to us with potential changes to the code. Since the notice -- you're already giving 15 days.

Fritz: That's after it is towed.

Fish: After it's towed, I'm sorry. Alright. We could extend the front-end time for that particular category until we have a package -- something to considerate Council.

Hales: Commissioner Novick's staff is here. Let me ask one of you to come up, if you would, and give us your preference based on the discussion that you heard in absence of the Commissioner-in-Charge.

Fritz: Except the Commissioner is back tomorrow. We could set it over until tomorrow.

Hales: Let's hear what you'd like to do.

Bryan Hockaday, Office of Commissioner Steve Novick: And actually, I'd appreciate if Ben Walters would come up here to back me up on the legal basis. But my understanding is the tow contract in and of itself -- to try to make an amendment pursuant to Commissioner Fish's recommendation would not fit well within the contract itself, but instead perhaps within our VIN and auto program, which is in City Code.

Hales: So, he's going to be back tomorrow?

Hockaday: Correct.

Hales: Why don't we set it over for continuation tomorrow?

Hockaday: And the current contract expires today.

Fritz: Yeah, but one day's -- and obviously, we have to take testimony today, too. One option we could do is on page 15 of the contract to delete the three response time criterion, 3.6.3, 4, and 5. So that's something we might consider.

Hales: Is this contract amendable? Can we amend it? Yeah, again -- my suggestion would be -- we have policy issues here that this discussion has highlighted. Great. I'm happy that that has happened. I think all of us want to bear down on those issues with Commissioner Novick sometime very soon.

Fish: How long has the current code been in effect?

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Hunter: I believe -- I'm not sure of the exact time -- I've been in parking enforcement for 23 years. It was like this when I started.

Fish: What I also would suggest to my colleagues is that we take testimony, vote on the contract. We have a long history -- this has not been brought to us in other forums. I am perfectly comfortable waiting a week or two for Commissioner Novick's office to come to us with any proposed code changes. I think we should do it thoughtfully. I think we can limp along for two weeks and I am concerned the contract is expiring. If we have 20 something years of history -- at no time in seven years on the Council has anyone come at a public part of our meeting and complained about this process. So, you've highlighted a concern we all have. I for one, Mayor, am willing to go a couple of weeks under the status quo.

Fritz: When the contract expired at end of August, did you come to us to ask to ask to extend it?

Kramer: No, the contract allows for an administrative extension, a temporary extension after the last extension. So, it's a three-year contract with two consecutive one-year extensions, and then after that, you can administratively extend it out as needed. It's a temporary thing -- it's meant to be there on a temporary basis.

Hales: Keep going on that basis.

Fritz: Well that's what I'm thinking, we could temporarily set it over.

Hales: If we do nothing, you can still extend the contract administratively for a little while.

Hockaday: Again, just to be very clear, the contract in and of itself does not change or effect the immediate policy.

Hales: We're clear on that --

Fritz: Well, it does change the response time.

Saltzman: Can I say something?

Hales: Please.

Saltzman: I want to say first of all that I am supportive of this. I think there are at least two sides to every issue, as we all know. And we're not hearing from the side of the aggrieved neighbors -- as Commissioner Fritz said herself -- these cars sit there oftentimes a year before any action is taken. And all of the concerns about our Climate Action Plan -- well, yes, one of the key ways to enforce a vehicle's compliance with clean air is to have it inspected. That's how you get your tag. So, I think, you know, we're being a little too frivolous and cavalier about we shouldn't take an abandoned auto that's been sitting on the street for a year, or we should be tolerant of cars that are dirty -- emitting dirty air just because they don't want to go through DEQ. So, I support this contract. And if you're going to embark on a major policy process -- or if you're even going to set it over to tomorrow, I won't be here tomorrow -- I would suggest you set over the testimony on this issue until tomorrow as well. But I really think -- I do support this contract and I support the criteria. And if the Council wants to undertake a more expansive process, let's be sure we hear from all sides to this issue.

Hales: Good suggestion. Let's give us all a chance a process of what we've heard. Unless there are any further questions, we'll see if there is any testimony on the issue and then we'll see if we have a decision.

Moore-Love: Mr. Charles Johnson is the only one who signed up.

Hales: OK, come on up.

Charles Johnson: For the record, Charles Johnson. I have to say that I'm thrilled when you pleasantly surprise me with a robust and progressive concerns, but I actually somewhat have my sentiments in line with Commissioner Saltzman. We've all been through neighborhoods where the neighborhood people behind closed doors have gone through a, "are we going to bother this dude about his car that has been sitting there for 300 days?" And at the same time, I think we do need -- I think you could totally approve

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this contract the way it is and just get it over with, but you should return to this robust conversation of “what’s the best way to be Portland?” If we have people who might have junky old crappy cars and financial concerns or mental health concerns, should we have ways to help neighborhood people engage with those people so that they can still use the transportation -- except, of course, it is an abandoned car so they’re not really using it. Maybe they need help liquidating that asset without a tow truck coming and having to go through the procedure. But it was a good and surprising discussion that touched on those issues. And like I said, you could feel OK I think about approving this contract as is today and moving on, but we should have this conversation of we know that there are -- and we should maybe from the towing provider and from the Bureau of Transportation get information on what the statistics? Is it nine out of 10 cars dead on the side of the road that have sat there, or are we talking about a lot of cars that are in our neighborhoods where, you know, people who -- whatever their issues are, whether it’s poverty or they’re single people who don’t know how to fix cars and can’t make that connection -- we should be able to do something better than these people, you know, just waking up. Maybe Office of Neighborhood Involvement maybe should get involved, and for the ones at home, people can have direct human contact with a City employee who says, in 72 hours, your car will be gone and we’re going to use that money as a revenue source for the City’s Bureau of Transportation. Maybe they’ll say, OK, tow it. But I appreciate your more thorough than usual review of this topic. Thank you.

Hales: Thank you. It seems to me we have options here. We can approve the contract and ask the Commissioner-in-Charge to return to us with the policy discussion sometime soon. We can set over the contract and allow -- we don’t have to do anything, the bureau has the opportunity to administratively extend the current contract until we approve the contract and/or have a policy discussion.

Fish: Mayor, so let’s go down the line here. My preference is to vote on the ordinance. We have had no objection to having the substitution. And --

Fritz: What substitution?

Hales: Of one towing company for another.

Fish: One towing company for another. And to the policy question -- I mean, I appreciate Dan, your view, but I hardly think it’s frivolous to actually ask to see some data and see what the impact is. And frankly, if the data said that disproportionately this targets people of color or working class people or undocumented, I would think you would want to know that. But I don’t know the answer. So, I don’t think the question is frivolous. I think what we’ve done is said collectively that we would like -- there’s three criteria. Two of them no-brainers. We see those cars all of the time. The third seems like there’s a grayer area. And I think all we’ve said we would like to get more information and data to know whether that’s the right policy. So, I’m prepared to vote for the contract, and I would like the Commissioner-in-Charge to come back and walk us through how that other prong is going administered. And if there’s no problem with it, then so be it. But I don’t consider that a frivolous exercise, I think that is part of our oversight exercise.

Hales: Dan, thoughts?

Saltzman: Yeah, as I said, let’s approve the contract.

Fritz: I can only support approving the contract if we remove 3.6.3, 3.6.4, and 3.6.5 on page 15 of the --

Hales: Of the contract itself?

Fritz: Of the contract itself. Those are the ones as far as I see that talk about the response time. Again, in my inquiries after the 72-hour notice but before the tow truck got there -- in 2014, 160 cars disappeared. Now again, second time today thanks to Maxine Bernstein in the Oregonian and Jasmine Wadsworth who pulling up the article from April 2014, the

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issue alluded to with cars being stolen has been addressed, I'm hoping, and I would be interested in hearing from the bureau as to how else we are making sure that the right company is allowed to tow and that we're -- the police are continuing their due diligence on making sure that registrations are checked and notified and titles transferred before we do the crushing.

Fish: That means we don't have four votes on an emergency, Mayor. Can I make an alternate suggestion?

Hales: Please, I'm looking for one.

Fish: I would be comfortable with the bureau administratively extending the contract until such time as Commissioner Novick brings this back to Council. I think he should be here. I'm loath to change a contract, since it's negotiated by the parties, and if we start taking something in or adding it, we're the least qualified people to do that. So, I'd rather maintain the status quo. I take Commissioner Fritz's concerns seriously, but I don't think we should amend the contract on the fly. Let's administratively extend it and come back with a fuller discussion.

Hales: I agree with that because I'm unwilling to invade the language of the contract itself -

Fish: In which case, we just set it over until next week.

Hales: OK, so we will set this over for a week. Obviously, Commissioner Novick's staff has heard this discussion and we will look forward to hearing direction from them and from the towing board of review, perhaps, when Council returns to the regulatory subject and maybe they can make a presentation about options when the contract comes back. So, it's continued for one week.

Item 1002.

Hales: Commissioner Fritz.

Fritz: Thank you, Mayor. This is our third hearing on this issue -- maybe fourth -- I'm losing count. Certainly, there's been plenty of public process. It is a new program and so it's highly unlikely that we will get absolutely everything right the first time that we vote on it and we will continue to work on the program.

Just to review, beginning tomorrow, medical dispensaries are allowed to sell a certain amount of recreational marijuana through the end of 2015, and then possibly as early as December 1st, recreational marijuana businesses could apply for a City license along with an Oregon Liquor Control Commission license that would be granted no sooner than January 4th of 2015. So, the urgent issue that I would like us to vote on today is to adopt this emergency ordinance with amendments so that we have some regulation of time, place, and manner starting tomorrow for how medical dispensaries can sell recreational marijuana.

To again recap the direction from Council based on public input at the last two hearings is that we should do whatever we can within the scope of our authority to both prevent land grabs and to prevent giving an inadvertent upper hand to out-of-state companies, and also to support medical marijuana patients and dispensaries. This Council has been very supportive of medical marijuana every time that we've been asking about it, and so, the goal of the amendments -- which staff will walk us through 00 is to make sure that we protect the medical dispensaries to the extent that Council has directed. With that, I will ask Theresa Marchetti, the program manager to please walk us through it.

Theresa Marchetti, Office of Neighborhood Involvement: Thank you so much. I firmly believe that the third time is the charm. I'm Theresa Marchetti for the record, and I'm the livability programs manager.

Victor Salinas, Office of Neighborhood Involvement: And I'm Victor Salinas, the marijuana policy coordinator for the City of Portland. We'll go ahead and walk you through

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the beginnings of the proposed amendments to Chapter 13 B.130. The first amendment is to section 14 B.130.080 with the operational requirements. The second amendment is to section 14 B.130.040.D, and that's to the distance restrictions for dispensaries and retailers. I'll speak to the latter one that I mentioned, since that is a less complicated one.

We've heard from industry and from medical patients alike that the proposed changes to section 14 B.130.080 A2 are in response to concerns of medical marijuana patient card holders employed at medical dispensaries within the City of Portland about their ability to medicate at work as necessary for their medical conditions pursuant to OAR 333-008-1200. So, the amendment would actually change the proposed ordinance or code to allow them to medicate on site and in closed quarters, in private quarters away from public view and away from anyone else within the medical dispensary.

Fritz: And to clarify, we're going to defer to the ongoing process to decide whether that same provision should apply to retail establishments once there are purely retail establishments authorized.

Marchetti: Thank you. The amendment to section 14 B.130.040 D, the distance restrictions for dispensaries and retailers. The amendment that we've crafted is intended to meet Council's direction of protecting the existing medical dispensaries that have been supporting the medical marijuana patients. We were asked to develop some criteria for that, and we have done so. The criteria is related to those dispensaries that have been established in Portland with substantial financial and time investment and also that are operating in compliance with state regulations and serving medical patients.

And I have to say that we had some trepidation about crafting this policy in a way to make sure that we were not unfairly granting some amount of preference to one group over another. We've heard a lot of criticism that the current marijuana industry is predominantly white, male, and affluent. And we have really strived in our policy-making ensure that we are not systematically and unintentionally excluding groups that do not enjoy the same privileges as others. It is commonly felt that the current medical marijuana industry and marijuana industry has been able to take advantage of opportunities that other groups cannot because of their status and privilege. And I am very aware of how much of a challenge it is to speak about privilege in the realm of policy. I enjoy my own privilege most of the time without even knowing it. And ONI's core value system and also explicit direction from this Council has basically mandated that we actually do think about it within this policy-making, and it's been at the forefront of our minds through this entire thing. So, we think --

Saltzman: Did you say you heard public testimony to that effect?

Marchetti: We did. At the town halls, at the community stakeholder work group meetings.

We do believe this criteria helps to ensure that we don't erect barriers -- additional barriers to specific groups within Portland. We also think that it maintains -- which is also within the framework of viewing this through an equity lens -- it maintains and preserves the protection from saturation that City Council that is been adamant about to ensuring the community of Portland by establishing the thousand-foot buffer.

Fish: Theresa, I don't know enough, I guess, about the industry, but who is privileged and who is not privileged in the industry?

Marchetti: We're really talking about the fact that individuals who are well-resourced, have existing supply lines, have existing -- really it's about the resources that they bring to the table that they can take advantage of a very high-risk situation entering into the medical marijuana industry and now into the medical industry to a greater extent than other groups can.

Fritz: We're talking about people of color and women in particular not having access to opening those facilities.

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Saltzman: I guess, I want to be devil's advocate. If we want to be as laissez faire and pro-equity as possible, why don't we just not adopt any of these standards about citing and just allow the market to operate and allow people to enter the market. [applause] I mean, I'm really baffled.

Marchetti: Thank you, I --

Saltzman: I do think we're talking about a regulatory program where you want to hire eight people. You know, I questioned that last time. So, why don't we just let it lie and not adopt any local regulations?

Marchetti: Because I think the equity lens needs to be applied both on the front end and the back end. So, we're talking about the communities that these type of businesses are going to locate in and providing protections for them and also establishing those expectations between those communities and this industry and the newness of this industry is extremely important when we're looking at it from an equity lens. I mean, we have seen time and time again across the nation that alcohol and vice-related type businesses congregate in areas of social disadvantage, and they perpetuate that. And I think that -- especially as we are embarking on this new realm -- that we need to be mindful of that and the policies that we are proposing to you for your adoption to make sure that we're not making the same mistakes we have made.

Salinas: And specifically, this addresses the position in terms of the population that lives east of highway 205, where we see a great saturation of adult businesses from lottery to bars to liquor stores to other forms of adult-industry businesses as well, and that's where we see the greatest impact where there is the least amount of resources and the knowledge and ability for people to present themselves here today to be able to advocate for the regulatory system that addresses livability in those neighborhoods.

Saltzman: Well, I think the fundamental flaw with the lens you're looking at this in my personal opinion is that marijuana is not like alcohol. People are not going to be allowed smoke on premises in either of these establishments, unless you're behind closed doors and all locked up. It's not a speak easy, it's not a bar, there's not going to be spillover into the neighborhoods. And people aren't going to locate -- and if people are entrepreneurial, regardless of their race or gender, they're not going to locate in an area where they're not going to make some money. And so why not -- as I said, they're not going to saturate an area if they're going to put each other out of business. And like I said, we're looking at marijuana like it is alcohol or pornography, and it's just not the same. I think the voters took a very clear position on that and I think we're just kind of, you know, regulating for the sake of regulating as opposed to the sake of there being a real problem. I'd rather be laissez faire, and we can always come back and adopt regulations. The world is not going to end tomorrow if we don't have regulations in place.

Marchetti: It's always difficult to come back and regulate, it's always difficult to run after a problem once it's already established. We've seen again and again that there are proactive regulations, reasonable regulations that can be put in place that avoid all of those negative consequences. And even though we don't know to what extent that marijuana may align with alcohol, it's the best system that we have for comparison at this point just because it hasn't been ethical to study it -- to study marijuana and what the impacts are in an aggregate level just because it was illegal for so long.

Fish: Can I just ask a simple question? Because today is full of surprises for me. If Commissioner Saltzman has a principled objection to us adopting any regulations, Mayor, I would propose that we just move to take the emergency clause off, take testimony today, and have this go to next week.

Hales: We might have to.

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Fish: Dan, if you have a principled objection to regulation -- it seems to me there's been a robust public process, we've had lots of testimony, we've been working in good faith to craft community standards -- I appreciate that in this one area, you don't believe in regulation. So, let's take the emergency clause off, take testimony, and bring it back next week.

Hales: Let me suggest doing it in a little different order. We have proposed amendments, correct?

Fritz: Yes.

Hales: So, I would suggest we take action on the proposed amendments, hear testimony, and then see what the Council's sense is of going forward of hearing testimony on the amendment.

Fish: Yeah, but I'm just previewing that the laissez-faire approach means the entire exercise he disagrees with, and that's his right, but I think we could spend a lot of time going around and around debating that. I should have a full Council to vote on it.

Hales: I understand that. OK. Are there things you need to get across to us about the amendments before we take a motion to accept the amendments?

Fritz: I don't think so.

Hales: OK. Is there a motion to accept the amendments?

Fish: So moved.

Fritz: Second.

Hales: Further discussion on accepting the amendments? And then we'll ask if anyone wants to testify on the amendments. Roll call, please.

Roll on amendments.

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

Hales: Alright, thank you. I don't know if we have folks signed up for public testimony. Let me see if I can't help to make this I hope simple and brief. If you think we have it right, no need to come up and speak. If you think we haven't yet got it right, that's particularly what we want to hear. If you think these amendments solve the problems raised in the earlier hearing or hearings -- fine, give us a thumbs up or smile. OK, there's at least one. If you still have concerns about where we're headed with the now-amended regulations that are in front of us, those are the folks that we particularly need to hear from. So, would you call the list, if we have a list.

Moore-Love: Yes, we do for the amendments.

Hales: Let's take the first three anyway, or four if we can bring up another chair. Good morning.

Sam Chapman: Good morning. Thank you, Mayor Hales, Commissioners. My name is Sam Chapman for the record. We're going to be brief because a handful of us have to rush down to Salem for a ceremonial bill signing for all of the marijuana bills with Governor Brown. While we're going to be brief, this is still an important issue to us and I think a good handful of us do not believe the proposed amendments are acceptable as is. I think Amy will get into more specifics about exact language we would like to see which I will endorse, but very quickly, I will go through my regular testimony here.

I'm very glad to hear the patient issue got fixed. That was something in statute. There should be no question about that. It's in statute. Patients that are employees can consume on premise behind closed doors. I don't understand why there is more conversation needed, doesn't sound like there is. Thank you.

Another section that I wanted to refer to was section 14 B 130.080, which bans retail delivery. I understand that maybe there is some hesitancy because it is a new industry, we're not sure what delivery means, etc. I can tell you that it is something that the legislature specifically allowed because of the local compromise that happened

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last session between cities, counties, and the industry in allowing counties and cities to ban. It was something that was championed by Senator Floyd Prozanski. And the reasoning why I think the City should reconsider that is because prohibition doesn't work. That's why Measure 91 passed with such high numbers that it did. And continuing to allow a black-market of deliveries -- which exists now, there's quite a few of them in Portland, they're around the state. It's something that if we do choose to regulate, we should regulate it. We shouldn't prohibit it and encourage the black-market to continue to dominate the delivery industry as they do now.

Lastly, I would like to step back and talk at kind of if a 10,000 foot level about the work group and how we have got to where we are today. Initially in these first meetings, it seemed like everything was very clear and straightforward. That maybe there should just be one license, which is what I would like to advocate for and I think others as well -- one marijuana retail license. I mean, adding dates, adding additional clauses -- it seems clear to a lot of us that there's a lot of miscommunication and a lot of misunderstanding about existing law and also trying to predict what the OLCC is going to do. We can't do that. Right? I think the proposed language as is right now harms potential businesses. The way that I read it, and specifically in section D from 14 B 130.040 under minimum standards -- that's where all of this time and date language exists, and I would just propose to remove all of it, or as Commissioner Saltzman said, put a pause on this. Really consider how much additional regulation we need. There's three regulating authorities in the state right now that are going to be overseeing this industry, and I really think we should look at what they're doing and what the City is proposing to do and see how much overlap there is. I'm pretty sure there's going to be a lot of overlap and we could potentially save a decent amount of taxpayer dollars if we went that way.

Fish: Since we're about to lose you -- and I appreciate your frustration with the process but since we're actually responding favorably to many of the suggestions that you have, I don't mind frustrating you. If we make some additional tweaks here, do you want us to adopt a package?

Chapman: I don't have a problem with you -- with the correct tweaks -- adopting the package, that's correct.

Fish: That's what I wanted to know. Thank you.

Fritz: I have a follow-up question. Many of the amendments are in response of your concerns and concerns I've heard from medical dispensaries about proximity. Would you rather have an imperfect package or nothing?

Chapman: I think this is part of the core of the misunderstanding, because the way the language is written, it is not clear what the intention or result is. It's very confusing even in between people in the industry. People in the industry can't get on the same page on this -

Fritz: You would be fine with not saying that other outlets have to be a thousand feet from existing medical dispensaries?

Chapman: No, I think any marijuana retail outlet should have to be at least a thousand feet from any other marijuana retail outlet, whether it be medical or recreational.

Fritz: That's what this package does.

Chapman: I don't think that's the case.

Hales: OK. Who would like to be next?

Donald Morse: My name is Donald Morse, I represent the Oregon Cannabis Business Council. Thank you for hearing me.

With what Sam just said, we do not believe that the ordinance as written right now would accommodate a thousand-foot difference between all dispensaries. Two weeks ago I was here, and there were two proposals made. One was that existing medical

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dispensaries be given a two-day head start to apply for a retail license. The other was that there would be a thousand-foot barrier between all dispensaries, be they retail or medical. Mr. Mayor, you asked Theresa at that time which one would be easier to accommodate and she chose the thousand-foot barrier. We have not seen that materialize in the paper, in the ordinance that has been put forth. It's pretty straightforward thing without all of these different items and what applies and when and on what date, etc. All you have to do is say there shall be no dispensary of any type within a thousand feet of another. That's it. Period. Solves all of the problems. If you don't want to do that, you can go back to the other thing of saying we have a two-day head start.

We are businesses that anticipate on going retail and don't want to lose that opportunity because we all know that medical dispensaries are going to cease to exist within a year or two because everybody wants one system. And it's going to -- market forces, etc. and the laws are going to accommodate the retail as winning out. So, medical dispensaries know if we don't choose this, we're dead on the vine within a year or two. And if there are people competing against us across the street, we're going to lose. Not only that, it's going to increase market saturation, at least for a year or two, while we struggle to survive and the other guys across the street. So, you're going to have twice as many dispensaries as you wanted.

So, I would ask that you please, you know, enact the thousand-foot rule for all dispensaries. It is a very clear, concise way. We've invested hundreds of thousands of dollars in what we do. We brought the industry to this point and we do not deserve to be pushed aside. Thank you.

Fritz: I would encourage everybody to testify on the amendment. The amendment says that for medical dispensaries that were active on January 1st, there's a thousand-foot rule.

Morse: Between medical dispensaries.

Fritz: Between all of them. We already amended -- on a previous hearing, we already amended to say that it's a thousand feet between any.

Hales: I think that's right.

Fish: This may be a case of having too many lawyers looking at language that was drafted, precisely tailored --

Fritz: We already did exactly what you said. So, that's done. And then what we're doing today is saying it needs to be a business that was in -- a dispensary that was in operation at the beginning of the year, not some out-of-state entity that is coming in that's not even operating yet who is pretending to be a medical dispensary but is in fact going to be retail.

Fish: On the point that Commissioner Fritz just made, it's a one thousand foot requirement. The only thing I could imagine that we would be debating is have we defined who is eligible, who this applies to clearly enough? That might be your concern -- that we're too restrictive in who gets the benefit of the thousand-foot rule that's a preexisting business. I can understand people raising that because, in fact, we have chosen what you might view as an arbitrary deadline and criteria. But that is different from whether there is a thousand-foot rule. The thousand-foot rule could not be clearer. Let's separate those two out, if we could, because I think that is where you're headed.

Amy Margolis: My name is Amy Margolis, I'm an attorney with Emerge Law Group and I work with the Oregon Cannabis Association. I am going to talk quickly.

I think there are two options and my feeling is -- with all due respect to the statutory drafters, the legislative drafters for this piece -- it is terribly drafted. And what you are seeing is us struggling with that language and understanding of the intention. And again, that's with all due respect to the drafters of this language. I think I've probably worked with them for a long time and they're excellent attorneys. That being said, I have offered to the

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commission proposed alternative language that I think is much simpler to achieve one of two potential goals.

The first one is to limit saturation by having a thousand-foot rule between each and every dispensary, regardless of whether they are medical or recreational. And so I've actually -- with the help of many people, Mr. Sugerman, Mr. Chapman, other attorneys who could not be here today -- some alternative language that simplifies this issue, that strikes additional definition for queue of medical dispensary and creates a holistic definition of marijuana retailer. I believe the statutory language will clarify the confusion. And the confusion that everyone -- and then I would like to talk about Commissioner Saltzman's alternative suggestion, which is getting rid of the thousand-foot language all together.

The confusion is that the way it reads to many of us -- and I understand, Commissioner Fritz, that was not the intention -- but the way it reads to many of us, including a number of attorneys who have looked at it, is that there will be a moment in time where an individual applying for a Portland license, recreational license, could push out an existing medical dispensary. Now, I understand that's not how you read it, Commissioner, but I will tell you that I struggled with the language myself and I think offering some clarity through the alternative proposed language. If I'm understanding that the intent is not to allow that to happen, here is -- excuse any typos, we worked on this for a long time to try to get it right and there needs to be internal remedying of some of the language, if you accepted this that we're proposing. So, I think that's issue one.

The second thing that solves it is Commissioner Saltzman's response, which is, let's just get rid of the thousand-foot rule all together. I take no position on that but I do think there is a clearer, more concise way to get to the goal of this commission.

Fritz: I believe Commissioners Saltzman is saying let's not do this at all. Could you clarify, sir?

Saltzman: I believe we should do away with any kind of thousand-foot boundary that will somehow put other businesses out of business. And I guess I'm open enough, if there is an absolute need that we have to adopt something today -- but I guess philosophically, I'm concerned about the program we're setting up and it just seems overly regulatory and overly duplicative. That doesn't mean that I haven't voted for things that are overly regulatory and overly duplicative in the past. So if there's a compelling reason to vote on this today, I will go along with it. But I do think your testimony is right on. Philosophically, my point is we should let this market establish itself and it will shake itself out.

Fritz: Thank you, Commissioner. I appreciate that clarification. And let's all remember, nobody will be able to apply for a retail license tomorrow.

Fish: One thing that occurred to me, Commissioner Fritz, is if we have to vote on this today and we're hearing there's some questions about whether the language could be clearer about our intent and potentially even easier to administer -- potentially -- what I would suggest is we lock in a room the people that care about that with our attorneys and just resolve it. And that's fine. And I think we have the luxury of adopting this and then having you do that. And if next week there's some clarifying language, we will take it up as an amendment.

Margolis: Commissioners, may I respond to that? One way to do this to solve that issue and that issue is to adopt this regulation, but because -- as you pointed out -- there is no retail license yet, there is no reason to include the portion around the retail component right now. It's much easier to create good legislation than it is to adopt unnecessary and poor legislation and then put us in a room to try to fix it. So just pull that language out that doesn't even apply right now, and then put us together to try and fix it.

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Fritz: But there's reasons why I think that is not the best course of action. I have already committed to having the ongoing process. We know we're not done today. There is a compelling need to get the regulations adopted to protect your industry.

Margolis: Commissioner, may -- I think what this is creating is an environment of fear and concern in the industry. We work with hundreds -- more than hundreds of clients in this industry, and I cannot tell you how many calls I have fielded from smart people about this particular language. So, I'm hoping that even -- the pieces that protect this industry, that's fantastic. Support it. The pieces that protect the community and the neighborhoods, support it. We support that. This particular component that sets up a potentially competitive and arbitrary application process between retailers and medical dispensaries some point in the future does nothing to protect the industry.

Fish: When is the earliest that sometime in the future could occur?

Margolis: Our understanding -- and I'm on the licensing compliance -- as well as Mr. Morse -- the licensing and compliance regulatory committee for the OLCC. Our understanding is that the soonest we will see open recreational dispensaries is sometime in October of 2016.

Morse: However, I'd like to add to that that the application process begins January 4th and the OLCC has indicated that we must have a LUCS from the City in order to make application.

Fish: By January.

Morse: By January 4th.

Saltzman: Have a what from the City?

Geoff Sugerman: They are calling it LUCS -- land use compatibility statement.

Margolis: That exists in this piece of regulation, and it doesn't need to be touched right now. It's a land use issue and not a distinction necessarily, depending on the form you all create.

Fritz: Just to reiterate what I said at the beginning, it's tomorrow that medical dispensaries are allowed to sell a certain amount of recreational marijuana through the end of 2016 and it's not until December 1st that retail marijuana businesses could apply for a City license. We have at least two months to continue this discussion and bring amendments back to the Council if needed.

Hales: That's an option.

Sugerman: Geoff Sugerman, today representing Groundworks Industries. I think that the disagreement we're having with staff -- and I think it is a good-faith disagreement, we know everybody is working hard to come to the right place -- is how do you accomplish the transition of medical shops to recreational shops as they move forward, and how do we honor those existing OHA licenses as that process goes forward?

The way the ordinance reads today, the new language -- the only people who would be protected are those shops who decide to stay as medical shops who had been operating prior to January 1 of 2015 and had a City business license by June 30. But they cannot have submitted -- not even submitted -- a recreational application to be able to receive that protection. And that's the gist of what I want to talk about, is why we should honor those existing licenses and help those shops who are transitioning from medical to recreational stay in the locations where they're at today.

First of all, it will be a much more orderly transition, similar to what we saw in Colorado when they allowed their medical shops to come in first. These owners of medical shops that want to switch over have been through the state licensing procedure and they have proven that they can operate compliantly. Indeed, the legislature has decided that they've done so well they're going to be allowed to be retail shops starting tomorrow and

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serve recreational customers. They've followed the rules, they've operated in good faith in building a business, and they've done nothing wrong to have that space taken from them.

Now, I really listen carefully to Ms. Marchetti's issue on equity here, and I think that potentially could be an issue but for one thing I learned yesterday while meeting with the staff of Commissioner Saltzman. It appears that there was a City study done to determine the number of dispensary sites that would be possible in city of Portland. And what I was told -- and I have not seen the study -- is that there are 700 potential sites for dispensaries in the city of Portland. Today, there are 132 shops. So, if there are that many locations available, there are locations for everyone who wants to come in and enter this recreational market.

New people coming into this market should not be allowed to encroach on someone else's space. They need to go out and find one of those hundreds of possible locations, secure it, build out that site, and join the industry just as those who have already done that for the medical marijuana side. Those spaces are available. There is nothing that prevents anybody from going out and finding a location, and I can tell you that's true because the company I work for has found and secured three different locations in the city of Portland in the last year. There are spaces available.

Two years ago, when OHA first began to license dispensaries, there was a significant effort to get in the door first. There were literally programs built so that people could fill in online applications faster. There were situations where people had no intention of being a part of the industry, received licenses -- sometimes by a second or two -- and they showed up the next week at the dispensary's door offering to sell them that license. We don't need that kind of chaos here.

Additionally, the time frame that was chosen in the section which requires you have been operating prior to January 1 and have a City license by June 30 -- I think that's also wrong. There are many shops that opened this year. They have leased and bought spaces, they have made improvements to the properties, they have played by all of the rules, and they have received valid OHA licenses to begin operations this year. And the way this amendment is written right now, those people would receive no protection even if they wanted to stay in medical marijuana shops -- and as we know, 85% of the shops that are out there right now are going to shift over. In fact, I received an email yesterday from the Oregon Health Authority, including a survey, a Survey Monkey tool that is asking medical shop owners how many of them are going to switch over because they need to find that information out, too. I think there's going to be more information available soon on this.

Fritz: Thank you for your testimony.

Hales: So, wrap up, Geoff.

Sugerman: Just in summary, when licensed, we should protect anyone who has a valid OHA license no matter when they got it. There's plenty of opportunity for new people to come into the market, there are plenty of spaces available there. I am more than willing to sit down in a room and hammer this out. I think we can get there, but I think that's the crux of the problem is that those people with existing OHA licenses should be allowed to keep those spaces whether they stay medical or whether they transition to a recreational facility. And I have heard no public testimony at the hearings from anybody saying we should not allow that protection to occur and we should require recreational to be a wide open market again.

Hales: That's helpful. Thank you very much.

Sugerman: Thank you.

Hales: Others that would like to speak? Good morning.

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Meghan Woustzetter: Good morning, Commissioner Fritz, Mayor, and other Council Commissioners, thank you for this opportunity to speak to you. My name is Meghan Woustzetter. I am co-owner of Pure Green dispensary located in the Hollywood neighborhood in Northeast Portland. I'm here to offer today to offer testimony regarding the City's proposed regulations -- amendments, thank you.

First, I want to say as someone who has a background and Master's in urban and regional planning, I have actually worked with Commissioner Fritz at SWNI and Hillsdale Neighborhood Association when I was a board member. Commissioner Saltzman, I worked with you when I was in grad school for local lunches. So, as somebody who values the work that you do, I want to say thank you for taking the time to make sure that this gets done right and making sure that we all understand the language that's being implemented.

As a business owner, I support the concept of the so-called thousand-foot rule. I am concerned with the way it is written right now without that clarity piece that someone could come in and apply for a recreational license through the City and out of an opportunity of time, I could lose my business license. So, if that is something that we're going to clear up with the proposals that were just addressed in the testimony before me, I support that. I think it needs to be clear. It's confusing. As somebody who has a little bit of background in legislative concepts, it's very confusing to read the way it is written now. I encourage you to take that time to get that right.

I'm also concerned proposed regulations are unnecessary complicated, and I want Portlanders to be served by a program that's successful for both the City and the licenses. I believe a single simple license for both adult-use stores is the most fair and sensible path. Like any other business owner, I need certainty in order to thrive. I have invested hundreds of thousands of dollars into my store, into my employees, and into our capacity to serve our customers. I am already providing 13 living-wage jobs that would be above the City's proposed minimum wage policy that is yet to be adopted. I have worked really hard to ensure the highest level of compliance to the state law, and I would love to the City to value that as much as we do and I don't want to have to lose my opportunity to continue to be a part of the thriving business culture in Portland.

Regarding some of the comments that were said earlier about equity, I am a minority business owner. I own a dispensary. I can sit here and rattle off a number of other dispensaries that are owned by minorities -- women and other people of different races, color, all of it. I'm not going to, but there are plenty of people. The equity issue is not a concern of mine. I feel very confident of being able to get in there. I think there's a lot of people out there have already done that. I think the focus is that the people emerging out of this industry have been living in a black market. We have been the backbone of the industry. The city of Portland has a well-known indoor cultivation system that is a very vibrant part of this local economy, and I believe that we deserve the chance before out-of-state people and keep that local money and people in Portland employed.

Hales: Thank you. Good morning.

Jeremy Plumb: Good morning. Commissioner Fritz, Mayor, and the rest of the commission, my name is Jeremy Plumb. I'm a co-owner of Farma. I'm a licensed dispensary owner over on SE 9th and Hawthorne. I'm here today to support the Council's effort to implement a fair and transparent licensing structure for Portland's retail cannabis market.

In many ways, our dispensary has served as a model for what an Oregon cannabis provider can achieve. We've been toured by the governor's office, Senator Wyden's office, the Multnomah County Health Department, and the OLCC. Our dispensary recently voted best in Portland by readers of Willamette Week. We work tirelessly to create

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an inspiring, caring, and model facility. We are proud to employ right now 15 Portlanders also at a living wage level, above the minimum wage.

Yet, the most recent version of Portland's proposed licensing rules could easily put us out of business. That's because even with our achievements, we simply cannot survive without a recreational sales license. Most dispensaries are losing money serving the tiny medical market in Oregon. We will certainly go under if we continue to depend on that limited model.

The latest draft rules from the City gave us cause for concern because they would allow a brand new applicant to obtain a City recreational license and knock us out of the running of that lifeline forever. That would be our death note.

We support the thousand-foot rule to prevent over-saturation of the market and we believe it is in the best interest of the city and future licensees to develop a single, simple licensing process that provides certainty for businesses like Farma and the hundreds of other licensed and compliant dispensaries.

Over the last two years, Farma has done the very best to usher in a responsible model for retail cannabis, and at every turn, we've placed compliance over profit. In fact, we were told by our OHA inspector that we had fewer red marks than any other shops, yet under proposed rules, we face being eliminated in one moment due to the language of the City license. For Farma, our employees, and our community, we ask you to consider the unintended consequences of the current proposal and take whatever time is needed to ensure fair, workable rules for all cannabis retailers. I really appreciate your time in listening. Thank you so much for your time and attention to this, it means so much to us.

Hales: Thanks. Good morning.

Justin Croy: Good morning. My name is Justin Croy, I'm co-owner of the Green Remedy on 124th and Powell, a licensed dispensary. As far as I know for minorities owning dispensaries, I can't speak to that, but I can say we had nothing when we opened almost three years ago. We did our remodel with repurposed wood. So, you know, money being a part of this industry only goes so far. We've all kind of worked whether you had money or you didn't have money -- we are all facing the same struggle right now, and that's potentially going out of business. I think with the thousand-foot rule, that's something that needs to be addressed. It sounds like you guys are trying to address it. I would like to take my time to address something else, and that's the hours of operations.

You guys are proposing a 7:00 a.m. to 9:00 p.m. We currently have been currently running 24 hours for almost a year. We have a lot of patients that are swing shift, night shift, and a lot of retail patients -- people who are looking forward to coming late at night. I think excluding after 9:00 p.m. is going to not only hurt patients, it's going to force us to lay off employees. We currently employ 10 people. We're going to have to lay off at least two. Not to mention, I think it is a higher security risk. Having us shut down -- last year, someone tried to break in while we were shut down. They put a hole through the wall and building and tried to gain entry to our safe. I know this has happened to at least three or four dispensaries in town while they were closed. Since we've been open, we have yet to have one incident. In fact, we've helped the Portland City police with several cases at night being that we were there and witnesses.

That is what I would like to address. I think it will hurt a lot of patients and I don't really understand the reasoning for it when I think it's a higher security risk.

Fish: Let's assume for a moment that Council wasn't going to allow 24 hour operations. What change would you recommend that would meet the needs of your customers -- what additional change? Midnight? 11:00?

Croy: I would say midnight. Midnight would be a fair thing. It gives the swing shift and graveyard shift -- as they're either going to work or getting off -- a chance to come in. I will

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tell you just as my personal business, we do 50% of our revenue between 9:00 p.m. and 1:00 a.m. for the whole day.

Fish: And that's because you've got people coming to see you after a work day or a family day or whatever?

Croy: Correct. We have a lot of swing shift people and we have a lot of people that -- like especially our military or veterans -- that have OCD that don't want to go out in public a lot, and they prefer to come in at night when it is less crowded and there's less people on the street.

Hales: That's helpful. Thank you. Thank you all. How many more do we have signed up?

Moore-Love: We have nine more.

Hales: My proposal we power through and try to get this addressed by 12:30 and we have a couple of quick items after that. Let's take the next three, please.

Hales: Good afternoon.

Andrew DeWeese: Good afternoon. My name is Andrew Deweese and I'm an attorney in the cannabis industry. I'm also a board member, vice president, and secretary of the Belmont Area Business Association. I also serve on the judicial selection committee of the Multnomah County Bar Association. I'm not here in any of those capacities or representing any particular client. I'm here as a community member and someone who has experienced the marijuana industry as both a friend of folks in it and someone who serves the marijuana industry.

I'm very worried about these proposed amendments effect on the people who have been in this industry and operating dispensaries lawfully since the beginning of the program. Earlier this morning, we had a presentation involving the art in the atrium. Tall trees take the most wind. That's particularly appropriate for these folks. They have been the tall trees since the legalization of medical cannabis in the state. They've weathered these winds, they've weathered IRS dire taxes, 280-E, the inability to take normal business deductions. These are the people that need our protection and they need your protection and that need a well-thought-out system of ordinances that protect them and don't allow people to come in and just because they applied a couple of seconds earlier are able to completely wipe out a business. That's what I have to say. I hope you take that into account. I endorse this alternative language that Ms. Margolis gave you earlier.

Fritz: And again, we haven't decided what the process for getting the licenses is. As a rock concert aficionado, I'm in favor of having a line up -- you know, you camp out overnight. We'll figure it out.

Hales: Welcome.

Phillip Chen: Good morning Mayor and members of the Council. My name is Phillip Chen and I'm the owner of Puddletown Organics located in Southeast Portland at 82nd and Powell. Puddletown is a medical licensed dispensary open since June of 2014 and we're ready to begin sales for the recreational market tomorrow.

My wife and I have lived in Portland since 2007 and attended Portland State University. We are expecting our first child in December. Like many here today, I live in the community and have personally taken on debt and sacrificed a career in another profession to open this location. We would like the security of knowing that our business would not be lost because I could not submit an application for retail license faster than the next person who currently may not even reside in this city or state. I have 11 employees that work at my shop. Eight of them have been with me for over a year, 10 of them are full-time. We have hired another four employees for the coming transition to recreational sales. These are jobs that already exist. To me, it is unacceptable for them to be put at risk to lose their employment. It is not fair that City of Portland would put me in a position where I

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have to gamble with other people's lives, yet that is exactly what the current draft amendments propose.

If the City of Portland adopts a first-come, first-serve policy for recreational permits, then consider the fact that those of us who will temporarily be selling recreational marijuana over the next year are here first, and it is our medical license which allows us to sell the recreational marijuana. In the next year, our customers and neighbors will adjust to the changes that the recreational market brings. It would be unfair to make them have to adjust again. The City should absolutely promote new business, but it should also promote stability.

The City of Portland needs to support people who are employed, invested, and contributing rather than opening to a game of chance and loss. Those who do not have a medical license will not be required to take any risk other than the application fee. Meanwhile, I would risk not just the application fee, but the entirety of my medical dispensary as well. Essentially, the way the rules are written, there's everything for medical dispensaries to lose and all for the speculative late interest entry to gain.

As saturated with pot businesses as the City may already seem, there are still hundreds of potential locations for new interests to enter the game, but don't let them take away something that we already have. From a logical point of view, it does not make sense for the City of Portland to allow medical dispensaries to risk a loss at the hands of timing or speculation. Please don't put us in a position where we are forced to gamble away everything against someone only risking an application fee. Let us keep our medical licenses, should we not be able to get our recreational licenses. Let's make a rule that allows for more businesses but that does not create the risk of loss. Please consider no precedent situations the [indistinguishable] where businesses had to forfeit their current license in order to just apply for a different one, especially within the same industry.

Hales: Thanks very much. Welcome.

Harvey Cummings: Thank you. Thanks for having me here, Mayor Hales and the rest of you Commissioners. I'm Harvey Cummings for the record, and I'm owner of Oregon Weedery over on NW 23rd Avenue. I will be brief because it seems like we have touched on this pretty well, but it seems as those these regulations, the way they're written -- and I've spent a lot of time in code, read them last night and this morning. For me, any industry understanding where OLCC, OHA, and what you're proposing here, it was confusing. And I think that's what has got our industry in a little fear here, whether it's correct fear or not, we don't know due to the confusion of the language.

So, the fears that I'm seeing in here are of course thousand-foot, and it sounds like you're addressing that so that we don't end up with a recreational within a thousand feet. The other part in there that was scary was giving up our license on the medical side prior to having our foot in the door on the recreational side. That's scary. And then, the over-saturation problem that could possibly be there. We don't know our supply and demand yet, so we don't know if we're saturated or not, but it looks like we have a good infrastructure to work off of for recreational.

The problem with over-saturation that I'm seeing is the businesses will struggle. And in a really regulated industry like this, we need staffing to deal with the extra regulatory efforts within our shops to be compliant. And if we're over-saturated, we are not going to have the money to pay living wages, we are going to be understaffed and it will be a problem for all of the agencies to manage. So, those are my concerns. I would suggest, personally, that there's simpler language suggested earlier that simply neither dispensary could be within a thousand, and that would eliminate a lot of these problems at this point. And I think I'll just leave it at that.

Hales: Thank you all very much. Welcome.

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Alex Pavich: Good morning, Mayor Hales and Commissioners. Thanks again for allowing me this time to speak before you. I just want to let you know that my passion and emotions run strong when faced with what I believe is a human injustice from the government's overregulation and taxation of the industry. Once again, my name is Alex Pavich, I'm the owner of Collective Awakenings dispensary in the northeast.

I feel this decision you're about to make is a serious injustice to our industry. But don't get me wrong, do I believe we need this ordinance. I do believe we need regulation for our industry. I do believe we need an Office of Neighborhood Involvement to help with oversight of what we're doing. But I also believe we need to allow this industry to come out of the closet, so to say. We need to allow some of these businesses to lead by positive example and be able to survive and prosper in the process without being restricted by heavy regulations and ridiculous fees.

I want to address more of the elephant in the room on this bill that you're proposing. Our industry is already riddled with hurdles making it extremely difficult to function as a normal business. We have no ability to have bank accounts. We have to navigate difficult state and federal tax laws currently. And not to forget to mention, we have a serious public scrutiny of what we're trying to do. Overall, this isn't what keeps me up at night, though, it's the injustice of the exuberant and preposterous regulations and fees that are being added by the very people that are supposed to be helping us survive as a business in this city.

No other business in this city -- or in this state, for that matter -- is required to pay these extraordinary fees. In fact, compared to other 21-plus style businesses, these listed fees are over 10 times higher than any other business. For example, a City liquor license is \$100 from the City, compared to the proposed \$1225 that you're suggesting, plus you've added an annual renewal fee of \$4175. I mean, now we're talking 20 to 30 times higher than any other business in the city. I just don't feel this is right, and it's not fair to us as an emerging industry. I don't know any business that would be able to survive in excess of \$10,000 in business and licensing fees between the city and the state. I hope you're not just trying to set up an industry for failure.

I do think that marijuana is not going to go away. This type of over-taxation based on fears unknown ultimately only leads to a proliferated black-market and it will cause more citizens to feel like they're being pillaged by their government. I feel this is an exploitation to our industry, and I further want to say that, you know, letting us coexist -- from what everyone is saying here is that it is going to be very difficult for medical dispensaries to change into the legalization, and not allowing a coexistence in sales and having a single sales license is going to make it very difficult for many of us to accomplish that. Separation will only cause more saturation of the market and create business owners to maybe go look for a second location so that they can sell recreationally and medically.

In conclusion, I request that the current suggested fee structure in the ordinance be reduced by at least half, which will still be over five times higher than any other Portland business. I further request that you rethink coexistence and possibly be ready to match state guidelines possibly outlining the industry in such a manner. I also hope that you impose a single retail license for the City so that we can continue to do what we're doing as the changes emerge over the coming year.

Fritz: Thank you for the testimony.

Pavich: Thank you.

Hales: Thanks. Welcome.

Jeff Geiger: Hi, I'm Jeff Geiger with JGpolitics.com. As a Libertarian, I believe in laissez faire. I ultimately think that all of this shouldn't be voted on, primarily because I looked at it last night. On the security surveillance, which is under 14 B.130.08 --

Fritz: We're just testifying on the amendment.

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Hales: Just on the changes.

Geiger: I would suggest with everybody else, I think Dan Saltzman is right in not voting for this. I don't think we should regulate this industry, especially the fee schedule being \$4175 for a retail license. That is just going to -- if you overregulate the --

Fritz: That's not an amendment either.

Geiger: That's not an amendment either? Well --

Hales: We're trying to focus on the changes because we have had a lot of hearings on this. We take your point though about regulation.

Geiger: OK. Yeah, I agree with Dan Saltzman.

Hales: OK, thank you. Charles, welcome.

Charles Johnson: Thank you, Commissioners. I think that obviously there are huge concerns still remaining beyond the bounds of the amendment. In the paperwork, it talks particularly about not being preferential, yet when we have the invited testimony, we look at applying the equity lens to this. And it's ironic that so much criminality and occupation of Oregon state prisons came from communities of color, and we are not seeing any of that here in the talk about marijuana entrepreneurship. And it is questioned whether Dan Saltzman has a point -- that the only way for non-white minority entrepreneurs to make entry into this industry is if we throw out regulations. But if we are going to have regulation, I think another thing we need to look at is is there anything in these amendments that talks about local ownership?

Fritz: That's already in the original ordinance.

Johnson: Appreciate that. Thank you, Commissioner Fritz. Because obviously we have a bunch of successful entrepreneurs and an amazing number of female entrepreneurs here who have success, and we want to perpetuate that while at the same time letting people who have a historical connection to the illegal marijuana industry transition into success as legal entrepreneurs. So, I hope you will stay in vigorous dialogue particularly with that community Thank you.

Hales: Any others? Come on up. Welcome. Again, let us know if you think we have it right on the amendments or not.

Lindsey Rinehart: Mayor Hales, Commissioners, I just want to say thank you for the beginning of this for adjusting the on-site consumption by an employee in an enclosed room. That will greatly affect my work day, so thank you. I also wanted to adjust the grandfathering language. I would suggest that the date be moved to October 1st as opposed to January 1st just to encompass all investments made in the last 10 months.

I'd like to know when dispensaries are supposed to apply for their licenses. I've heard dates from ONI on October 1st, November 1st, but applying and the effective date -- specifically in regard to 12:00 a.m. sales on October 1st -- a lot of dispensaries to go and serve that first bud at 12:00 a.m. and so we would just like clarification if we are allowed to, because it's a pretty celebratory day. We have heard it would be overlooked but maybe not. Most dispensaries owners that I've spoken with are not looking to agitate the City, they're just looking for a little clarification there.

One thing I wanted to touch on was the delivery. Prozanski --

Fritz: [indistinguishable] amendment --

Rinehart: No?

Hales: It's a subject we can come back to but it's not in the amendments in front of us.

Rinehart: On the thousand-foot rule, I am one of those people that thinks that free enterprise should be allowed. If your store is ranked number one or even down to number 10, I feel we should welcome competition. I also know dispensary owners that have buildings with side-by-side locations that would like to have the rec store next to the medical store. I'm wondering if Commissioner Saltzman is right on on delaying this until

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after the OLCC is done putting out regulations because I think it would help clarify language that you're trying to come up.

Again, I'd like to specify that we're not lottery, we're not alcohol, and there are land use studies available about cannabis in the communities out of Colorado and Sacramento, California that I think would be valuable to the Council. And one license would probably simplify the language a lot because I have heard through a lot of people that OLCC is going to be allowing dual licensing. So, I think that one marijuana business, let a weed store be a weed store kind of thing is applying here and I think it would help simplify the language. That's all I have to say today.

Hales: Thank you very much.

Fritz: We'll have staff come back and clarify the rules.

Rinehart: Thank you.

Brad Zusman: Good morning, Commissioners and Mayor. My name is Brad Zusman, I'm the co-owner with my wife of Canna-Daddy's Wellness Center on 169th and Division. I'm here to talk about two different items. One is the thousand-foot rule. In my existing dispensary, I've put about \$180,000 in it. In my new dispensary I'm building across the street, I will have over \$600,000 in it after I do all of the City improvements for new sidewalks and doing everything there.

My concern now is that I was doing this in the intentions that medicinal was going to be in one building and recreational was going to be an additional building. I'm willing to take the loss of one of my dispensaries of \$180,000, but the new one that I'm building now will not be complete for about four more months. My concern right now here is that if someone came in and I left my lease in my other building and moved over to my new building, then they hit me and they hit me by about two seconds on the application, does that mean that I lose \$600,000 that I built out in my other location?

The other thing I really want to discuss about is my team members that I have. When we first started in 2014, we had three team members. In my cannabis business right now, I have 52 that I have built up in 18 months. That's 52 families that would be out on the street based on some of the amendments that are out right now. I've worked real hard with my family and my team to get to this level, and I feel that we owe it to my team members and the community to be able to run our businesses and let the saturation feel its way out.

I've learned in business here that there are successful dispensaries and there are dispensaries that have been hanging on for recreational. Some will succeed and some will fail. I think that will be based on the operator itself. I have a restaurant that's located at 200 Market building. I've been there for 18 years and I have 12 employees there. My employees in the dispensary make an average of \$3 to \$5 more an hour than people who have been working with me for 18 years. So, there is definitely a better cost of living for cannabis, and I think that needs to be taken into accountability.

Hales: Thank you. Welcome.

Jesce Horton: Hello Commissioners, Mayor Hales. Thank you very much for hearing me. My name is Jesce Horton, I'm co-owner of Panacea, a licensed dispensary in Portland, Oregon on Sandy Boulevard. I'm also an owner of Panacea Valley Gardens, which is a cultivation facility here in Portland, Oregon. Also, I come to you representing the organization I co-founded called the Minority Cannabis Business Association that's focused on bringing more women and minorities in the industry via economic empowerment, social justice, and consumer awareness causes. I want to come to you and impress on the amendments that I do support the intention of the amendments, however, I think maybe the language could be cleaned up, as a number of lawyers have mentioned today.

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I think we have a unique opportunity within this industry to start not just a new industry, but a better industry. This industry can do amazing things for uplift for people, but also social justice causes -- and we can't forget about that, however, it also has to make sense from an economic stand point. For years and years, minorities have been negatively impacted and specifically targeted as regard to the war on drugs. This has had a great detrimental impact in minorities' ability to get into this industry. When we look at things like lack of capital, that's something I think someone else mentioned -- a lot of people are in the same boat. We look at things like legal issues -- of course, our peopling excluded because of certain felonies or things like that, which I think makes a difference as well, but I think far more great an impact that the war on drugs has had on the community has been psychological impact in that we have a lot less faith in law enforcement, a lot less faith in government to treat us equally. And I think that there's a lot of statistics, things that back that up -- specifically, a number of studies that shows exactly what I'm saying. I think what you're seeing now within the cannabis industry is you're seeing minorities, people of color, and even some women -- I think Oregon has done an excellent job in regards to women. However, you're seeing them say, hey, I'm going to sit back and wait. I know if I get into this industry, I'm most likely going to be the one targeted first. I'm most likely going to be treated unfairly because we're in an industry that is so affected by legal issues. And we all know -- federally, we are doing something illegal, and that plays a large impact on minorities that want and have the ability to get into it.

I think in regard to the thousand foot barrier, I would like to speak to the gentleman earlier said that there's 700 dispensary locations in Oregon. I think that's absolutely ridiculous. I've spent a year of my time going around to locations trying to find a dispensary, dealing with these thousand-foot barriers, finding one that was open but it was 995 feet away from another. And that greatly impacted my ability -- I had to find different ways to get into the industry and ultimately, I was able to find partners who were able to accept me into their dispensary.

I want to specifically speak on we have to do whatever we can to open up more opportunity for minorities to get into this industry, and I think that the amendment that has been presented earlier does that. I think the grandfathering clause not only opens up the ability for other women and minority entrepreneurs get into the industry and uplift the industry, but it also prevents the land grab which I've heard a number of times and I've seen a lot of people. I've spent a lot of time at a lot of different conferences nationwide -- people want to get in Oregon are dying to get into Oregon, and people who have spent so much money to be in that specific position. And not only is it hurting minorities and women, but it's also hurting Oregonians as a whole.

I would agree with Commissioner Saltzman in that the thousand foot barrier is going to help with the saturation with a sense, but in another sense, it's going to hurt with the ability to uplift the market and bring in new entrepreneurs that were going to take it to a new level, and it's also going to hurt the ability for minority and women entrepreneurs to get in and make a bigger impact.

Hales: Thank you very much. Thank you all. Did we get everyone who wanted to speak up here? Let's bring staff back up, please, for questions and guidance.

Fritz: There was the specific question about dispensaries who were hoping to sell at midnight tonight. Is that allowed?

Marchetti: Right. And my guidance to medical dispensaries that have called us with that -- as it is currently within our regulations, even if they were adopted today, they're not technically licensees at this point. However, those regulations have been developed, as you have heard, through a robust public process that involved industry, that involved community members. Those were the established thresholds and expectations of our city.

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And so, my recommendation to them has been to be true to the spirit of that process and to the integration of their industry into Portland communities. I mean, these regulations are -- and as of October 1st -- are meant to be informative, not punitive. When we do have to use enforcement to get people into line once the system is up and running completely and we know what that system is going to look like with your direction, then we will be able to more target our enforcement. But we're hoping that at this point, the process that we've engaged in will lead the industry to behave responsibly.

Fritz: Colleagues, any other questions for staff?

Fish: I have a question. The gentleman who testified that the 7:00 to 9:00 hours of operation would significantly cut into his business because of his customers' preferences, can you remind us how we settled on 7:00 to 9:00 and what your thinking -- what your reaction is to maybe moving it from 7:00 to midnight? What are the pluses and minuses?

Marchetti: There are some concerns with later evening hours -- a couple of different ones. One is that it does -- restricting access is a well-known strategy within the social sciences, to restrict access to the more vulnerable populations like youth and the idea that they will be more likely to shoulder tap especially at times of the day when there are less people on the ground looking. The other major concern is the spontaneous purchases, which leads to the DUII. That's a major concern to us because we don't know what the interaction between alcohol and marijuana may be, and people are more likely to have consumed alcohol later in the evening. The percentage of the people driving under the influence of alcohol goes up as it gets later into the day. And so, that was designed to -- and also, liquor stores' hours of operations are also designed to reduce the potential for spontaneous purchases late at night when people may have already consumed other substances.

The other portion of that, too, is livability of neighborhoods. We've heard a lot from Washington and Colorado that these locations are destination spots, meaning people come from all over, they park, there's trash, there's noise. So, landing on the 9 o'clock hour was designed to give neighbors some respite from that.

Salinas: In addition to that, we did hear at the town hall we had at the Rosewood Neighborhood Initiative that there were a lot of concerns of parents and youth in terms of the access to youth and how that impacts families in terms of these dispensaries or potential retailers -- how that would actually play in the community and what it does, and it brings undesired impacts in terms of the safety and the livability of the neighborhoods.

Fish: I'm just reminded, though, that the same logic might apply to a bar and you can go to a bar up until 2:00 in the morning and that might be a spontaneous act as well --

Fritz: Can I --

Fish: I am concerned -- because equity has been framed as a major consideration -- I guess we should be concerned about whether there's an equity argument that expanding the hours gives people that are working long shifts or have family considerations a chance to get their medical needs met because 9 to 5 doesn't work for them. I don't know how that breaks as an equity matter, but it's been framed as an issue.

Fritz: I'd certainly be willing to consider that in the ongoing process -- that potentially, when we do have two clear ways of going, that we could have different rules for medical dispensaries just like there are 24-hour pharmacies but the bars close at a different time. That's certainly something we could look at. For right now, we did -- as Victor said, we heard a lot of concern from community members. We've heard a lot today and at previous hearings from industry representatives. At the community meetings, we heard a lot more from neighbors who were wanting to be proactive about preventing some of the issues that we currently have with alcohol use in neighborhoods and with bars that are loud and noise until 2 o'clock in the morning.

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Saltzman: If I'm going to support something today, I guess I need the amendment and the alternative language that was proposed by Amy Margolis on the citing -- that we don't draw a distinction between medical and retail, we just say a thousand feet.

Hales: Walk us through the difference between the two, if you could.

Fish: Let's bring Ben up.

Hales: I thought we were already there.

Saltzman: I thought we were, too.

Fritz: No, that's not what we're proposing.

Ben Walters, Chief Deputy City Attorney: Ben Walters with the City Attorney's Office. As I understand the proposed amendment that was submitted by industry today -- and this is the first time I've had an opportunity to look at it -- they're proposing to amend the definition of what would be licensed and collapse it down to a single entity covering both the licenses granted by the OHA and by the OLCC. As drafted, because they are at the state level two regulatory schemes, we had drafted our regulations to be consistent with and parallel to the state scheme. So, this would be a departure from trying to follow the state scheme in terms of the two parallel regulatory programs.

There may be a time when the state decides that they will collapse them down to one, and at that time we could track that and come back in and say we're going to emulate what the state is doing. Besides which, they then say you would strike the definition of medical dispensary and replace it throughout the ordinance with "marijuana retailers" -- again, I did not get a chance to see this before. I would have to go through the entire ordinance and think through what the implications would be in that regards. And then, they go through the minimum standards and modify those as well. That would be the implications.

My recommendation as legal counsel to the Council would be that we -- for now, at least -- track the state system of having two types of licensees and following the state until such time as the state says we're going in a different direction.

Saltzman: I mean, we always take pride in Portland sort of nudging the state to do things -- so, paid sick leave or minimum wage. There's a short session coming up. I'm a betting person, and I bet the state will revisit this whole scheme having OHA versus OLCC, and maybe we help take them there.

Walters: Well, that's up to Council, that's a political choice for Council to make. But for now at least, the program that we're setting up tracks with the state system that's in place and is anticipated to be in place for the foreseeable future.

Fritz: This fundamentally changes the whole ordinance. We can't just make this change and not look at the rest of it.

Fish: So, Mayor, I --

Saltzman: Well, I'm perfectly happy if you want to set this over and try to get it right -- I'm not saying you did it wrong -- but responding to some of the concerns we have heard today, which I think were legitimate concerns. I'd want to take more time on this.

Marchetti: I think that the primary concern that I have heard -- and correct me if you've heard something different -- is that existing medical dispensaries will not be able to wholesale stake out their claim in Portland for their thousand foot if they choose to go recreational at some point. So, we did prepare a few scenarios for Council to take a look at what this looks like on the ground and if you're interested in those we can show those.

Fritz: Yes, I'd like you to show what we've prepared.

Marchetti: Absolutely. So, I'm going to switch -- so, the other thing is if what we're concerned about is the recreational versus medical -- allowing opportunity within recreational while maintaining the medical -- the original proposal from staff that indicated that it would be a thousand-foot buffer between medical dispensaries and thousand-foot

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buffer between retail locations, that does get at some of those concerns while still maintaining protection for the community when it comes to saturation far better than we have been able to with liquor licensed establishments. If that is something City Council would want to entertain given new testimony -- I know that some of the same people that were testifying today about the concern about not having a grace period were the ones that also testified for the thousand-foot buffer, but there were also the same individuals who were testifying to keep the state systems completely different in Salem as well. The state legislature chose to follow that and maintain the medical system in its own silo at the same time that they're trying to figure out how OLCC is going to regulate recreational marijuana. And I think that the fact that the state legislature kept those solely different from one another is something to consider as we're moving forward and we're thinking about what the potential philosophies were behind that.

I mean, the medical dispensaries serve the medical patients of Oregon. The recreational community is going to serve the recreational users of Oregon. It's completely different population of individuals that are going to be served. And I know because it's the same substance, it gets difficult to parcel them out. But the landscape of the two businesses may look very different. We won't know.

And also, just for your information, both in Washington and Colorado did not see any kind of attrition on their medical marijuana dispensaries. They're all going very strong.

Fritz: Theresa, walk us through the PowerPoint please.

Fish: Mayor, it's 12:30. At 12:40, I'm leaving. So, however you want to handle this.

Fritz: OK, so never mind on that. I can't -- the proposed amendment would fundamentally change the whole ordinance, so that's not going to work for us to adopt that today.

Fish: Can I suggest -- I have heard three options. Let me just put them on the table for discussion. One is that we adopt what's in front of us with a binding commitment that changes will come back to us in a time certain reviewed by City Attorney. And I mean a binding commitment because as been pointed out, we're legislating ahead of the curve. The other is to remove the language that has caused some controversy and essentially create a void and adopt an incomplete regulatory scheme. The third is adopt an amendment that none of us here know what its impact is other than it may or may not be an improvement. And I have to say, I like the instinct to improve the language, but we're trying to bring this home. I would hate to have another unintended consequence. If our attorney says he's not sure what this means, then I don't know what it means, so I'm loathe to do something.

So for me, it comes down to we take it out and come back and put something in that's been cooked, or do we adopt what we have with a binding commitment that someone is going to lock the door with everyone that has a concern, scrub the language, and come back to us in whatever. And I will follow the lead of my colleagues on that.

Hales: That's my preference, but since this is an emergency ordinance we need Commissioner Saltzman.

Fish: But I would want a binding commitment within three or four weeks -- because that's ahead of the curve -- with everybody who's here, particularly the lawyers that have the wordsmithing, invited to a meeting and we close the door and we work through until everyone has been heard.

Hales: Dan, can you live with that?

Saltzman: Can we do that without adopting it today? What about the binding commitment we give you three or four weeks --

Fritz: Then we don't have any regulations as of midnight.

Hales: Yeah, I think there's a reason to act today to maintain our city's ability to be a regulator. What kind of regulator we are, how much regulation we're going to apply, what

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the cost is, details like hours -- obviously you're hearing this Council still interested in bearing down on those. Dan, it may go more in the direction that you want, more liberal in its allowance for what businesses might choose to do, but for us to assert our right to regulate I think is pretty important and I think that's why I would like to act today.

Fish: Charlie, would you remind me the rules of emergency? If we had a quorum of three, can three pass the emergency or do we need a fourth?

Hales: Four have to pass it.

Fish: We have to have a four. It looks like there's three of us who have been told we have to have something in place.

Fritz: Commissioner Novick is in the air.

Fish: There are three of us would like to put it in place with a binding commitment that the final set of changes -- if any -- come back to us in three or four weeks. That's the approach I would urge our colleagues.

Hales: If we were able to, Commissioner Saltzman, said time certain date for that would you be willing to vote to adopt these regulations with an understanding that's an interim set of rules?

Saltzman: What's the binding commitment? Who's being committed to what?

Fish: Don't commit me!

Walters: I believe the sense of the Council is that you're directing staff -- who, obviously to the extent that you're directing us to do so -- it is a binding commitment from staff to respond back within a time frame. And I haven't heard a time frame identified yet. I do unfortunately have a couple of other Council-identified priorities that are in place that I'm missing because of this discussion.

Fish: What about four weeks?

Walters: Four weeks would be ample amount of time.

Fritz: Commissioner, is that OK for you?

Fish: The commitment would be there would be a meeting or two scheduled so that anyone that has specific language concerns can come in, meet with staff and counsel, review it with the understanding that this Council does not want to have another hearing like this, and that whatever you come back to us on is the language that you can faithfully say to us has been scrubbed -- doesn't mean there won't be a critic or two -- but we won't have anyone saying, "I don't understand the language or haven't had a chance to test my language," then we'll either make the change or not.

Fritz: To the best of our ability, and also recognizing there will be others who will be involved in that conversation who have the other point of view --

Fish: I agree --

Hales: Understand --

Fish: But there's a difference --

Fritz: It's unlikely --

Fish: I don't like the difference of opinion -- I don't like arguing about abstractions.

Fritz: It's highly unlikely we'll be able to get to consensus given the changes, but we'll strive to do so.

Hales: I think clarity, if not consensus.

Marchetti: Can we send also send Council members and your staff the scenarios that we worked up for you?

Hales: Yes, I'd like to look at those, but this is probably not the time and place to go through those. So, Dan, I propose we act on this today but your vote is your own. If we do approve it today, I'll set a time certain date of the 28th.

Moore-Love: That's a pretty full schedule.

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Saltzman: I'm less concerned about whether it's four or five weeks. I mean, fundamental dynamic is what I'm concerned about, and that dynamic is -- I mean, this amendment was raised at the first hearing we had three weeks ago. There doesn't seem like there's been any giving on this issue. We heard about it at our first hearing --

Fritz: Actually, that's --

Saltzman: -- and so to come back in four or five weeks and you don't need my vote anymore and you're going to hear disproportionately I think from people who lost the battle. They lost the battle about legalizing marijuana. It was approved by voters. You have people out there still want to wish this away. And so, I feel my power is diluted. It's pretty good today because I can vote no and it will govern, but you bring something back in four or five weeks and it's going to be more just justifying your positions, I fear, and we're going to have the same testimony from people who are out there dealing with this in the real world hoping to making a living, hoping to respond to the law that was approved by voters.

Fish: Fair enough. If we took the emergency clause off you're telling us we wouldn't have the regulatory framework in place?

Marchetti: Nope.

Hales: Not tomorrow.

Fish: Not tomorrow. In which case, what would happen?

Walters: Unclear -- [speaking simultaneously] -- first off, Commissioner, just as I heard Amy Margolis describe these amendments, this is something that they were working on through last night up and through this morning. So, I don't know that how this could have been something that was submitted previously. I know that there were other amendments that were submitted, I don't know that these were the same.

Saltzman: I'm not sure she submitted language but I know she flagged this issue at our first hearing.

Marchetti: She flagged the issue of the thousand-foot between retailer and dispensary -- which we addressed -- in the 23rd hearing. And actually, Council adopted that amendment. This is something that is different.

Fish: And Dan, in fairness, you don't really have the leverage because when we come back to review the amendments, we can strip it out again. We're talking about either if we fail to get to four right now, we won't have any regs in place. We have to do that clear-eyed. Or effectively, what we're saying -- let's go a four-week period -- it's almost like there's a sunset, but the agreement we'll come back and review the language and you will have a full opportunity to participate in that.

Fritz: Well, we take the emergency clause off we vote on it next week, we have a week of free for all and have regulations in effect within 30 days --

Hales: [indistinguishable] -- but Dan, I think we have a Council here that actually doesn't have any luddite leanings towards the days before this state initiative was passed. We understand this is the law. We're trying to make it work. We've made some progress in the hearings about how do we make this work for the existing businesses -- maybe not enough progress yet, but we made some progress about employees being able to utilize medical marijuana on the premises -- we think we fixed that. We're getting closer to at least what I had in mind with the thousand-foot perimeter and the ability to protect existing businesses that are already here and are local. I don't think we're there yet, but we're getting closer.

And so, we're talking about practical implementation issues rather than a philosophical divide over whether marijuana should have been legalized or not. We have some conflicting fears -- business owners who aren't sure we mean it in terms of where we're coming from on these regulations -- I hope you've been reassured in these discussions -- or that it will be clumsy and there will be unintended consequences that will screw up their businesses. I understand that fear, government is not always adroit. And

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then we have fears in neighborhoods about how disruptive these businesses are going to be. We'll learn as we go along, obviously, on all those fronts.

I want us to assert our ability to be a local regulator. And then, over time, tune those regulations to get to the I believe pretty high level of agreement we have about how it should work. You should legislate your hopes, not your fears. You have to listen to your fears and try to deal with them, but legislate for the condition that we want. And I think there's a fairly high level of agreement -- a lot of people of good will in this room -- about what we want.

Now, I asked our City Attorney this earlier and I'm partially reassured by his answer, but we have been in situations where the City lost out on its ability to be an effective regulator because of conflict with state agencies. So, I'm trying to lean towards regulation not because I want us to be a really tough regulator but because I don't want us to be back in the position we were with the lottery and the OLCC. And anybody who has dealt with those issues know how vexing that's been to our neighborhoods. My strategy here is to be a little more of a regulator for now, and make sure that we tune it and get it right.

Saltzman: I'm willing to go along here with the commitment we revisit this in four or five weeks. I have a disadvantage, I was not here last week because it was a Jewish holiday, so I totally lost all that discussion and results, so I'm willing to concede that I may be missing something here.

But I also think that -- I'm hoping this commitment to look at not only the siting issue -- I do think there was so the testimony about the fees, and my fear is that we're doing this all on a cost of service but it's really hard to size down on a cost of service.

Walters: Just as a point of clarification, it's somewhat apples to oranges to compare the proposed fee schedule here with liquor licenses because that is on the liquor license side, a particularly vexatious state preemption where they told us we can't charge anymore --

Saltzman: My point is we're making some implicit assumptions about the extent to which we need to regulate this industry -- which could be totally unfounded after this thing has been unleashed for a while -- but we're still going to need to support the positions that we're funding because that's just what we do.

Fritz: They'll be fee-funded positions --

Saltzman: OK --

Hales: But not indefinitely -- my philosophy is if we find we're overregulating and we don't need that many regulators, we'll have less of them.

Fritz: Right.

Fish: Let me support my friend Dan Saltzman on this point. I'm interested in knowing whether we should expand hours of operation. I'm interested in knowing whether we should be an early adopter of a single unitary permit, not two. I accept the spirit of the Margolis amendments, I just don't know how they essentially work within it, so I'd like to know what you like and don't like about that, and I'm open to liberalizing the thousand-foot rule to make sure that the whatever the criteria we pick doesn't exclude someone who, on sort of just a gut, equitably we think should be protected because on a date certain they didn't have their license. I want to make sure -- the thing Mr. Sugerman talked about -- I want to make sure that definition doesn't arbitrarily exclude someone who otherwise is a sympathetic figure in our view. And I will join with you in looking at all those points, Dan, I just think we should adopt this now. We have a commitment to come back. And then hopefully, the final hearing will be the final hearing.

Saltzman: OK. I'm just asking for a broader commitment at the relook.

Fish: Mayor, I move the question.

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Hales: OK, the question has been moved. After we vote, I will consult with the clerk here and now and see if we have a date we can name as a time certain. Let's take a vote, please, on the amended ordinance.

Item 1002 Roll as Amended.

Saltzman: As I said, I'm going to support this today. I do want -- I appreciate the commitment to look at these issues, but I -- and "these" is plural, so it's not just a citing, it also is the issues around fees, hours of operation, other things that have been raised. Get everybody in the room and then let's hopefully have a unified front. Thanks for this discussion and testimony. Aye.

Fritz: Thank you, Commissioner Saltzman. I greatly appreciate that -- that's significant. I request, Mayor, that you don't work on the time certain for right now. I'm going to work with staff to do that. My goal would be to get it back to council by the 21st of October, which would then allow us to be looking to get any ordinance adopted before December 1st. Because as I said before, we are planning to come back with a proposal for how we're going to roll out the licensing and many other aspects. This is something we're going to work through together and with ONI's famed public process.

I became Commissioner-in-Charge of Neighborhood Involvement on July 15th. This proposal -- part of it -- was supposed to come back at the ends of July. I decided that we would wait and bring the whole package back together after an extensive public process over the summer. I greatly appreciate Theresa Marchetti and Victor Salinas, and Ben Walters, our City Attorney, for your work on this, and I appreciate the community involvement. This is going to be an ongoing thing. It's not one and done. It's not even going to be 10 and done, I don't think. We're going to continue to work on it. Commissioner Fish, I know you're late for an appointment. Happy Birthday. Thank you for staying. Aye.

Fish: You know, I talked to a couple of people at the last hearing who had come in very frustrated with the process and weren't sure they were going to be heard and were pleasantly surprised that Council members engaged their concerns, raised questions, and did follow-up. I just have to say, in my experience on this body that happens more often than not. We are up here sincerely trying to get to the right outcome, and we sometimes get it wrong, but when people come and testify earnestly and marshal facts and make arguments, I hope more often than not people feel heard. There's a difference, by the way, to always getting what you want. I mean, I know that. I've been married for 25 years, I have kids, I don't always get what I want. But everyone expects to be heard respectfully, and I hope people feel heard. Because I've learned a lot through this process. People coming forward and testifying have made a huge impact on how this has evolved. So, credit to you for taking time to help us get it right.

The only thing left for me is whatever the ONI public process -- and Commissioner Fritz could write the book on that -- I'm expecting, Ben, -- Ben Walters?

Fritz: He said he had another appointment.

Hales: No, he's still here.

Fish: Just give me a second, sir. I have to talk to my counsel. I'm expecting that there will be a meeting co-convened by ONI and our legal team -- Rose Room, wherever you want to do it -- where people who have language concerns can come in and run it up the flagpole. That's different than having a public hearing and any other kind of -- I want to make sure -- because we're getting into the really refined stuff here. And I ultimately want to be able to ask Ben, our attorney, "what's the difference between this language and that language?" So, I'm expecting there will be at least one meeting where people can come with their proposed changes and they can get feedback from staff, and legal can take a look at it so that we get that advice. That's separate from any other public process and that's the basis upon which I'm going to vote aye. I really appreciate this debate and

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discussion because I think it's been actually very productive and I think we're getting to the right place. Aye.

Hales: Like I said enough, I looking forward to that process and to getting back to this informal Council session. Aye.

Fritz: Thank you very much.

Hales: Do we want to set a date? You're saying don't, but my expectation is similar to Commissioner Fish, which is that there will be these discussions about language between staff and interested parties and that we will return to the language of the regulations in Council so that Commissioner Saltzman and the rest of us that still have concerns about issues like fees and hours will be able to address those.

Marchetti: Thank you.

Salinas: Thank you.

Hales: Everyone have that understanding?

Fritz: You voted aye already?

Hales: I voted aye.

Fritz: If I may say, yes, we will do that and more. All this and better we shall do. There's a lot more to be discussed on this issue and I will try to avoid to the extent practicable as I always do to have further emergency ordinances because it's better when we have more time to do deliberate.

Hales: Thank you all. We're recessed until 2:00.

At 12:57 p.m., Council recessed.

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Closed Caption File of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

SEPTEMBER 30, 2015

2:00 PM

Hales: Welcome, everyone. The Council will return to order for our afternoon session. Would you please call the roll?

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

Hales: And I believe Commissioner Fish will be joining us momentarily. Bear with us, folks, I know you're here for the afternoon item but we have a couple of things left over from the morning calendar that we need to deal with.

Item 1003.

Hales: Commissioner Fritz.

Fritz: [inaudible]

Emily Roth, Portland Parks and Recreation: Great. Good afternoon, Mayor Hales and City Council. I'm Emily Roth, the senior natural resource planner for Portland Parks and Rec.

Shannah Anderson, Bureau of Environmental Services: Shannah Anderson with the Bureau of Environmental Services.

Roth: Riverview natural area is a 146-acre natural area located on the west side of the Sellwood Bridge between Lewis and Clark College and Riverview cemetery. In 2011, the City acquired the property from the cemetery, and Metro holds a conservation easement on the property.

Parks and BES have been partnering to plan for site starting in July of 2013. We hired ESA Vigil-Agrimis to provide consulting services to lead the public involvement process and develop the plan. We had our first public advisory meeting in September 2013.

At this time, we have almost reached completion. Once completed, the Riverview natural area management plan will identify future investments on the property that will protect water quality and hydrologic functions of seven streams, enhance fish and wildlife habitat, improve forest health, and provide access compatible with the protection of natural resources.

In order to do this, Parks and BES are requesting \$10,000 be added to the consultant contract. The additional funds are needed to complete the public involvement process and the management plan. Parks proposes using \$5000 of the mitigation money we receive from the Sellwood Bridge project, and BES proposes using \$5000 from the sewer system operating fund. So, no general funds will be allocated towards the completion of this project.

Parks and BES will continue to partner on this important planning process, and we look forward to completing a plan to move forward with implementing the recommended actions.

Hales: OK. Questions? Thank you very much.

Fritz: Thank you for your patience waiting.

Hales: Yes, sorry you got delayed. Is there anyone here to speak on the item? If not, then we'll take a vote, please.

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Fritz: We have to wait for Commissioner Fish. I know that Commissioner Fish, having partnered with me for this process throughout with the partnership between Environmental Services and Parks -- is very well aware of this and is also very appreciative of your service. Having had the hearing and nobody wants to testify, we can close the public hearing on vote on it -- and you don't have to stay for that.

Hales: That's what we'll do. We'll close the public hearing and return to the item later in the calendar to take action.

Roth: OK, thank you very much.

Item 1004.

Item 1005.

Hales: Commissioner Fish has requested -- unless there is any objection -- I will grant the request to remove both of those items to his office. Done. OK, now Wednesday afternoon Council calendar.

Item 1006.

Hales: Commissioner Saltzman.

Saltzman: Thank you, Mayor. Five months ago, the Portland Housing Bureau was before this body and we presented the first phase of our State of Housing Report in Portland. We are here to present today an update.

The first report drew on current market data to provide City Council with its first real-time look at the state of Portland's housing market. In the second and final phase of the report, we continue to assess the market but we also look inward and provide an honest self-evaluation of the progress towards the City's affordable housing goals that were established in various planning documents going back to 1980. In some cases, the City is meeting and exceeding -- has met and exceeded these goals, and in others, there is still much work to do.

There is some good news in this report. A detailed look at the Housing Bureau's production shows more than 1100 new units of affordable housing currently in development, including more than 170 targeted towards extremely low income households. These 1100 units represent -- when they're built and occupied -- represent an 8.4% increase in the city's affordable housing supply.

But overall, I think as everybody realizes, the picture painted by this report calls for urgency around resource-generation solutions. This morning, I announced that we will shortly be issuing a notice of funds availability or RFP upwards of \$60 million for affordable housing production, which we estimate will fund and construct about 600 more units of affordable housing. The City and the County have made significant commitments of general fund resources, as well as setting aside our urban renewal dollars to reach the goals that represent the values that Portlanders have for our city, which is to achieve true income diversity in all of our neighborhoods, to ensure that families that work in Portland can afford to live in Portland, and to ensure that long-term residents who are living on fixed incomes will have a safe and comfortable place to live when they retire. To achieve these visions that all Portlanders share, we do need more income sources for affordable housing.

And towards that end, as I mentioned, we talked about the \$60 million we're releasing for investment shortly. We're also in the final stages of crafting an incentive zoning proposal, which will go before Council early next year, which could produce upwards of \$10 million a year for affordable housing. Next month, the City Council will have a chance to increase the amount of urban renewal dollars that is dedicated to affordable housing, and I will be asking the Council for a hefty increase in the percentage that we devote because this city needs it. I also will be asking to move forward with a linkage fee for affordable housing, which measures -- a linkage fee study would measure

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the impact that new developments create on the need for affordable housing and of the study goes well, will be able to charge developers an assessment based on that impact. We will reintroduce -- late breaking news -- the proposal to dedicate the short-term lodging rental tax to affordable housing. We will bring that back --

Fritz: I don't understand, we already allocated that in the budget. For next year?

Saltzman: Yeah, for next year. We're going to bring that back again as well, and then -- so to take us through the full report, our new director, Kurt Creager -- relatively new -- and Matthew Tschabold, our equity and policy manager. I'll turn it over to you two gentlemen. Take it away.

Kurt Creager, Director, Portland Housing Bureau: Thank you very much, Commissioner, Mayor Hales, members of Council. My name is Kurt Creager, Housing Bureau Director. This is my thirty-eighth day on the job and it's my pleasure to come before you a second time.

There's a Pearl Jam song called Wishlist and there is a line in the song, "I wish I were a messenger and all of the news was good." Well, I am a messenger and unfortunately, not all of the news is good. I'm here to encapsulate at least a portion of that news and we can get into more detail as you desire.

As Commissioner Saltzman has described, we've achieved many good things in the last few years. One thing that I think really deserves recognition is we have strong ongoing central city growth. Many cities do not enjoy the level of investment in their central city as we are seeing here today. The face of Portland is changing. It's increasingly younger, it's increasingly more well-educated, and Portlanders are increasingly racially and ethnically diverse. But not all of the news, as I mentioned, is good, and some, in fact is deeply disturbing.

The rapid rent increases and historically low vacancy rates are creating lots of economic displacement. The income disparities are widening significantly. And as mentioned this morning, homelessness is intractable. Statistically not increasing, but not diminishing at the level that we would like to see. And in certain populations, especially people of color, the rate of growth is alarming -- some 48% amongst African Americans and 15% amongst women.

Neighborhood choice is also diminishing. As the city is changing, we're seeing a shift in communities of color from north/northeast to south/southeast. And I don't think it's an overstatement to say that's an economic diaspora. People being displaced -- often involuntarily -- as renters, and going to the least-cost place.

One indicator of that which is not in the report is something that housing authorities measure, which is the turn-back rate of housing choice vouchers. Family waits several years, they get a voucher, they have to find a landlord to take that voucher. In 2011, the utilization rate was 91%. This year, it's 75%. And if it's any foretelling of the future, Santa Clara County is under 50%. So, it's very troubling that people cannot find a place where a landlord will take a voucher. If they're on a fixed income, they have a choice of perhaps leaving the area -- going to Boise, going to Spokane, where the fair market rents are lower. If they have a job, they really don't have a choice and they often have to turn that voucher back. So, we are concerned about neighborhood choice diminishing.

The other thing I would mention in the area of rental housing affordability is -- and think the Oregonian captured this reasonably well in today's edition, I think the Willamette Week also ran a story on it -- and that is rents have increased on average \$100 a month in the last 12 months. However, this data is looking in the rearview mirror. As we were preparing this study, I think it's fair to say that we noticed that the velocity of rent increase this summer was actually increasing during the months of July and August. We started to see increases in the double digits, putting Portland slightly ahead of Oakland in the year-

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over-year rent increase of about 15%. As illustrated in this graphic, you're seeing a shift of available resources. Of course, people at 30% of median family income are not finding any rental affordability. Those at 60% may find affordability in certain St. Johns neighborhoods and certain southeast neighborhoods. And of course, 80% of median family income households have slightly more choice in their selection.

I do think it is worth mentioning home ownership. Those that own homes perhaps take some solace in watching their values go up. I get a little email from Zillow every week, it seems like, and they let me know how much more my house is worth this week than last week. But those that doesn't own homes -- it creates a sense of desperation. Even if they have income or a down payment, their choice in the marketplace is increasingly scarce. As you can see from the graphic using the three-person household, people are increasingly only finding choices in the south and southeast neighborhoods.

And while there are many qualities in those neighborhoods, they are not well-connected with job opportunities. High-capacity transit is generally not available in those areas. So, people are moving from opportunity-rich locations who may be transit dependent and they are going into opportunity-scarce neighborhoods where they themselves are encumbered by greater transportation costs. That puts a double burden on household budgets.

Some of this data was of course in the original State of Housing report. It's been updated. But the big news in this report is our self-review of policy targets and our accomplishments. And I must say that we have been flinty-eyed, we have been objective, and I think we have been tough on ourselves about how we have been doing with respect to policy targets. And while there's a lot of information here -- I'm not going to cover it all, I wanted to hit the high points. And I could say that with respect to the comprehensive plan, 1980 comprehensive plan, central city plan, we're generally meeting targets as it relates to the distribution of affordable housing, the opportunities for racial equity, and accommodating a diversity of household incomes and household types. There are many measures called for in those plans and we have achieved about half of those measures.

However, on the flip side, the other half of those measures we did not accomplish. The City was preempted in the legislature from enacting excise tax for affordable housing. It has been further stymied in its efforts to link growth and development to affordable housing programs and availability.

The financial resources have generally fallen short and programming outside of the urban renewal areas is falling short.

I want to highlight the central city no net loss policy because I think it really is perhaps the biggest shortcoming to report to you. That is there was a very strong aspirational goal to ensure that there was no net loss of affordable housing in the central city. We have been tracking regulated units, market units, and the total units, and I call your attention to the middle two columns, the market unit column. It compares what the market affordable units -- that means they didn't have a regulatory agreement, they did not have public funds, and they were privately owned units that happened to rent at affordable rates in 2002 -- with where we are today in 2015. As you can see, in the Central Eastside, we have gone from 464 market affordable units to 83. In the downtown core, 1048 to 91. Goose Hollow -- one of my personal favorite neighborhoods -- 785 to 83. The Lloyd District, 97 to 10. And the River District, 502 to nothing at all.

What I would take away from this is that this goal was aspirational but it was never capitalized. We didn't set aside the money nor have the regulatory framework in place to preserve those market affordable units. We didn't buy development rights, we didn't buy the property, we didn't preserve and protect the units. We had a hope that the owners

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would protect them, but of course, they didn't have a financial motivation to do so. So, they were lost to higher and higher market rents.

The total units is not all together a bad story. I think it's worth mentioning, as I mentioned earlier, that we've produced a lot of units in the central city. We had [indistinguishable] units, we now have 6861, and we are adding more as we speak. I call your attention to the River District, which I think is a particularly bright spot. In 2002, we had 1987 units. We now have over 2500 units. And depending on how your decision proceeds with respect to the U.S. Postal Service property, that River District number could be substantially greater. In fact, we could get a long way towards our goal in the River District and in the Central Eastside to restoring the original 2002 number. I don't think all is lost.

But for me, taking this as a message -- as we come to you with new policies, we need to come to you with a capital plan to achieve your goals. It's not enough to set policy priorities. As professionals, we need to bring back to you capital plans which actually achieve those goals.

With respect to the URA targets, I'm pleased to report that the 30% minimum policy that was established for housing has been exceeded -- and in some areas, significantly exceeded. We are meeting the preservation and production targets for households between 30% and 80% of median family income in the South Park Blocks. We're meeting the preservation and production targets between 30% and 80% of median family income in the Downtown Waterfront. We're on track -- that means to say that we still have time and we are making good progress -- in the North Macadam Urban Renewal Area. We have met the unit production of 60% of MFI and we're tracking and need to provide greater effort in those additional units between 30%, 50%, and 80% of MFI in North Macadam. In the River District, we need additional units between 50% and 80% of MFI, but we are meeting the unit production at 30% of MFI, which is the most difficult population to serve and the most costly population to serve.

We are not meeting, however, the Central Eastside, the Gateway regional center, the Interstate corridor, and the Oregon Convention Center targets. Each of those has a different quality. The Central Eastside, as you know, is an industrial sanctuary. There's not a lot of residential property there, although we are seeing private developers move forward with projects and we hope to link those with our MULTE property tax exemption so that the private sector can help deliver affordable units on projects that are under construction there. The Gateway regional center has not seen a lot of growth in its entirety. The NOFA - - the notice of funding availability that Commissioner Saltzman mentioned -- does include Gateway URA site which we will jointly underwrite with the Portland Development Commission. So, as we go forward with the notice of funding availability, there will be a Gateway site that is also offered for development at the same time.

Fritz: I don't understand that statement because on page 13 of that report, it shows Gateway is the leading area with over 8000 new people living there. And similarly on the next page, it shows Gateway as second only to the central City, household growth by neighborhood.

Creager: I think it's the dedicated affordable units we're short of.

Fritz: It's the what?

Creager: It's the dedicated affordable units we're short of. We're seeing growth in Gateway, but we're not seeing dedicated affordable units in Gateway to the same proportion that the policy called for.

Fritz: I think in the Gateway area, some would say that is a good thing. Previously, they had more than their share of affordable housing, so if we are getting more market rate housing there, that's a good thing for the vibrancy of the Gateway district as a whole.

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Creager: It is a fleeting win, however. As we saw in Interstate, you can go from an affordable community to quite an unaffordable community rapidly. And we're seeing this wave of economic displacement move east and frankly, Lents and Gateway are going to see high rent increases and economic displacement for the folks that are there now. Just because it's affordable today doesn't mean there's anything in place to keep it affordable in the future, and that's what the sad story is of the downtown no net loss policy. We could lose those units in the market in the next three to five years quite easily.

Fritz: It sounds like you're proposing to build our way out of losing affordable housing, that the only way we can keep housing affordable is for ourselves or nonprofits to own it?

Creager: No, we think there's a role for the private sector, and frankly, I'm calling developers that are under construction with projects as we speak so that as they are implementing their project, they will consider setting aside a proportion of affordable units in those properties. That is under your \$3 million appropriation for the MULTE property tax exemption. They are only required, however, to keep the units affordable for 10 years. So, it's not a long-term affordable, but it is a short-term opportunity.

Fritz: Have we considered requiring a certain number -- a certain percentage of affordable units as a reward for the privilege of building in our highly desirable market?

Creager: Indeed we have, and I think that was the whole basis for inclusionary zoning in the state legislature. The City Attorney has worked with our office, and we were unsuccessful in the last legislative session. We will keep pressing on that issue.

Fritz: Have we delved into what preemptions are covered by exclusionary zoning -- inclusionary zoning by the legislature? Are there any variations of something that we might be able to require that we would be allowed to do?

Creager: Generally, we're allowed to do ownership housing. The basic preemption is on affordable rental because of the ban on rent control. It's been imputed that for us to control the market rents through an inclusionary housing policy would be a de facto rent control. So, we need to work on that. There are many jurisdictions that make inclusionary work for ownership, including Boulder, Colorado. I last worked in Fairfax, Virginia which for 25 years has been doing inclusionary housing for both ownership and rental. There's about 2700 units of affordable housing on the ground that were developed into their affordable development unit ordinance, and there's another 4500 in the pipeline mostly in the silver line corridor, which is a metro rail corridor between [indistinguishable] and D.C.

Fritz: Are we allowed to do that here?

Creager: No, not for rental.

Fritz: No, for ownership?

Saltzman: Not for home ownership, either.

Creager: It is not currently available for homeownership, either. We are asking for that authority and will continue to press for it.

Fritz: So, there's nothing we can do. Can we add additional fees if there isn't affordable housing?

Creager: Well, the current fee structure I think has to be related to actual impacts. As Commissioner Saltzman mentioned, we proposed in the fall BMP an appropriation of \$130,000 to prepare a nexus study. That nexus study would evaluate the impact of employment on housing demand by sector. So we would look at residential, commercial, and industrial development to impute what kind of housing demand is created by those businesses. The nexus study would help us determine what the appropriate fee would be. This is used in Boston, San Diego, San Francisco, Sacramento. It's not currently allowable in Oregon. Seattle is currently considering it. So, we will develop that idea over the winter and hopefully early next year, we'll have a proposal for you with respect to that fee.

Fritz: Thank you.

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Creager: The other thing I would mention is that our home ownership and home repair targets in the Lents Town Center area have fallen short. We think that we can improve upon that. We call it to your attention because it needs improvement.

With respect to City programming, I'm pleased to report that we've produced 3285 units since the bureau was created in 2010. They fall into different income categories. Some 2112 units are at zero to 30%. We have units up to 40% of AMI number and 643 those up to 50% of AMI, over 4000. Those at 60% of median family income, at nearly 6000 -- 5907, and those up to 80% of median income at 471. And I might point out some of the units occur in the same building, mixed income buildings. They are not free-standing 90% of AMI projects. They might be a mixed income project to get us to that number.

The regulated units in production -- and we have a detailed list of our pipeline in the report -- includes 1113 affordable regulated units in production. In addition, there are some market rate units as part of larger projects which are mixed income.

Fish: This chart -- this is just new units, you're not adding preserved units?

Creager: That's correct. Those are new units.

Fish: I mean, I would encourage you to think about adding that preservation units because since you are -- since the bureau was at risk of losing a ton of those and spent a lot of money to preserve them and then create a 60-year covenant, that is, in my view, de facto adding new units.

Creager: Mm-hmm.

Fish: You went from risk of loss to 60 years of preservation. And I -- in some instances, ironically, that's actually a better deal than the new stuff. So, I just think it is worth adding.

Creager: And I might be stating it incorrectly. Matthew, are there some preservation units in the list?

Matthew Tschabold, Portland Housing Bureau: In the production pipeline, currently there are two preservation units, but the rest are new construction.

Fish: Yeah. And the other thing is even though the Housing Bureau wasn't officially created until 2010, it was getting a divorce in 2009. I think we can still --

Tschabold: There was a separation agreement.

Fish: [laughs] Yeah, a separation agreement. I think we can still give the bureau credit. I would -- even if you added a second line for added preservation without blending it in. I just think the risk of losing a unit and then using public investments to create a 60-year asset is de facto -- I think anyone would look at that as the equivalent of a new unit.

Creager: The two preservation -- I recognize that Maggie Gibson is in a preservation project, Matthew, but what's the other one?

Fish: [indistinguishable]

Tschabold: Yeah, that's it.

Creager: We'll continue to track those separately. Sometimes, the most affordable housing is the housing that you already have, right? It's a matter of restructuring that financing. The report parenthetically also gives a great deal of credit to the 11 by 13 initiative, which was highly successful and a real bright spot, I think.

Even though we have a good production pipeline of some 1300 total units, I would say that production pipeline is wholly insufficient to meet the current-day need. As I look at our resources and how best to deploy our resources -- first, I want to thank Commissioner Saltzman for using forward with the NOFA and announcing it today. We really need to be doubling, if not tripling our actual production to get any sort of sense of accomplishment to meet our goals.

That will require a slightly different way of doing business. We can't continue to operate in the same way that we've done in the past. I'm very pleased to see some larger-scale projects come forward. I toured the Abigail recently. Of course, it's completely topped

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out. I've now seen the 14th and Raleigh site which is nearby the Abigail, and of course, we advocated funds to Bridge Housing and Williams and Dame for Riverplace Block Three. So, we need to look at ways in which we can honor and respect our legacy non-profit partners but also increase their production as well as our own productivity.

In closing, you know, the State of Housing in Portland was really a state of panic. As we were preparing this report, it's hard to be dispassionate about numbers when you see the real pain people are experiencing in the form of rent increases. And I think it's threatening the quality of life here in Portland in really profound ways. For a city that really has core values of inclusion, of social equity and economic mobility, all of those values are being challenged by the high cost of housing.

So as your bureau director, I commit to you that we will be very rigorous and very robust in how we respond to meeting your policy goals. I'm pleased that we will have an opportunity on the 8th of October to talk about the 2035 housing element in the comprehensive plan context and we will shortly thereafter -- the week following -- have a discussion about what we call the TIF lift, or the increase of tax increment financing for housing. So, the month of October will be a very active month and I look forward to working with you.

Saltzman: Kurt, thank you. Did you have anything to add? Yeah, I don't believe we have any invited testimony.

Fish: Will the distinguished Director take some questions?

Creager: I'd be happy to.

Fish: This is mostly a lightning round because I think we have people here to testify. Norris, Beggs and Simpson reported a 2.4% vacancy rate at the end of the second quarter in 2015. What do we estimate the vacancy rate is today? Ballpark?

Tschabold: Today, ballpark, quarter three, 3.2%.

Fish: OK. One of the things, Kurt, that you're struggling with is a steady decline of federal funding. The sequestration is hurting us. The climate -- at least in the Senate -- sentiment is almost defund the HOME program. 2010 to 2015, the HOME program budget was cut in half. You are reasonably projecting what kind of steady decline of federal funds over the next few years?

Creager: Well, we think the HOME budget mark is perhaps a little bit of theater in the Senate -- that in order to make the point about sequestration, we think that the Senate committee recommended basically a 93% cut to the program to avoid spreading the cut which could have been done over multiple programs in order to make a point. That point was heard. That point has been pushed back on. So, we're not actually that dire. We are predicting that we will have a glide path of federal funds slightly downwards but we'll continue to have available funding.

I was planning on coming to you at the comp plan briefing with an actual capital budget strategy that includes that number. Matthew worked on it, but I think we're looking at a slight decline of less than 3% overall.

Tschabold: That's correct.

Fish: Thank you. You mentioned Section 8. Worth noting that Section 8 is the largest housing program in the state. In 2011, or 2010, when there was the last time the success rate dropped to about 75%, one of the principal issues that arose in the course of the committee work that looked at that was the way the Section 8 program was administered. I think it was both the perception in the marketplace as well as some administrative details. Then, Home Forward did yeoman's work to make it a more user-friendly system and overcome rather unfair caricatures of the program. So, let's say at that time one of the challenges was the way the program was administered. Now, we're talking about after this

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Section 8 program has been improved, we're now back to 75%, which means we're going to get put on a federal watch list. Is this now primarily the market?

Creager: I think it's primarily the market. I've operated housing authorities in Washington state and in the commonwealth of Virginia, and Home Forward is a well-regarded housing authority with a good track record. And because I've been responsible for housing authorities elsewhere, I've been working with Michael on interventions to help get things back on track.

One is the fair market rents themselves are not really accurate in a rapidly inflating market. FMRs are determined -- this is mostly for the home audience -- they're determined by HUD in Washington, D.C. through their office of policy development and research. They take data that is three years old and they average that data to come up with a fair market rent. So, as I mentioned, we felt like the velocity of rent increases was increasing just in the last quarter. It doesn't take that into account.

So, the only way to remedy that is to develop your own fair market rent. In the fall BMP, I did work with Michael Buonocore and Commissioner Saltzman to structure what's called a comprehensive economic study. We would split the cost with Home Forward on this study, and that would produce the local variant of a fair market rent, which HUD would then be able to approve. We think that will help a lot. That will not solve all of the problems, but it goes a long way.

The other thing that I would say some tenants are walking wounded. They may qualify for the voucher and may have a voucher but they may have a flawed rental history. We are proposing some financial assistance to help bridge those gaps. For example, if you can't find a landlord that'll take you if you're in arrears with the last power company. So, there needs to be a way to bridge people into units through perhaps a small lending program. So, we've proposed that. Home Forward is matching the City's proposed fall BMP dollar for dollar.

Fish: My recollection is that the work that Jill and others did made the Section 8 program here a national leader, so that's why I go back to market conditions. The program is pretty-user friendly. With the changes that you were just describing in terms of fair market rent and the formula mean fewer vouchers?

Creager: No, it would be the same number of vouchers. There's about \$70 million worth of rental assistance that flows through Home Forward. But it would -- people pay a third of their income for rent up to a fair market rent standard. So, the ceiling of the allowed fair market rent would go up, but the same number of vouchers would be available.

Fish: Couple more -- I'll just do this quickly. This year, your budget is \$93, \$94 million, something like that, but there's a big spike because of TIF. In two years, you drop below \$50 million and the TIF cliff kicks in. So, what's your red line?

Creager: Well, mindful that urban renewal only covers by statute 50% of the city mass and recognizing that Commissioner Saltzman had said that resource development and new resource development is our number one challenge, we need to deploy every single financial resource that we have available to us and at the same time build the regulatory framework that Commissioner Fritz was suggesting with respect to engaging the private sector, and then discuss with the voting population what they would support in the way of a voter-approved GO bond issue. But as far as a bright line -- you know, we can right-size the staff to support the revenue available, and we will be responsible, obviously, on how we manage those budgets. But I didn't come to Oregon from Virginia to preside over the dismantling of a national model program, I came here to expand it.

Fish: Ultimately, I think what you're saying is that outside of the market-based approaches and potentially some legislative fixes, additional resources that you and Dan are trying to

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identify are still a bridge and at some point, we are going to have to have a new source somewhere.

Creager: That's correct.

Fish: Somewhere we will have to go to the public on that. What percentage do you estimate of family households in this city are rent-burdened?

Creager: Matthew is closer to those numbers than I am. What is your assessment, Matthew?

Tschabold: We don't know for sure because of the structure of the data and the historical nature of some of the sources we're looking at, but probably somewhere around half. But we're currently looking at putting together an analysis that will allow us to try and estimate that -- again, in a very rapidly-moving market.

Fish: When you say about half -- half the households are spending more than --

Tschabold: 30% of their household income on rent.

Fish: OK. You'll have more data on that?

Tschabold: Correct.

Creager: And just so you know, we're also preparing the fair housing plan and the analysis of impediments to fair housing. So, some of this data was going to start to show up in the fair housing plan.

Fish: A question about homelessness. You used the figure 3800. What's your citation for that number? What's included in that? It doesn't quite line up with our street count -- with one of our street count data.

Tschabold: I would actually ask -- I think we have our data manager here with that.

Fish: We can come back to that. Just if I could get a footnote on the 3800.

Kurt, you said something that is near and dear to my heart. In fact, I had a debate with one of my colleagues about this recently and I want to raise it. You said 3800 remained fairly static, it's intractable. And here's the challenge that I think we have talking about homelessness. Let's take the period of time on the 10-year plan that we survey. If you look at the beginning of the 10-year plan and at the end of the 10-year plan, if you look at data, it's very easy to say there is still homelessness, therefore, it's an intractable problem, or, if you're predisposed ideologically, you say it is a failure. But during that time, 13,000 people went from the streets to homes. And the thing that our vocabulary or our discussion never accounts for is supply. If in the middle of a 10-year plan you have the greatest recession in the modern era and people are being thrown out of their homes and falling into poverty and collapse of the mental health system, how do we account for the fact that unlike a lot of other cities where per capita the number has gone up -- New York City, record numbers, LA federal judge saying 50,000 unsheltered, numbers exploding -- how do we account for the fact that our programs have created some stability while also acknowledging that any homelessness is still unacceptable?

Creager: Well, I think Portland is a central city for a region of some two million people. And part of our burden in life is to recognize that this is a regional problem, that Clark County, Clackamas County, Washington County residents are appearing in Portland partly because of service availability, partly because perhaps the streets are more exciting places to be than those other jurisdictions. So, it is -- and I recognize that Home for Everyone is a regional approach -- but not all of the regional players are at that table. I worked in Clark County for some 15 years. I worked in Seattle for some 10 years. Seattle has the same burden: 39 cities, the central city tends to serve a regional population. So, it's obligated to provide a disproportionate largely share of housing for people with special needs because that's where the services are. And I think ideally, there would be a home for everyone that would have a slightly larger table, perhaps would conform to the Metro table, and that Metro would be a bigger contributor to the effort.

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Fish: Well, I agree. We're 50% of the regional population, 70% to 75% of the services, so there's an imbalance that might even become a federal concern someday.

I guess the point I'm saying is that I think that the mistake that sometimes happens not by the advocacy community but by the people that judge us is that somehow homelessness is static, therefore, if it starts at a number and ends at a number, we can make a judgment. It doesn't account for the huge variations in supply. And if during a period of time we're relatively static in our numbers, but we've had a huge influx of people that have been housed, then, yes, it's intractable, but we're also actually preventing a worse calamity from happening, and we don't have a way to describe that.

Creager: Mh-hmm.

Fish: And I realize that it's not even fashionable to say it. But I would be very demoralized if I was an advocate in the homeless movement and I'd moved thousands and thousands of people to safe harbor, but people keep saying, "well, you're failing because there is still homelessness." Because you're not accounting for the fact that you don't control the supply, and you're not really accounting for the fact that you've moved thousands more than the static numbers show. My analogy is if you're going to be consistent, we ought to say that because there is a poor person downtown, capitalism has failed. I mean, it's the same logic. And I wish we had a way of saying to get away from -- yes, it's intractable in the sense it is a stubborn, persistent problem and we can't get to zero, but it doesn't mean that we haven't had success with our systems getting off of the street. It just may mean that we don't control all of the factors that push people into homelessness. We don't send people into war, we don't collapse the economy -- we didn't do those things.

Creager: Mm-hmm.

Fish: The final thing I wanted to ask is -- and this is a preview of what I'm going to ask you when we do the urban renewal discussion -- when the 30% money came to the Housing Bureau, I think it was the Council expectation that you would do the RFPs. And I'd like an explanation when we do the urban renewal piece as to why PDC is doing RFIs. And frankly, I can't square it with the policy of the City of giving you the money and you -- this predates you -- but having you set the parameters of how we let that money. I'd like to have that conversation.

Creager: Yeah, and Patrick will be here for that conversation. Patrick Quinton and I will both be seated at the study session.

Mixed use is imperative if we're going to make progress on the 2035 Comprehensive Plan goals. As I read that plan, single family neighborhoods are largely held harmless from new growth -- except for perhaps ADUs that number 3000 in the 20-year projection -- and most of the growth is going to be in the transit corridors like Powell, Division, Barbur, Lombard. And those corridors are commercial corridors that can support mixed income and mixed-use development. We need some new tools to achieve that, and PDC and the Housing Bureau working together need to be jointly underwriting projects.

I mentioned the Gateway project. It's worth mentioning that PDC had procured developers and accepted proposals and decided not to complete that underwriting process without including us. So, we're re-bidding the site and we're doing it together. And I think we need to be transparent and predictable in the kind of decisions that we make, and unless we do the RFP, you can't really be transparent --

Fish: I love the idea of collaboration and I love the idea of mixed use, but this Council has been clear and consistent in the past that the 30% is yours to put on the street and to set the criteria. I will be very chagrined if that happens again. And I know it didn't happen on your watch.

Creager: Good. Well, thank you for the preview and we will be prepared to go into deep dive on TIF I think on the 13th.

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Saltzman: We don't have any invited testimony.

Hales: Any further questions?

Tschabold: Just to answer your question on the 3800. It is the HUD homeless definition from the 2015 point in time. Just typically when we produced the data we're talking about -- literally individuals on the street and in shelter.

Fish: So it includes your shelter population.

Tschabold: Yeah. The 3800 would be the HUD definition.

Fish: Thank you.

Creager: Before I conclude, I would like to say one or two other minor things. One is I've worked in this industry for a long time, and you mentioned the sort of demoralization that might come with the problem that seems to be intractable. I can say this, and that is that the sort of dignity and respect that you can give people through hope and opportunity is quite powerful. I think most people in this business see that, see the human spirit every day they see a win. People can be poor in resources but not poor in spirit. And by helping people attain at least some measure of dignity and hope, they often find success in the small wins that come day-to-day.

The other thing I would like to say is I wouldn't be successful if I didn't have good staff working with me. Matthew -- of course, you've met -- is key to the success of the report. Martha Calhoun, our public information officer assisted, and Antoinette Pietka is our data manager and was instrumental to our success. They've worked very hard over the summer on this and they've sweated bullets to make sure you have high-quality product. I can say we will come back to you on a quarterly basis with reports, and we are going to start producing case studies for every one of our funded projects so that you have a growing compendium of successful examples of how affordable housing can fit into neighborhoods and how it can help serve our housing needs. Thank you very much for the opportunity to be here.

Saltzman: And there are some of those case studies in the back of this --

Creager: There are. And Martha -- being a non-houser, I think it was helpful that she was able to characterize it without getting too deep into the financing weeds. The 11 by 13 example is in there as a typology, and we will be doing a lot more of the visual characterization.

Fish: When is the [indistinguishable] opening?

Tschabold: The who?

Fish: The last one.

Tschabold: I don't know, but we can find out for you.

Creager: The next big announcement --

Fish: -- it looks great from the outside.

Creager: And Miracles is looking good. You know, I'm pleased that Commissioner Saltzman will soon be able to make an announcement on the 14th in Raleigh quarter block as well.

Hales: Great. Good work. Thank you very much. I know we have people signed up to speak on this report. Let's take those in turn, please.

Moore-Love: We have six people signed up. The first three, please come on up.

Hales: Good afternoon. Welcome.

Christian Trejbal: Thank you. Good afternoon, Mayor Hales and Commissioners. My name is Christian Trejbal, and I'm a member of the Overlook Neighborhood Association board on whose behalf I speak today. First, I would like to thank you for producing this informative report. I would like to return to the topic of homelessness, specifically as it relates to the homeless camp that Mayor Hales has endorsed near the intersection of

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Greeley and Interstate Avenues in Overlook. That site is wholly inappropriate for such use and the Overlook Neighborhood Association opposes it.

The Oregon Department of Transportation was correct when it decided to evict campers from the property. The site sits along the river bluffs in an area with tinder dry vegetation that is vulnerable to wildfire, fire that can quickly spread all along the bluff in North Portland. The bluffs also at risk of landslides. Both Interstate and Greeley Avenues carry high traffic volumes. Encouraging people to live there in an unregulated and ad hoc manner creates circumstances that put both pedestrians and motorists at risk of tragic accidents, especially at night under poor illumination.

There are also significant health concerns for campers on a site that lacks access to sewage, running water, and other basic sanitation infrastructure. Safety of people who live in a homeless camp is paramount. Problems do not end with just their well-being. This is an area that is frequented by pedestrians and bicyclists. We've already heard reports of people harassed and concerned about their safety when passing the campers. Moreover, trash and human waste are accumulating, including along the streets and trails.

Advocates for the camp will find it difficult to contain it once it is given the stamp of approval from the City. Already, it is spreading along Greeley and the bluff. Camper vehicle has taken up position on a nearby property strewn with trash. How far will the City allow this to spread? Camp is near Overlook Park, a popular place for children and families to gather. A homeless camp, which almost certainly will host people with substance abuse problems, is not a compatible neighbor for a park.

When local organizers first proposed placing a public garden on the site a few years ago, they ensured the Overlook Neighborhood Association that they would not use this as a starting point to develop a homeless camp. They now break that promise with the Mayor's approval and help. Despite the significant impact this camp would have on our neighborhood, families, and businesses, we only learned about the Mayor's effort to convince ODOT not to evict campers through news reports. We should have learned about it from his office.

We commend Mayor Hales for traveling to North Portland to talk to residents about his plans, but it would have been better to visit Overlook Neighborhood where the camp actually is rather than to a coffee house in Kenton several miles away. City supports neighborhood associations precisely so that they can serve as conduits for information under circumstances like these.

The Overlook Neighborhood Association urges you to seek better-suited sites to provide services to the homeless population and to support ODOT in clearing the unsafe homeless camps along Greeley Avenue as soon as possible. We invite you all to attend our next Overlook Neighborhood Association board meeting. It takes place on Tuesday, October 6th at 6:30 p.m. in the Overlook house to further discuss the issue with the neighborhood. Thank you for listening.

Hales: Thanks. I hope you'll together with Jillian Detweiler -- who's back there behind the column -- before you leave, because I think perhaps because you were relying on reports on a conversation that I had with citizens at that coffee shop. You have maybe inadvertently significantly mischaracterized what my office has done about this situation, and the word "approval" is not relevant here. What we did is reach out to ODOT and ask them to work with community groups that want to try to help those folks before they simply tell them they can't live there. So, there's a big difference between assistance and approval. So again, it might be worthwhile for you to talk to Jillian one, to make sure you know what we are attempting to do with ODOT, and two, to get your advice and Council about what to do because we're not interested in playing whack-a-mole in terms of pushing people around the city, we're looking for ways to actually help them. We understand the

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side effects that homeless camps -- particularly ones with no services or sanitation -- cause for adjacent neighbors. So, it would be helpful if we cut out the middle people of news media -- even the ones doing a really good and accurate job -- and if you talk to Jillian, I think we can get to some shared understanding.

Trejbal: I'll do that, thank you.

Hales: Thank you. Welcome.

Margaret Allen: Thank you. Good afternoon, Mayor Hales and Council members. I wish to speak on a similar topic and perhaps some clarification from your position would be helpful. Allow me to introduce myself. My name is Margaret Allen. I'm a physician, I live in the Overlook neighborhood and I work in North Portland at Legacy Emanuel. I routinely take care of homeless patients and see the complications that they have both from health care they are not able to care for prior to coming in, as well as when they have to be discharged and go home to the streets where there is unacceptable level of care for them. I thank you for taking steps moving toward more meaningful long-term solutions for the individuals, but now I would like to address the immediate concerns specifically of the homeless camp at the Greeley and Interstate location.

As addressed by my colleague here, there's a number of safety issues that I cannot strongly enough reiterate. The traffic issues there -- in terms of incidents that can happen between the high flow of traffic, the high speed of traffic, and these pedestrians that result in patients coming to my trauma hospital unable to care for themselves prior to or after discharge is extremely unfair to these individuals. The completely unsanitary conditions where these individuals have no running water, no toilet facilities, no place to take care of basic sanitation such as washing their face and brushing their teeth, much less caring for a wound after they've left the hospital. It's completely unacceptable. The smoking issues that occur in homeless camps and out in the public -- with this very dry ground vegetation, the risk of a fire across the bluff that would spread up North Portland is concerning to all of us that live in the neighborhood. And the trash is extremely unsightly and unclean and quite frankly, it's an inhumane place to encourage people to live.

The dignity of all of our fellow citizens who find themselves homeless for whatever reasons -- they need a secure place to live. They need a roof over their heads, they need a sanitary clean place to go. This cannot and is not acceptable to allow them to live in this part of town.

I urge all of you to work with ODOT and other community members in terms of finding an appropriate venue for individuals to live. It is not on this piece of land that is not flat, that is not safe, that is not clean. It is not where these people belong. As a fellow human being, we need to find a better solution.

Hales: Thank you. Also, please, make sure that we're in touch. Thank you.

Fritz: And I'll just add -- when the Mayor and I went to talk with folks -- business owners and residents in the Central Eastside to see if there's any place that we can move the very well-regulated and safe and clean Right 2 Dream Too, what we heard from the folks there is, you should have come to us earlier. We could find a better spot than the one that the Mayor and I are focusing on. So, I absolutely -- having visited that site and talked with the folks who have been living there, I absolutely agree it is very difficult. They trek up the hill and go to the bathroom in Overlook Park. We had some discussion about potentially leaving the park bathroom open longer during the winter, except when it's freezing, but I ask you as well -- as you heard, we have 3000 people living outside in Portland. The Mayor and Commissioner Saltzman are definitely aware of the need and this whole report is about how are we going to not only provide places for people to live who are currently experiencing houselessness, but also stop the rent from rising so much that even more people get there. In the meantime, this winter, we're going to have 3000 people living

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outside. So, I'd like you to think about if there is a place in Overlook that could accommodate a dozen or so folks that could be a houseless part of the neighborhood and be a group that would -- you could perhaps look after and help to endure the winter until adequate shelter for them.

Allen: I don't think encouraging people -- our public officials encouraging anyone to live outside in an unsafe place is acceptable.

Fritz: We're not encouraging. They have to live outside, this is no where else. These people are Portlanders. They have to live outside, they do not have a home. We are not encouraging them. We're saying, where would be a safe place to be while they're waiting for housing? And I'm asking you to think about is there a place in Overlook, is there a place in Kearns, is there a place in Centennial, any one -- every one of our 95 neighborhoods? Because I'll tell you, there are people living outside in every one of our 95 neighborhoods now. Are there ways that we can embrace those folks and help provide some services to them, whether it is porta-potties or garbage cans or whatever it might be while they're having to be houseless? How can we, the people who live inside, provide a little comfort for them?

Allen: I appreciate the struggle. I just don't think we should be endorsing any effort --

Hales: I don't know where this "endorse, approve" language came from. We have a number of unregulated homeless camps around the city on different property ownership. Some of them take place on City property, this one happened to take place on ODOT property as I understand it. So, the fact that it is still there doesn't mean that it is gotten some seal of approval from City government. It means that it is there and the property owner in this case wants to take action on the property. I understand that. So, we need to have a conversation -- as Commissioner Fritz just articulated so well -- about, so where do they go? If the public safety folks that work for me are out with an instruction that you can't sleep here, we need to be able to end the sentence with, "but you can sleep there." And that's the struggle that we're all, I hope, engaged in. Not just saying, "not here," but maybe that church basement or that parking lot or that piece of empty land or that underutilized building or empty building. We've got to find places for these people. Tents and camping are very few people's first choice.

Allen: I agree with you 100%.

Hales: So, we want to work with you. Don't take our short-term emergency efforts -- or worse, our enforcement efforts -- when a property owner wants to clear their property for endorsement or contrary-wise for opposition to homelessness. It is there. It is real. It is present. We have to act on it. So, we'd love to have your help.

Trejbal: Thank you. We hope that you will come talk to the neighborhood association about it further.

Hales: I will. Good. Thank you. Welcome.

Jes Larson: Thank you. Good afternoon Mayor Hales, Commissioners. My name is Jes Larson with the Welcome Home Coalition and I'm here largely to say thank you. Thank you for this excellent report, Commissioner Saltzman, and to your team at Portland Housing Bureau. It gives us a lot of much-needed information to continue to work with advocates to continue to call for the action that we need in our community on affordable housing.

The missing hole in our community's infrastructure for affordable housing is very clearly here. By our estimates at Welcome Home, we're missing 23,000 affordable homes for Portlanders. That's why we have campers camping in Overlook, that's why we have campers, people, children, sleeping outside in every single neighborhood of our city, and that is the call to action that we must rise to.

And I'm grateful to Mayor Hales, Commissioner Saltzman, Commissioner Fish for your announcement this morning in collaboration with the County and look forward to

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these emergency measures you are taking in our state of housing emergency. It is a crisis. It's long been a crisis for our community. We need to bag these sandbags, put up plywood on our windows, we need to go to higher ground and make sure that everyone is safe, absolutely. And we need your continued leadership after this storm passes because we have levies to rebuild, we have miles of missing levies or missing water infrastructure or whatever it is you want to compare it to -- we're missing homes for people to live in, and that is the absolute next step we must take and I appreciate this report being able to shine a light on that need. We're here willing to work with you towards that goal of finding new funding, critical funding to fill this gap in our community. Thank you.

Hales: Thanks very much. Thank you all. Next, please. Lightning, I think you're on first.

Lightning: My name is Lightning, I represent Lightning Watchdog PDX. Again on the report, it gives a great overview of the situation. I thought it was very well done.

One of the concerns that I have I'd like to also see an affordable housing bond. You stated, I believe, somewhere around \$150 million. I originally stated close to \$100 million. I think that needs to be looked at very aggressively at this time. Now, we were talking about the \$30 million going to different areas, possibly for more shelter. Again, I've stressed to Chair Kafoury numerous times -- you spent close to \$60 million on Wapato. There's 160,000 square foot building that sits on 18 acres of industrial land that sits empty. Multnomah County has paid \$300,000 a year to keep the lights on. They're not using the property. We need to get that opened as a shelter. We've got people out on the sidewalks. We need to make that and turn that into public good. There shouldn't be resistance to do it. We're in a state of emergency. You don't have to ask for another bond. You don't have to take money from your general fund. You don't have to take money from other resources. Why? Because it's already been paid for and built in full. It's sitting there empty. There should be no reason why a building of that size with cooking facilities, showers, rooms, beds currently in there sits empty in a state of emergency with people out on the sidewalks and in different locations.

Another issue I have, too, is we need to consistently look at the urban growth boundary. We need to keep a close eye on that. Listen close to the developers. If they need more land to expand, put out their plans, if it's anything to do with affordable housing being built, we need to really focus on that and push for that and to get more land for these developers. And the only problem I have with these developers in Portland is, why can't you build your units fast enough? You're not building them fast enough. Start putting them up faster. Get these units built faster. We need more housing units out there. We know where the population is. We know how many housing units we have out there. We currently have too many people out on the sidewalks. These developers know what number we need to hit out there to be the solution to the problem. You need to continue to build more housing units and learn how to build them faster. Thank you.

Hales: Thank you. Mr. Entwisle?

Steven Entwisle: Good afternoon, City Council, Mayor. My name is Steven Entwisle, I'm the original founder of the Oregon healing man sanctuary, and that's place where folks can go. I'm also a whistle blower for the less fortunate.

I grew up here in Portland. I used to work security and my wife didn't have to work. We had a rental house in Southwest Portland. A house that was \$180 a month. And I was able to -- we were able to raise our family rather securely. I did take two jobs because it still was a bit of a bite, you know, having children and a car and all of that. But I made it work. And nowadays, you can't do that. Nowadays, it's impossible. So, my question is is that median income -- you got median income in a pamphlet here in the definition of terms, and you have family median income. What is the median income? Median income is what the affordable housing is based upon. Now, what is your median income -- \$60,000 or

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\$40,000 or what is it that? There is no dollar amount term as far as definition goes on median or family income? And also, you have definition of terms here -- you got affordable housing, you got low income housing and you got extremely low income housing. Let me ask you a question. Where does the homeless population fit into any of those definitions? It's not defined. So, extremely low -- it would be below that. It would be very -- just say zero income for people who don't get a check, don't have work. Maybe they're looking for work and maybe they're being disrupted by people that don't like homeless folks. But that happens all of the time, that happens every day.

Inclusionary zoning. There's a bill in the state that we may want to consider inclusionary zoning.

3800 homeless folks. That number can vary. I would say that's a rather conservative number based on what I see out there. I've talked to people that the homeless folks that are at Overlook as well, and they do have some concerns. I spoke with a couple of them on their concerns, and one of them is the visibility and the way that the road and trails and everything go. And there is -- there are some safety issues there that need to be addressed that can be rather simply taken care of -- but, again, we need to have -- we need to get control of the fear and go with humanity and love towards our citizens in Portland. I think finally we're getting to that point. I appreciate it, and the folks on the street appreciate it, too. The more we can do, the better we are going to get and better outcomes we will have for everyone. Thank you.

Hales: Welcome.

Raquel Valair: My name is Raquel Valair. I live in downtown Portland, and I'm acting as an alternative housing advocate. There's a company called nomad micro homes. They build these homes up in British Columbia. They come preassembled, and they come set up for on-grid and off-grid living, and you can acquire one for around \$30,000. And because they come preassembled and preset for either on-grid or off-grid living, all you really need is the space. And as I understand it, Portland owns a lot of land around here. If the land is not currently being used for anything else, all they have to do is adjust the zoning to have these homes put on there, you know, under the legal guidelines of zoning. And they could fit these micro homes, you know, very easily. I'm not sure exactly how many of these would fit on an individual acre of land, but it would be a lot more than, say, your standard average housing. I have the contact information for the owner of the company in Canada and a local sales rep out in Beaverton.

Hales: Great. That would be great to have.

Valair: It's great solution. You can acquire one of these for around \$30,000. You can even do combos because the single units are good for single people. And you can put a couple of the single units together for couples or for people with children. So, you can mix it up. You can have, say, an acre or two of land and put some smaller singular units that are good for singles and a couple of the individual units put together -- because they have combos -- for couples and people with children. And what I like is that they also can come with like little porches or patios, little decks, and you can fence them in. Because what's important to someone like myself is a sense of space. The sense of privacy. Because I live in a building that's pretty much not much more than, say, a human warehouse, a human storage facility where everyone is kept in these little rooms that don't have their own private kitchen, most don't have their own private bath, and imagine if everybody had, you know, a little house with their own kitchen, their own bath, and their little piece of land that you can fence it in, and they have a sense of privacy and space. It would do a lot to improve one's personal well-being, like sanity. It allows you to keep your sanity and to keep a personal sense of well-being having that personal private space but without taking up a lot of space like a lot of land and for around \$30,000 each.

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Hales: Thank you. Thank you very much. Thanks. Good afternoon, John.

John Miller: Mayor Hales, Commissioners, I'm John Miller, I'm Executive Director of Oregon Opportunity Network. I just wanted to thank Commissioner Saltzman and the PHB team for putting together a great follow-up to last spring's State of Housing report. I think that this report continues to paint a picture that I think a lot of us know pretty well and have been frustrated by for some time. It's good to see it all quantified out. Certainly, it does illustrate areas where either through policy or just market forces we've definitely fallen short.

So, some good things have recently happened. Commissioner Saltzman recently proposed an FAR bonus to incent private builders to build more affordable housing. We also recently -- we have on the table an expansion of the MULTE program, raising the cap to \$3 million, making it noncompetitive. Those are things that are certainly going to help with the effort. And of course, this morning's announcement of \$30 million -- very exciting news. Still interested to hear the details on where the funds are coming from and how that is going to work, but excited about the commitment.

As we heard, there's certainly several opportunities to act in the next month. We have demolition tax that is going to be coming before Council. Commissioner Saltzman just mentioned the Airbnb tax -- I can't remember if that is a tax or a fee. It's a tax. And of course, we testified in support of that last year. It's nice to hear that might be coming around the next budget cycle. That's great. Obviously, we have the TIF to 50 coming up soon and certainly think that's an opportunity. Also, there are several anti-displacement measures in the current comp plan proposal that's been put forth by the PSC. Hope that Council will support those as well. And lastly, Commissioner Saltzman recently had proposals to help renters stay in their homes, and we also support those.

But as Director Creager pointed out, when you add it all up, it still isn't enough, unfortunately, and we really can't keep doing things as usual. We need to get creative. One of the things Oregon ON does is work at the state legislative level. Last session, we worked hard on inclusionary zoning. It didn't pass. We suspect that in '16 or '17, there will be a couple of opportunities to really make a difference. Really looking for City Council's full support and deployment of the City Council lobby team on those efforts as they come about. We're still in the formation stages on those.

Also, just want to put in a plug for Welcome Home. That is an effort to raise \$50 to \$100 million a year to solve this issue and that's really what it's going to take. So, good job so far. A lot of work to do. We have a whole team of nonprofits ready to jump into action. We need more resources to do so and so look forward to your support. Thank you.

Hales: Thank you. Mr. Stylze, Welcome.

King Bishop Stylze: Thank you. I didn't sign up, but I appreciate you having me here. King Bishop Stylze, responsible community member. I'm not from Portland. I've been here since November 4th, 2007, but my daughter was born here. The situation with the rent -- I have definitely experienced that in a major way and still experiencing those rent increases where my daughter and my stepson live on the southwest side of town. Because in my life I've had to move all over the place, I've made sure that my children stay in a place where they are stable and they are able to build and expound on the relationships that they create. And that looms over the head of my children's mother and myself because they're getting pushed out because we're not able to afford the rent that's there. So, I'm glad that you guys are working towards that situation so that we can keep that in because it's not just a black and white issue across the board dealing with gentrification and what not, but these are people just in general that are having these issues.

I would like to also talk about the houseless situation, specifically with the Greeley and Interstate. I got the opportunity to look at that site and wasn't necessarily really happy

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with it at all. I understand that a lot of people go through a lot of things, but it definitely was trashed and not a good way. And there are systems out there available. Commissioner Fritz, I'm looking forward to a meeting with you later on next month to discuss some of those options. Mayor Hales, I'm appreciative of looking into the -- I think it is the armory out in Multnomah Village out there and what can be done there. I'm also connected with some nonprofits that have great ideas to make those things happen and get past some of the ideas of how it is that we get to come together as a community, as a whole to work with each other because some of the people that are out on the streets aren't there because they're specifically drug addicts, it's just that they went through hard times, and there are enough people that are out in the space that can facilitate what's needed for at the time. Like you said, Mayor Hales, it is an emergency and it's something that can't be dealt with right away but we have to allow the grace for people to get to where it is that they want to be and it takes us as an entire community to work that out together to understand each other and to make things happen so that we all have a better experience within this city. Thank you very much.

Hales: Thank you. Thanks very much. Anyone else? And if not, Dan, unless you have anything else, I'll take a motion to accept the report.

Saltzman: I move to accept the report.

Fish: Second.

Hales: Roll call, please.

Item 1006.

Saltzman: Well, thank you for your testimony. Mr. Entwisle, I think we probably can do a better job on the median family household income so we'll get that in our next report.

I want to thank all of the staff at the Housing Bureau for their great work on this report, and this does mark the -- this is our regular cycle. We will be coming back here every fall with an updated report so we can start benchmarking our progress, and I appreciate the bureau's ability to take a candid look at our successes and our failures. That's a necessary part of any good public policy making. I especially want to thank Kurt Creager, our new Director; Javier Mena, our assistant director; Matt Tschabold for his outstanding work on this report; and also Martha Calhoun, our PIO for her work to make the document look good and read so well; and last but not least, certainly Antoinette Pietka, who makes sure that we have accurate data for our report and she does a good job at that. Thank you all. I'm pleased to vote aye.

Fritz: Thank you, Commissioner Saltzman for leading this work, and all the bureau staff and advocates who are teaming up on this. I appreciate having the information. I was actually looking at the comprehensive plan -- the current comprehensive plan -- to see how it meshes with the proposed comprehensive plan. In the current comprehensive plan, we have a benchmark of keeping rental vacancy rates at 7%. So, we are way below that, and none of our strategies have worked. I for one am not going to be worried about putting specific targets in our new comprehensive plan since apparently it doesn't hold feet to the fire, although it's indicative that back in 1980, it was felt that that was a good level of rental vacancy.

I appreciate having this report because it does track, and as Commissioner Saltzman, says it gives us the numbers. The last report was helpful that increasing permitting and production levels would increase the supply of units and somewhat control the quickly rising cost of rent. Despite the increase in units, the average rents in the city have now increased eight to nine percent or \$100 a month, and I for one hope that when the proposal for restricting rent for giving notice of rent increases comes to Council that it would be longer than three months' notice and a lot less than the percentage floated so far. I'd like to see it no more than 3% requiring an extended notification period.

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The last report showed rising housing costs and income disparities, particularly negatively impacting African Americans, Native Americans, and Alaskan natives. This report shows the negative effects are now impacting Latino and single-mother households as well even more. So, it's really clear we need to work as a team on this. We need to all of us -- just as I was asking the Overlook neighborhood folks -- where in your neighborhood could you look after a few folks? We should be thinking about that every neighborhood. There are five people on this Council that need to be a part of this solution, too.

I am looking forward to the briefing on whatever it was that was announced this morning. When it was announced earlier today that this session that we're going to be considering dedicating the Airbnb money to housing, that means a cut of a million dollars in some other City service because we have already allocated that money. And indeed, expected revenue for an Airbnb taxes is pretty much what we thought it would be at about \$1 million. That money is already allocated to other City services. So, we are going to be looking at -- we only have about \$2 million in contingency for right now for the rest of the entire fiscal year. There are requests in the full budget adjustment, but we have \$2 million kind of in the bank spare for the City for the rest of this year. So, that's not very much. It gives me -- there isn't \$20 million or \$30 million or however much was suggested this morning. We're going to be looking at significant cuts to City services, especially when you look at the arbitration decision in Parks which is requiring us to pay Parks workers at a level that they are not needing subsidized housing and food stamps, and we don't know how we're going to pay for that, either.

So, there's multiple calls on the City's money. As we look at how we are going to increase revenues which is part of the solution, we also need to be looking at how we are going to persuade the legislature or find other mechanisms to recognize that Portland is a highly desirable place to develop right now. Developers -- unless they're nonprofits -- are making boat loads of money on developing in Portland, and how can they be required to pay into the fabric of Portland at the same time as they are benefiting from it without passing those costs on to make housing even less affordable? So, that's the challenge I think we're facing. We can add a general obligation bond. That adds property taxes, which means it's less affordable to live in Portland. Demolition tax? That's going to be passed on to the buyer and makes housing less affordable in Portland. We've got to be thinking holistically about how we can make sure who pays, who benefits, and is that fair and how do we make sure that people who were born and raised in Portland and maybe are now houseless in Portland have a place to live for the rest of their lives.

I appreciate this conversation. I appreciate the work and dedication going into it. It's very clear that we have a long way to go. We're not going to be able to get there unless we do all work together. Aye.

Fish: I have something to say for closing, but I just want to say something in response to Commissioner Fritz. We have no idea as we sit here today what the amount of one-time and ongoing funds to our budget discussion is. So before we advertise significant cuts, let's wait until the year end, let's wait until we have the forecast numbers. I seem to recall last year we anticipated some surplus, it got bigger and bigger and bigger and ended up at 50. We don't know whether it'll be \$10 million of surplus, \$15 million of surplus, we don't know the number. I think it's unfortunate to start forecasting cuts and other scenarios before we have the numbers from OMF.

To the question before us, I like most of all Jes Larson's metaphor of the storm. I reason I like the storm and the natural disaster metaphor is I think this is the third time in seven years that we will have declared a state of emergency in the city of Portland. We can check on this. But in 2008, my first year, there was a severe winter storm. I believe we

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declared a state of emergency that allowed us to trigger the disaster policy council. And the challenge in that winter was we did not have a coordinated plan to take people off the street and put them in shelter. In fact, that fall there was still a discussion where the Police and the Fire Bureau and nonprofit and faith and all the partners weren't quite sure how to do it. In fact, it took Carmen Merlo in the office of Emergency Management convening everybody. In the first meeting we had, she said, "who's the incident commander?" And somebody said, "what's that?" So, we knew we had a bigger problem.

The extraordinary effort that winter resulted in lots of lives being saved. But the only way we got there was everybody jumped in. Firefighters delivered groceries to shelters. City workers repaired sewage lines that broke. Churches and synagogues opened up their buildings and served food all night. Everybody stepped up and yet, we still lost someone. We lost a man who died of hypothermia in a cemetery. The gentleman we lost had been approached by caseworkers throughout the night but exercised his right to stay outside. For all of us who were involved in that storm and in that two-week emergency, we are haunted by the fact that he died despite best efforts. But what we remember is all hands on deck. Everybody stepped up.

Two years ago we had another storm. I think it was two years ago -- time is flying. I actually got a birthday call from my family and it said it's pretty harsh turning a certain age. And my son said, "Dad, that's not how old you are." I actually missed it by a year -- [laughter] -- it's even worse than I thought. It took my eleven-year-old is apparently a little better at math than I am -- I missed a year! Maybe that's the denial you go through when you hit your 50s. I was off by a year.

Whatever it was, two years ago we had another storm and declared a state of emergency. Everybody linked arms. And Mayor, the event that I still remember from that storm, which paralyzed the City -- remember, we said stay home, don't drive? -- was the hospital said they had a crisis because they could not admit new patients because they couldn't discharge patients. Imagine that call coming into the command center. And so, what did the City do? The City ended up doing something which gave our lawyers some heartburn because there are liability issues. The City dispatched firefighters and police officers to pick up discharged patients and take them home. And we cooked up a little liability agreement that sort of covered it but the lawyers didn't like it. And by taking people home, we freed up beds so they could take people in. Another emergency, everybody stepped up and did something, not a single fatality on our streets. Amazing statistic.

I think this is the third state of emergency in seven years. The Mayor declared it, and today, he put a lot of muscle behind it. And we've got all these wonderful things in the pipeline -- new sources of revenue and we've got new policy initiatives and new tools and new protections. And frankly, it's a pretty exciting day for the advocacy community and the folks we serve that all of this has come together.

But I want to close with this observation because this is the third state of emergency that I've lived through: none of that's enough. The critical ingredient is -- as Commissioner Fritz alluded to, and I think it was really an essential point -- we won't weather this storm until we all link arms and we all take ownership of the problem. Not just government, not just business, not just nonprofit, not just faith, not just philanthropy, everybody. Everybody in Portland has to say this is important. And to the Mayor's credit, the Mayor has said this is the most important issue we will take up this year. That's what leadership does, you frame it. Everybody in the City has a role. And even though I don't remember a time when I felt more encouraged by the progress we're making, if we don't all come together, we won't solve this problem. So, thank you, Dan, for this report and your team, and thanks for all the work that you're doing to move the ball forward. Aye.

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Hales: They say a picture is worth a thousand words. It's rare that I would say a spreadsheet is worth a thousand words, but this one, which actually includes a pretty telling picture -- the more red, the less hope. Red means unaffordable, green means affordable on each of these charts, and that's a pretty dire picture. And I want to commend you, Commissioner Saltzman and your bureau for putting these facts and this analysis in front of us as we try to build that partnership that Commissioner Fish described and do the work.

You know, I greeted the Kansas City chamber of commerce on Sunday as they came to study Portland -- something that happens weekly -- and they had 150 people here and they were agog about Portland. They just think this is the greatest place. Maybe everything's up to date in Kansas City, but they can learn a thing or two here, apparently. And this happens all the time. And we find out in those conversations that there are some commonalities around the country. Kansas City is struggling with homelessness. In fact, our chief financial officer Ken Rust went off to a conference of chief financial officers and mentioned to me after he got back there was an open-ended session -- after which they had been talking about budgets and bond ratings and things CFOs talk about -- they had an open-ended session about, what's going on in your city? And there were people from Pittsburgh, Philadelphia, Atlanta, and the whole room erupted with "we are in a housing crisis." Affordability is going through the roof and our street homelessness issue is exploding. Every city in the country is dealing with this. And yet, I think the combination of will and tools and partners that we have here gives us the opportunity to be a national success story like we have been in land use planning and transportation.

So, my goal is that I'll be welcoming chambers of commerce that come here a few years from now, and yeah, they're going to want to study streetcars and light rail and green roof and bioswales like the ones that come here now do, but I also want them to come and study how we really moved the needle on housing availability and affordability in a red hot real estate market, and how we really moved the needle on getting houseless people inside, and people with mental illness into services, and the other things that we're working on. I think we can be that place, too, and it takes capable people and leadership and doing the work in our bureaus. It takes the five of us and our partners and Multnomah County and Home Forward and great nonprofits like Proud Ground and organizations like Oregon ON to do the work. But I do think we can do that. I do think we can find that combination of tools and strategies that really does make a difference.

We are going to have to call on people individually, neighborhood by neighborhood and church by church and rotary by rotary as we did here with you from Overlook today. Don't feel singled out, because you won't be. All of our neighborhoods and all of our citizens are going to have to help. But I think we can and I think we will make great progress in the next year with this combination of efforts, and then the year after that and the year after that. Thank you all very much. Great work. Let's change the colors in the spreadsheet over time. Bravo. Aye. Thank you all very much, and we are recessed until tomorrow at 2:00 p.m.

Moore-Love: Mayor, we still have to vote on that emergency.

Hales: Oh, sorry.

Fish: Vote on what?

Saltzman: You need to be here for the --

Fish: What?

Saltzman: Oh, there's an emergency issue and you were out of the room.

Hales: Sorry, we're back in order.

Fish: Mayor, give us a second. We're gonna have one more vote.

Hales: We've got to take a roll call vote on something we left behind, which was 1003.

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Item 1003 Roll.

Saltzman: Aye.

Fritz: Commissioner Fish, while you were out of the room, your staff from BES and mine from Parks spoke about the Riverview contracts. I know you and I talked about it a lot and so I felt you felt comfortable voting on it. Aye.

Fish: I will follow your lead on this. Aye.

Hales: And now we're in recessed until tomorrow at 2:00.

At 3:42 p.m., Council recessed.

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Closed Caption File of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

OCTOBER 1, 2015

2:00 PM

Hales: Good afternoon. Please call the roll. [roll call]

Hales: Good afternoon everyone. Before we begin our work, we need to take a pause. It may be not all that unusual or god help us even all that remarkable that there has been another tragic school shooting in our state and in our country, but there has been. And there has been terrible loss of life in Roseburg at Umpqua Community College. I would like us to take a moment and send our prayers to the family of students and faculty of Umpqua Community College, to Mayor Larry Rich and city of Roseburg, and all others in that community who are grieving because we need to grieve with them and give them help. We have sent firefighters and other resources to Roseburg to assist in this, but I think we should all take a moment and grieve. [moment of silence]

Hales: Thank you very much. We have two very important pieces of business before us this afternoon on the same subject, which is the world indoor track and field event.

Moore-Love: We need to elect a new president of the Council.

Hales: I thought it was --

Moore-Love: October 1st.

Hales: I thought we did it at the middle of the year.

Hales: Semiannually.

Moore-Love: Voting order. You can't take --

Hales: We are not --

Fish: Hoping to slip that in, but OK.

Hales: Stuck with her for another three months. Would you go ahead and read both items and then we will take them in order.

Item 1007.

Hales: Thank you, this is pursuant to the council's decision in our budget to approve \$1.93 million in special appropriations for this amazing opportunity that we as an opportunity have and we as a state. There will be a big deal for the northwest as well as for us as a city. Ordinance in front of us implements that grant agreement between the city and TrackTown USA. It needs to be an emergency ordinance. The funds are needed to get to work. A great deal of work is already underway. I will ask Susan Gibson-Hartnett come up. And then after that Vin Iananna. Come on up.

Hales: Good Afternoon

Susan Hartnett, Office of Management and Finance: Good afternoon. Susan Hartnett. I am excited to be here and help the council follow through on this and working with Doug Oblatz and vin on this very excited event. Item 1007 is an emergency ordinance that does approve a grant agreement between the city and track town LLC and they do business as TrackTown USA. The grant agreement will implement a special authorization -- special appropriation that the council approved earlier this year, and provides \$1,930,459 in support of the international association of athletics federation 2016 world indoor track and field championships which is quite a mouthful. We are typically calling Portland 2016. Quicker way of getting there. Key sponsor of this event, city will benefit through significant sponsor recognition for the event. This will include things like international broadcast of the

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events, as well as a major activation that would occur at pioneer courthouse square during the event itself. Agreement clarifies the activities and costs that the funds will be used for as well as the mundane things like payment processes, reporting processes, and some other requirements such as the city's insurance requirements. Through the agreement, the funds are going to be allocated between track town event activities and services by two city bureaus. Portland bureau of transportation and Portland police bureau. The grant agreement also acknowledges there are some budget adjustments that we will be making through our annual budget monitoring processes to make sure that those dollars get allocated between track town and the city bureaus appropriately. The agreement also defines the implementation responsibilities for the city bureaus, which include the public agency security for the event, which the police bureau will be heading up. And transportation will be helping manage the transportation aspects of the event. Track town will be using the city's grant funds for a variety of activities. Chief among those, participant safety, crowd management, accreditation services. There is a variety of youth engagement activities, and the second ordinance has a piece of that involved in it. Construction and maintenance of the countdown clock at pioneer courthouse square which is already up and running and ticking down the days as we are sitting here. Implementation of a multi-day activation at pioneer courthouse square, and traffic management activities throughout the course of the event, including opening ceremonies which will take the focus from pioneer courthouse square over to the moda center, first series of events, the pole vault championship. And medaling ceremonies which connect the Oregon convention center back to pioneer courthouse square for the awarding of medals to the winners. I'm available to answer questions if you have any. I would like to turn it over to TrackTown USA president and USA Olympic team coach, Vin Lananna, who is going to give you an overview of where we're at on planning and marketing activities for the event.

Hales: Good afternoon. Welcome.

Vin Lananna: Good afternoon. First of all I would like to thank the mayor and commissioners for all of your unwavering support on this great event. Mayor and commissioner's staff for their work in bringing these two actions to council. Planning for 2016 is well underway. It is actually progressing at a feverish pace. We are heavily engaged in the design of the world championship stadium inside the occ. Design of the activation of pioneer square and planning for the men and women's world championship pole vault competition and opening ceremonies that will be held in the Moda center, held on the opening night, March 17th. Sasha spencer Atwood and I would like to present an update on the planning for Portland 2016. As I mentioned, event planning is in full swing. We have had great progress being made with city staff and the transportation people and security people. The design for the world championship stadium is 50% as completion. Program and design for pioneer square activation is well underway. Pole vault festival is rolling, and it looks like it is going to be a fantastic event. Marking presence is increasing on a daily basis and just over 50% on ticket sales already. To give you an idea of the schedule, we will have the U.S. Nationals, which will lead up and that will be the weekend before March 11th through 12th. March 16th will open up pioneer courthouse square. 17th, pole vault. And 17th is going to be pretty exciting because it will also have a youth component to it as well for kids around the entire northwest. On the 18th, 19th, and 20th, will be the actual world championships. Two sessions on the 18th, two on the 19th, which will be Saturday, and one session, all finals, on Sunday. So, things that we are focusing on right now, believe it or not, the actual construction of the track will begin as soon as this Monday, the 5th. We have the city scape branding is already going on. We will have wall scape. We will have the trimet max trains will be branded and wrapped and by December 1st, we will submit permanent drawings for the world championship stadium. In January,

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we will have a 60-day out celebration at the moda center. Street banners up in February. We will begin the actual construct, we will actually move the track to the convention center at the end of February. So, a little bit about the world championship track. We have a -- we have a 3-d show to show you a little about what it will actually look like. Those of you who have a hard time imagining what the Oregon convention center, how it will accommodate it, this will give you a sense of what will go on in the convention center with all of the seats all around it. And then we're at the finish line.

Fish: Is that how the ceiling normally looks or are we taking out a panel?

Lananna: The ceiling normally looks like that. As you can see, the pieces will be the way the convention center looks. It will be -- there is not a bad seat in the house. You will have a real intimate setting. If you look at it closely, you can see if you're sitting, and we hope that all members of -- all of the commissioners and the mayor and group will be able to attend the meet. Sit in the first couple of rows, you may actually feel a sweat bead that comes off of the athletes as they're competing because they're really great seats. Entire build, 7,000 seats. That's pretty much what it will look like from a rendering perspective. It will be great, absolutely great event. We have lots of things going on inside the city. I will ask Sasha to give you an update on that.

Fritz: What's the total cost of the conversion?

Hales: Construction and conversion of that space?

Lananna: It's hard to tell at this point. We are working out the details for it. Actual track itself, we are renting it. It will be built here. Built starting October 5th and exactly what the cost is, not sure. Not sure at this point.

Fritz: When we are looking at this award, you are not going to be coming back to ask us for more.

Lananna: No, no, everything fits into the budget that we have.

Fritz: Does the budget include putting it back to normal?

Lananna: It does. It does.

Fritz: What is the estimated date that it will be back in use as a convention center?

Lananna: Convention -- we expect it will take us about a week and a half to take the track down and be able to transport it back. And I think it is going at that point to Iowa.

Fritz: And the renting of the convention center includes the amount of time it takes to take the track down again?

Lananna: Yes, it does. Yes, it does.

Fritz: What happens to all of the bleachers, the seating?

Lananna: Good question. The bleachers will be built by a company probably called t & b and they have built many of the other temporary stadiums around for golf courses, etc. All temporary. They take it down and bring it to the next place.

Fritz: Thank you.

Lananna: You're welcome.

Sasha Spencer-Atwood: As discussed previously, we are using pioneer courthouse square as our live activation site. Open to the public the entire time during the competition. We are exploring the idea of covering the square. We are playing with it, weather in March we know can be unpredictable but we also like the welcoming feeling that you get when you don't have a space covered. We are weighing the pros and cons of that. This is the view from 6th avenue. There will be a stage hosting live entertainment, local and national acts. We also looking into different community organizations who would want to program something on the stage there. Of course, we're considering all of the options and possibilities of different parties and evening activities that can take place in pioneer courthouse square. One of the most exciting and innovative things we're bringing to the championship as a local organizing committee is the opportunity to host the medaling

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ceremonies outside of the competition. Pioneer courthouse square would be out medaling plaza as you can see, we have the fountain area there. Turned it into actual podium medal stands. We will crown 26 world champions at the world indoor championships and this will be a great place in the heart of the community to do so. Also down in pioneer courthouse square, as you will remember, May 27th, during the unveiling, the countdown clock. Portlanders and people from all over the world really have taken to the clock and posed in the block. Some standing next to the clock. And sent this image out on to different social media platforms. The #Portland 2016 is the official event hashtag. And whenever somebody either uses that or takes a picture next to this, the countdown clock as the activation site, it goes out all across the worldwide web. We are getting a lot of reach with that. We get a lot of reach from the countdown clock, but we perhaps have gotten no more reach than the promotion and branding that we received at the outdoor world championships in Beijing this past august. The brand was featured prominently in the stadium. And these digital boards appeared in several places around the stadium, but the location that was perhaps the most visible, the one that millions and millions of people across the globe saw on the live feed, was the one just past the finish line. Let's take a look.

[Video] It's Jamaica, from the United States, Trinidad -- if they run hard -- Jamaica, united states takes the silver, bronze Trinidad, great Britain, northern Ireland. It was fast, but not just quite fast enough. Fourth place. No medal for them. They might be close to the British record -- a long, long way clear anchoring Jamaica home.

Fish: So we're a household name all over the.....

Spencer-Atwood: All over the world. There is promotional activation in the exhibiter's area, the market street area, where fans, officials, and sponsors can come to learn more detail about the beautiful city of Portland and about the competition that is coming here. We have another video of uss league celebrating in front of one of our --

[Video] 200 meter final. A good start around the bend. This is going to be very close as they come into the home stretch. Bolt is in the front. Bolt continues to -- bolt is going to win it by almost a big, big margin that he probably couldn't believe. 19.56. Silver to the American.

Spencer-Atwood: A great partner in continuing to promote the event as one of their marquis events and we are looking forward to working with them as we get closer and closer. Speaking of marketing initiatives, we are doing several things out and around town to make sure that Portlanders from all different walks of life know that this event is coming and get excited about it. Grass roots activation, high school cross country meets, community events, running events. In October, we will rolling out city-scape branding, wall-scape, wrapping some of the trimet buses and launch promotional videos on web sites on different platforms. Some of the track town activations. The youth is one of our biggest targets here. We thing there is great benefit for this event for them. We have got out to different cross country meets, to promote our event and support these kids in their effort to compete and be fit and healthy Portlanders and Oregonians. We are looking forward to seeing some of them in our volunteer roles and in the seats and stands at the meet when it comes up. This last is the image of our hometown hero, ashton eaton, that will go up on a wallscape in downtown Portland. We just want to thank you guys as the commission and the city of Portland for all of the support that we have seen as an organizing committee. We continue to explore other opportunities to touch more lives at this event and we thank you for that support as those things come up as well.

Hales: Thank you very much, Sasha.

Fish: I have one question. Remind us, how many people are going to come to Portland for this event who are participants or related to the participants?

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Lananna: Well, basically we think about 750 to 800 athletes and probably another 1,300 various parts of delegations. So, it will be about 2,000 people associated with it.

Fish: Where are we housing them?

Lananna: They will be housed at five or six different hotels in the area. The main headquarters will be the Hilton. Both Hiltons. That will be the athlete village. And we will use the nines, the Marriott, we will use the Benson, we will use the paramount. Those are the main hotels.

Fish: Any part of the visiting delegations that we are looking to have Portland families host or do you have that covered downtown?

Lananna: What we have done in the past, we have offered that out. The issues come down to whether or not families in Portland would like to do that, not for the athletes, but for any of the spectators of families that could potentially use the help, absolutely, absolutely.

Hales: Good idea. Other questions for our organizing team for this effort? Thank you all. It's really exciting the progress you're making.

Lananna: Thank you very much.

Hales: Thank you. Anyone else -- I think we have other folks here to speak on this item? Yes? Chad is here. Come on up, please. Chad is not here. Who is here, Doug? Sorry, just for the second one. Anyone else on the initial ordinance?

Moore-Love Public testimony.

Hales: You do have public testimony. Sorry. Come on up. Good afternoon.

Donnie McPherson: Good afternoon.

Hales: Welcome.

McPerson: How are you?

Hales: Fine. Welcome. Thanks for coming. Have a seat and tell us what you think about this.

McPherson: Well, I think it is a great thing. I am a local coach. I have been a world and Olympic team coach, not for track and field, but for wrestling for the United States, but the first sport I was ever involved in in my life was track and field. I have been an athlete my whole life and I won't bother to tell you how old I am, but I'm a seasoned gentleman, I'll say. And I just think it is a great opportunity for a lot of our young people. I work, educator, life-long educator and I work at Roosevelt high school right now. And I just think it is a wonderful opportunity for our young people to be able to witness these world-class athletes who will be coming here and we have an opportunity to hopefully build another structure, a practice structure, where it will have a slope to it where these young, local young athletes will be able to get an opportunity to run on a kind of a world-class track, and be exposed to conditions and to be able to experience what it really is truly like to run on the world stage. So, I would just encourage anybody to support this event. It is a wonderful event. It will bring so many people to Portland and I have been fortunate to travel all over the world, one of the few Americans who have been able to go to the country of Iran. So, I'm just really excited to be involved with what small part I can be.

Hales: Thank you very much.

McPherson: Thank you.

Hales: Okay. Let's take a roll call vote then please on 1007.

Novick: This is a -- former lane county resident and u of o graduate, I continue to believe that all track and field events should take place in Eugene, but -- excited that this one is going to be here and this is a great addition aye.

Fritz: Aye.

Fish: Thank you, coach. Thank you all of the organizers, and I have a sense of how hard you're working behind the scenes to make this happen. And it really -- you're going to

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make it look easy. It is not easy. And Portland applauds your efforts and i'm proud to support it. Aye.

Hales: Well, i'm really proud of this and i'm really pleased with how it is coming together. Thanks to you all. My former chief of staff, Gail, worked with vin to win this bid and she will be back wearing appropriate garlands and, you know, regalia to celebrate this accomplishment that you two started for us. The responsibility in our office has been handed off to the capable hands of Diane Nunez and she is continuing to work with this team of city and track town folks that will make this great thing happen. It is a big complicated enterprise. There is a lot to it as we will discuss further today. All hands on deck, multiple bureaus whose cooperation is needed to make this happen. I like where we're headed. I think this will be a great moment for Portland and I appreciate you all very much. Aye. [gavel pounded]

Hales: We will take up the next ordinance, 1008, please.

Item 1008.

Hales: Come on up, please, Kathryn and the rest of the team on this one, Kimberly. Good afternoon.

Kathryn Beaumont, Chief Deputy City Attorney: Good afternoon. Kathryn Beaumont, Portland city attorney's office. The council has seen one ordinance previously concerning this proposed event. In August, you adopted an ordinance waiving certain requirements of the zoning code to allow the track to be completed at a -- at a warehouse, terminal one, owned by the bureau of environmental services. The ordinance before you will allow the track once completed to be used as a, what's called a pop-up track and field facility for youth and collegiate track and field events from December 1st to February 15th of next year. Warehouse -- the warehouse is located in a heavy industrial zone. Use of the track as a track and field facility for this interim period of time is classified as community service use, which is allowed in industrial zone, but subject to significant restrictions. Greenway zone, planned district, other limitations on this proposed use. What you have before you is a very limited time code waiver that is based on both the short-term and temporary nature of the use of this track and field facility use at the warehouse, and it is also based on the unique nature of the use and the track championship events giving rise to that use. Kimberly talent, with the Bureau of Development Services can walk you through specifically with what this ordinance proposes to waive.

Kimberly Tallant, Bureau of Development Services: Kimberly Tallant. I will speak to the specific code section waivers that are included in the ordinance. Mentioned previously, heavily industrial, overlay zone. A number of provisions need to be waived. That includes the requirement for conditional use review to allow community service use in the heavy industrial zone. Also include, the parking and loaded requirements that apply to this use so that improvements do not need to be made to the site. Third item is for a waiver of non-conforming upgrades. There is also the waiver of the requirement for a greenway review to allow a non-river, dependent river-related use at the site. And lastly, a waiver of the development standards that apply to the greenway overlay zone.

Hales: Thank you. Questions? Straightforward enough. Thank you both. I believe there is going to be some amendments to deal with. First an amendment I believe to remove the emergency clause. Is there a motion to do that?

Fish: So moved.

Fritz: Second.

Hales: We will take off the emergency clause and it will come back for next week. Roll call on removing the emergency clause.

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

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Hales: Okay. I have some amendments do we still need to adopt changes to finding five and directive d that we have in front of us? Council all have copies of that? I've got it here.

Fritz: No, I don't.

Hales: Could we get more copies of this amendment, please, for the council?

Fritz: I'm sorry, I do. Five and six --

Hales: Yes, finding five and directive d.

Fritz: I do have that. Thank you.

Hales: So, these are findings and directives that just, as I understand it, characterize the policy basis for the short-term use of the bes site and still intended that bes is going to sell the site. Since it is not likely that that will happen this winter to release it to track town for use for this purpose is a good short-term use. So, I think commissioner Fish, you and your office I think helped prepare these. Would you like to make the motion to adopt them?

Fish: Are we doing -- one consolidated?

Hales: I think we can do them as a single set --

Fish: So moved.

Novick: Second.

Hales: Let's vote to accept the amendments and then we will take public testimony if there is some.

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

Hales: Let's hear from the team on this particular element of the project, which is going to be fun and interesting as well.

Lananna: Hello again. And I feel like each time I come here, I come presenting great new ideas that we need help with. So, I would like to thank the council for its consideration of this ordinance and unique opportunity that this ordinance will help facilitate. TrackTown USA is contracted with the construction of brand new, purpose build 200 meter track and infield at the world championships. We are confident that this track will be fast and very capable of helping the athletes of the world set new personal bests at every level. With the city's assistance and lease of warehouse three, we have fantastic location to complete the assembly and finishing of the track. As we thought through the logistics and schedule, we realized there will be a time period between the completion and when we can move to the occ. While it will be possible to pack the track up and put it back in containers and hold on to it, we realized the opportunity existed to introduce the youth and other members of the community to the sport of track and field to stage a limited number of track meets, youth, high schoolers, collegiate, track and field and others. We have quietly discussed this idea within the community and there has been overwhelming support and excitement for the idea. We have a number of collegiate track and field programs that have expressed strong interest in using the facility for training and meets. We have talked to the osaa about the idea of creating a short high school indoor track and field season. We believe that there are great opportunities to introduce middle schoolers to indoor track through clinics and various meets. We love the idea of all comers' meets and thought about the idea of getting the city council to run against the Multnomah county commission. We have had a bunch of volunteers for that. At least we can put the Portland police bureau, versus the Portland fire department. But truthfully, this is truly a lifetime opportunity to introduce to the youth of our community the fun of running in a world class indoor track. Very track that will be used by the world's best athletes in the usa and in the world championships just a week later. With the approval of this ordinance, track town will be in position to secure sponsor ship partners, design, programming of the pop-up track facility. Track town and our group is excited about this unique project. We look forward to revealing the track town track house to the community in December. Thank you.

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Hales: Thank you. Questions for vin on this piece? Vin, don't leave yet. Vin, we have a question for you.

Fritz: What's the plan for dealing with parking and other transportation issues related to a fairly significant community service use at this site?

Lananna: It's a good question. I think I would be remiss if I didn't say that Doug, who has actually put together and worked with the various city staff and commissioner staff to work on all of these things, and we feel as though we have a really good plan for it. There is plenty of parking out there. We have an ability to create a safe environment. We will fence off the facility to be sure that there are no difficulties with it. Actually, it couldn't be a better site to do something like this. There are venues throughout the country, and other parts of the country, where this takes place. But this would be a unique opportunity for Portland and we feel we can directly affect those things.

Fritz: Portland bureau of transportation reviewed the transportation management plan?

Lananna: I believe so.

Novick: I believe so.

Fritz: What do the neighbors have to say about it, adjacent businesses?

Lananna: I don't -- I really couldn't answer that question at this point, but I think it is a good question for us to ask and perhaps Doug can respond to it.

Hales: Doug, back ground on that? Please come on up.

Doug Obletz: Good afternoon. Doug Obletz, representing TrackTown USA. We have been working closely with the bureau of environmental services. We believe we have over three acres of yard area around the warehouse to be used for parking, some of which may not be usable at certain times of the season because of a little bit of ponding on the area. But plenty of area for parking. It is a relatively low traffic area out on Front Avenue. We don't anticipate any problems. As far as briefing the neighbors, we have not done so yet because until today we don't know if we have this opportunity. But we will be engaging in outreach with the limited number of neighbors within the limited facility of the track house.

Hales: It is a site that does not have a lot of neighbors in --

Fritz: Right, but it does have adjacent businesses, title 33, process that you go through, allow a possibility for neighborhood input, neighbors, adjacent property owners impact. If you could do that before the vote next week, I would appreciate it. We are essentially waiving people's rights here as well as facilitating this project going forward. I would like to know what the people whose rights are being waived have to say about that.

Obletz: Okay.

Fritz: Thank you.

Hales: Good point. Thank you. Any other questions. Thank you both very much. We have folks to speak on the item as well.

Moore-Love: We have five people signed up. First three come on up.

Hales: Welcome, come on up. Good afternoon, welcome.

*****: Thank you for having us.

Hales: Good afternoon. Who is on first, evan?

Evan Jager: Sure, I will go first. My name is evan jager. I am a professional track athlete who trains here in Portland, sponsored by Nike, bauerman track club. I have lived here for the past seven years, and I'm a 2012 Olympian and American record holder in the 3,000 meter steeplechase. Basically how I feel about the community and the opportunity to have this pop-up track, I think it's a great idea for mainly the youth and also just the general public. I think that when I moved here to Portland seven years ago, I realized it was a much more active community than I originally expected just with how much it rains and everything, I didn't think that people would be outside exercising all of the time, but I quickly realized that it is a very active community. But I do not think that the general public

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knows much about track and field. I know that a lot of the youth and high schoolers have a pretty rich understanding of track and fields with all of the success that the University of Oregon has had over the years. But that being said, we, as professional athletes don't get many opportunities to work with the youth or see the youth throughout the year outside of probably the pre-fontaine classic at the University of Oregon. So, I think giving the community an opportunity to come out to the public track and really get a sense of what it is like to run indoors and have the opportunity to run a season that they're not used to, I think it would be a really cool opportunity for them, as well as us professionals being able to go to some of those events and reach out to the public and really get to know our small running community on a more -- on a close are -- closer basis, I guess. Outside of just being able to interact with the public, I think it would be great for the elite athletes that would hope to be competing at the indoor championships. We don't get many opportunities to race on indoor tracks on the west coast. You have to travel to New York or Boston to do so. It would give us a good opportunity to get used to the feel of the track and what it is like to run on that type of environment and that type of track and just get used to that and best prepare ourselves for the u.s. Championships and indoor championships.

Fish: Jager, right?

Jager: Jager.

Fish: Doug gave me a fact sheet. We don't often have North American record holders here. I have to share with you my credentials. 30 years ago I ran the turkey trot. [laughter]

Fish: A 5-k race on thanksgiving, and I got an award for finishing it.

Jager: Congratulations.

Fish: To my family, that actually counted for something. So you're the North American record holder in the 3,000 meter steeple chase. The 13th fastest performer in the history of this event. And the thing that I just jumped out in the sheet for me was that over 3,000 meters, you have to overcome 28 barriers and seven water jumps. And anyone of those can be a hazard that prevents you from finishing the race. When I was thinking about 3,000 meters, 28 barriers, 7 water jumps. When you retire from the sport, you are perfectly prepared for a life of politics. Dodging barriers and water jumps. Anyway, congratulations.

Jager: Thank you very much.

Hales: Great to have you here.

jager*: Thank you.

Chad Colwell: My name is chad Colwell I work with the Oregon sports authority hosting organizing the track town youth league, over 1,000 youth participate, primary reason to expose youth athletes to track and field across the state. There are a few coaches here in the room who can talk to the points of what benefits this facility will have specifically for their athletes, track and field. I also want to address an important issue of what this track in this facility could provide for the youth of Oregon, for Portland, for the northwest. The legacy component of this track being the surface, the track that is going to be used at the world indoors for a kid to be exposed to track and field at that level, it can be something that will stick with them for the rest of their lives. Oregon and Portland is steeped in track and field and running history. The athletes that define our sport. The jagers, Ashton eatons, gailen rupp -- this track, availability for the youth of Oregon to compete on this track could create a movement which might give us the next Ashton eaton -- those people have an influence, as evan mentioned, eager to be a part of it and engage the youth of the community, when these events, if they're able to happen will occur, and the legacy component of having this facility will be a huge influence to the youth of Oregon and Portland.

Hales: Thank you very much.

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Dion Keeten: Dion Keeten youth chair for usatf Oregon, and regional coordinator for the Pacific Northwest. This is kind of like near and dear to my heart. As of last year, indoor track is something that I have been trying to spearhead for about the last two years, specifically for the youth community. You know, we compete at a national level, outdoor from the pacific northwest, and then when you go to the national meets and we compete against kids from the east coast, you know, you talk to the coaches, you talk to the other board members of the east coast and get ideas of how they do their training throughout the years and how the kids become so successful for the outdoor seasons. 90% of the time, year-round training. They have access to indoor facilities that we don't. Started to boggle my mind that in an area that we get rain more than 200 days a year, there is not a facility in which we can take advantage of. I know for a fact that the interest is there. We just started an indoor program last year running with chad through the University of Portland. When we started that season earlier, we had an indoor program for middle schoolers and older, but there was nothing for kids, you know, 10 or younger. And that is the largest demographic for youth track and field as far as numbers are concerned. That is my focus. Getting exposure and awareness, not only in Portland metro area, but trying to get that out in Oregon State as a whole. You know, so working with TrackTown USA as well as usatf to kind of bring Seattle, Idaho, indoor track within the pacific northwest something that I am continually working on, and this opportunity here, you know, when chad, you know, brought it up to me and said would you speak? It is a no-brainer, something that i'm really passionate about and the community as a whole has spoken to me personally about their interest and having an indoor program and a year-round program for the kids that don't have interest in fall and winter sports. They just want to run. And having that opportunity is something that is great. So, I can't speak highly enough of having the opportunity to have, you know, the youth specifically run in a facility like this, not to mention that -- the tie to the world indoor is there and just for them to have exposure would be huge, set up for success throughout the year. That's my piece.

Hales: Thank you.

Fritz: I want to thank all three of you to take the time to come in and speak about your experience with this event. One of my father's best friends in college was Chris, who won the 1956 steeplechase in Sydney and went on to create the London marathon.

Jager: Wow, that's really cool.

Fritz: Yeah, so I just really appreciate your coming to tell us of your own experience and it is wonderful to have a group of talented young people dedicating your time and effort to this event.

Hales: That's great. I want to say that I really appreciate the spirit of trying to reach out to the youth of the city. You all have found your calling with track and you want to share it. That is a wonderful thing. One thing that we're proud of as a city, this council approved additional funding in our budget to make our community centers free and available for teenagers across the city. Now we're expanding that to other parts of the park system. Commissioner Fritz and I were there at the first night when montavilla community center became a free teen center. There is a whole community effort and this is going to fit perfectly with that to try to get kids engaged in sports and activities and let the -- let them know that the adults in the community actually want them to do these things and we will try to make it easy for them. It is perfectly in sync of what this council believes and what the community wants us to do more of.

Fritz: My concern though mayor, I got berated recently in the newspaper, some of our tennis courts are not in the best shape. Concerned about the pole vault events. In March of next year, I anticipate I will get hundreds of angry emails about the lack of pole vaulting facilities and what am I going to do about it?

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Hales: That will be a good problem to have. Thank you all very much.

Hales: Thank you.

Hales: Anyone else signed up?

Moore-Love: Two more.

Hales: Come on up, please.

Doug Winn: My name is Doug Winn, I coach at grant. A few years ago, mayor hales, you came to my leadership class.

Hales: Good to see you again.

Winn: I just want to speak first of all to note the commitment to youth that you have already shown, not just with your speeches, but with your actions. We're here today, a slice of that, focusing on track and field for our youth in Portland. As a coach, that particular sport, swimming, and soccer and softball and those kind of sports, this sport is the most diverse. Certainly at grant and across the school to school, it is the most diverse. It has tons of low income kids in it, but the thing about track and field, it's so open to different body types that you can be a really little person and still do something great in track and field. And there is not that narrow range of genetics that you have to be to be involved in it and really get a huge benefit. I'm sure you know the research about athletics that fewer pregnancies in high school, drug use, much better academic, especially at grant. It is such a huge difference between kids in sports and those that aren't in terms of that pull. What we are asking for today is a bridge. A lot of kids will come to grant and with lots of fervor and join the cross country team, join the football team, fall sports. But it is a really tough going for -- to make that bridge all of the way to spring. There are some winter sports that draw some, but a lot of kids just -- they don't have a chance to really play, to play the game of track and field. And it is so wide open. We have a huge team. 200 kids at grant that are doing track and field. We could have even quite a few more kids if we could get that bridge to have that reach more kids. Sport that fights child obesity head on, you know. It really is keeping people in shape. And we have a kid at grant who can long jump 24 feet. And he only can go -- there is no way in the winter for an indoor track and field that he has any place to go in state of Oregon. No way. He always has to go to Boise, to Seattle. This would be a golden opportunity for him. But I think my emphasis more is on that democratic masses of Portland youth that would really benefit, to be in the game and you would be giving them this chance to participate in that. Really appreciate that.

Hales: Thank you very much.

Fish: Just pulled something up on my phone. University of Portland lady pilot soccer team, league play tonight, and I will be there. Starting midfielder, parks kendrick --

Winn: On my team.

Fish: Won four varsity letters for grant, state championship in track and field --

Winn: You know your stuff.

Fish: Well, it's on my phone.

Winn: I'm impressed.

Fish: Her secret weapon, you mentioned size is not a barrier in track. She is usually the most petite player on the field, but she is the secret weapon for the team because she can get back the fastest on defense.

Winn: Yeah. This sport teaches grit. And any of the research, current research on success in school and staying in school, even getting all of the way through the end line at college is learning to have grit to overcome adversity. This sport tackles that head on. Really appreciate a chance to play during the winter as well as in the spring.

Hales: Also benefits from passionate coaches obviously. Thank you. Great. Welcome.

Jonathan Marcus: Thank you for having me. Jonathan Marcus, head cross country assistant track coach at Clackamas community college. Recently, track and cross country

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coach -- before that university of Portland. Started out coaching against Doug at franklin high school.

Winn: Didn't just start out. Star runner at franklin. I'm hold enough -- old enough to remember him as a high school kid in franklin.

Marcus: Back east, New York City, had the joy of experiencing the army, indoor facility there in the heart of Manhattan. The thing that separates indoor from outdoor track is really the intimacy of the event. You have the spectators and coaches right on top of you. Imagine the most wild blazer game you ever thought of. That's the armory every night for a track meet from November to April. That excitement and enthusiasm we have, playoff football, playoff soccer, playoff basketball, but we don't have that for track and field. You get that at the state meet only. That's about it. Here is an opportunity to encapsulate that indoor track and field as a sport that matters to these kids. As you may or may not be aware, track and field number one participated high school sport in America, just under a half million girls participating in 2005, just over a half million boys in 2015. Yet in the state of Oregon, we only have just under 17,000 athletes. 7.8 million high school athletes participate in sports throughout America every year. 15% of that track and field. Of that 1 million student athletes participating in high school track and field, only 17,000 coming from the home or hub of track and field in Oregon and that is because we miss a lot of opportunities to expose these kids while they're young to the sport. That's why this, you know, highly dense Portland metro area is very, very critical because the armory's model is there is always activity going on in that indoor track facility, pretty much year-round. A guy who lives here in Portland goes back and coordinate the armory's effort. And when I came from Portland to New York City to participate in collegiate track, indoor track was a foreign phenomenon. I didn't get it. Didn't know what it was. I fell in love with it. Since then, Tuesday night at the races all-comer series at the university of Portland going on for six years strong. Now we have 200 people, six Tuesday nights in January and February come to up and participate in what I call as much as you can eat track, \$5, races, you can run one or all three. Dion, chad, where the idea spurred for the youth under 10 age component. This one geared towards eighth grade and over. There's an immense opportunity for the engagement for not only our own state to help increase participation of track and field, but also, too, to help broaden the diversity available. Collegiate track coach for the last several years that is the number one sport that you see especially minority -- participating in with least barriers and opportunity for funding. More we can provide those women with that opportunity, the better we can feel about ourselves and the more fun we can have going to a track meet and eating a hot dog, watching people run fast and throw crazy, crazy far.

Hales: Thank you very much for coming. Appreciate you being here. Looking forward to doing this with you. Anyone else that wants to speak? So, we have adopted the amendments, unless there are other questions, we'll move this forward to next week.

Fritz: I do want to clarify that I would like to know that everybody who would've been notified in any of the processes that we're waiving has been notified at least. Obviously, there won't be enough time for them to respond before next week, but I would like to be sure that the notice has been given to the right associations and --

Hales: Good suggestions. Perhaps the Bureau of Development Services can help the TrackTown USA with the list of property owners within the normal perimeter for notice.

Hales: Great.

Fish: Also Mayor, BES is happy to help because as part of the surplus property they had to do public notice. We will compare our list with whoever else's list and we shouldn't have to reinvent the wheel. I think we have some existing lists and then we'll work with the team to make it happen.

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Hales: OK.

Fritz: Thank you.

Hales: Good suggestion. Thank you all very much. This will be on the regular council calendar for a vote next week. Thank you, and we are adjourned.

At 3:00 p.m., Council adjourned.