



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **19TH DAY OF JULY, 2017** AT 9:30 A.M.

THOSE PRESENT WERE: Commissioner Eudaly, Presiding; Commissioners , Fish and Saltzman, 3.

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

Due to the absence of two Council members Wednesday, Consent Agenda and Emergency Ordinances were heard Thursday at 2:00 pm.	Disposition:
COMMUNICATIONS	
817 Request of Star Stauffer to address Council regarding police accountability (Communication)	PLACED ON FILE
818 Request of Charles Johnson to address Council regarding police (Communication)	PLACED ON FILE
819 Request of Shedrick Wilkins to address Council regarding Montgomery Park solar energy station and restaurant (Communication)	PLACED ON FILE
820 Request of Teresa Venkatachalapathy to address Council regarding Freedom Cities (Communication)	PLACED ON FILE
821 Request of Injured and Pissedoff to address Council regarding google.com injured and pissed off (Communication)	PLACED ON FILE
TIMES CERTAIN	
822 TIME CERTAIN: 9:45 AM – Accept the Regional Over-Dimensional Truck Route Study as the strategy for improving the movement of over-dimensional freight in the City of Portland (Resolution introduced by Commissioner Saltzman) 20 minutes requested (Y-3)	37306
REGULAR AGENDA – Wednesday	

July 19-20, 2017

Mayor Ted Wheeler		
Office of Management and Finance		
823	Accept bid of Groundwater Electrical Supply Improvements project for \$621,819 (Procurement Report – Bid No. 00000616) 15 minutes requested Motion to accept the report: Moved by Fish and seconded by Saltzman. (Y-3)	ACCEPTED
Commissioner Nick Fish		
824	Accept report from Madden Fabrications about the Portland Loo (Report) 10 minutes requested Vote not called.	PLACED ON FILE
Bureau of Environmental Services		
825	Authorize a contract with Water Systems Consulting, Inc. for the development of an asset management-based Pump Station System Plan for a total not-to-exceed amount of \$379,120 (Ordinance) 10 minutes requested	PASSED TO SECOND READING JULY 26, 2017 AT 9:30 AM
Water Bureau		
826	Authorize a contract with CH2M Hill Engineers, Inc. in the amount of \$795,358 for the Supply System Master Plan Project (Ordinance)	PASSED TO SECOND READING JULY 26, 2017 AT 9:30 AM

At 11:00 a.m., Council recessed.

July 19-20, 2017

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **19TH DAY OF JULY, 2017** AT 2:00 P.M.

THOSE PRESENT WERE: Commissioner Eudaly, Presiding; Commissioners , Fish and Saltzman, 3.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Lauren King, Senior Deputy City Attorney; and John Paolazzi and Jim Wood, Sergeants at Arms.

<p>827 TIME CERTAIN: 2:00 PM – Direct the Bureau of Planning and Sustainability, Bureau of Environmental Services and Prosper Portland to Evaluate Development of a Brownfield Redevelopment Tax Incentive that benefits the City of Portland (Resolution introduced by Commissioner Fish) 45 minutes requested (Y-3)</p>	<p>Disposition:</p> <p>37307</p>
--	--

At 2:44 p.m., Council recessed.

July 19-20, 2017

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **20TH DAY OF JULY, 2017** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Wheeler, Presiding; Commissioners Eudaly, Fish and Saltzman, 4.

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

Item No. 828 was pulled for discussion and on a Y-4 roll call the Consent Agenda was adopted.

		Disposition:
CONSENT AGENDA – NO DISCUSSION		
Mayor Ted Wheeler		
Office of Government Relations		
828	Extend term of contract with Squire Patton Boggs (US) LLP, for federal lobbying (Ordinance; amend Contract No. 30004029)	PASSED TO SECOND READING JULY 26, 2017 AT 9:30 AM
Office of Management and Finance		
*829	Pay claim of Dean Lindstrom and Michele Chernesky in the sum of \$150,000 involving the Bureau of Environmental Services (Ordinance) (Y-4)	188520
*830	Pay lawsuit of Innovative Housing, Inc in the sum of \$40,000 involving the Bureau of Environmental Services (Ordinance) (Y-4)	188521
*831	Pay lawsuit of Kelley and Paul Lauritzon in the sum of \$11,500 involving Portland Parks and Recreation (Ordinance) (Y-4)	188522
*832	Authorize a competitive solicitation and contract with the lowest responsible bidder and provide for payment for Justice Center Restroom Upgrade and Re-Pipe (Ordinance) (Y-4)	188523
*833	Authorize a competitive solicitation and contract with the lowest responsible bidder and provide for payment for Portland Police North Precinct Second Floor Locker Room and Sky Bridge Renovation (Ordinance) (Y-4)	188524
834	Grant a franchise to Portland General Electric Company dba World Trade Center Properties for electric vehicle charging station services for a period of five years (Ordinance)	PASSED TO SECOND READING AUGUST 23, 2017 AT 9:30 AM

Portland Housing Bureau		
835	<p>Authorize Intergovernmental Agreements with Multnomah County and the City of Gresham to receive payment in the amount of \$3,500 and \$10,000 respectively, for the production of updates to the five-year Consolidated Plan fiscal years 2016-2020, annual Action Plan fiscal year 2018-2019, Analysis of Impediments to Fair Housing, updates and other plans and performance reports as requested of the Consortium by HUD (Ordinance)</p>	<p>PASSED TO SECOND READING JULY 26, 2017 AT 9:30 AM</p>
Commissioner Dan Saltzman		
Bureau of Transportation		
836	<p>Authorize a contract with Nelson Nygaard Consulting Associates, Inc. for the development of a Transportation Demand Management Action Plan in the amount of \$157,381 (Second Reading Agenda 796) (Y-4)</p>	188525
Commissioner Amanda Fritz		
Portland Parks & Recreation		
*837	<p>Authorize lease with American Property Management for Portland Parks & Recreation to lease space at 5319 SW Westgate Drive, commonly known as the Sylvan Westgate Office Building (Ordinance) (Y-4)</p>	188526
REGULAR AGENDA - Thursday		
Mayor Ted Wheeler		
Office of Management and Finance		
*838	<p>Authorize an increase in the Chief Procurement Officer's signature authority for contracts that fall under City Code 5.33, 5.34 and 5.68 as a pilot process to expedite City contracts (Ordinance) 10 minutes requested (Y-4)</p>	188527
Portland Housing Bureau		
*839	<p>Approve application under the Multiple-Unit Limited Tax Exemption Program for Church Apartments located at 8432 N Syracuse Street (Ordinance) 15 minutes requested (Y-4)</p>	188528
Commissioner Nick Fish		
Bureau of Environmental Services		
*840	<p>Authorize a temporary easement from PS Oregon Inc. for the Tryon Creek Headworks Project E10582 in the amount of \$3,000 (Ordinance) (Y-4)</p>	188529
Water Bureau		

July 19-20, 2017

***841**

Authorize an Intergovernmental Agreement with Energy Northwest in the amount of \$8,000,000 for the Operations and Maintenance of Portland Hydroelectric Project (Previous Agenda 808)

Motion to add emergency clause to allow continuous and uninterrupted operation of the City's Hydroelectric Project in compliance with its FERC license: Moved by Fish and seconded by Saltzman. (Y-4)
(Y-4)

188530
AS AMENDED

At 3:24 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.

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

Key: *** means unidentified speaker.**

July 19, 2017 9:30 am

Eudaly: Good morning. It's time to come to order for the Portland city council meeting of June 28, 2017 [July 19, 2017] Karla can you please call the roll.

Saltzman: Here **Fritz:** **Fish:** Here **Wheeler:** **Eudaly:** Here

Eudaly: Before we begin I am going to read the conduct rules. The purpose of council meetings is to do the city's business including hearing from the community on issues of concern. In order for us to hear from everyone and to give due consideration to matters before council, we must all endeavor to preserve the order and decorum of these meetings. To make sure that the process is clear for everyone I am going to review some of the basic guidelines, which I hope will help everybody feel comfortable, welcome, respected and safe at the meeting and make sure that decorum is maintained. There are two opportunities for public participation first we have an opportunity for people to sign up for communications to speak about any subjects they wish to address. These items must be scheduled in advance with the clerk's office. Second people may sign up for public testimony on the first readings of reports, resolutions and ordinances. If you sign up your testimony must address the matter being considered at the time. Please state your name for the record. We don't need your address, if you are a lobbyist please disclose that, and if you are here representing an organization please identify the organization. Individuals have three minutes to testify unless otherwise stated. When you have 30 seconds left the yellow light will come on up at the desk here. When your time is done the red light will come on and you will hear a series of beeps. Conduct that disrupts the meeting, for example shouting or interrupting other's testimony or during council deliberations will not be allowed. People who disrupt the meeting face ejection from the meeting. If there is a disruption I will issue a warning that if any further disruption occurs anyone disrupting the meeting will be subjected to ejection for the remainder of the meeting. Anyone who fails to leave the meeting after being rejected will be subject to arrest for trespass. If you will like to show your support for something hold your applause and give us a thumbs up or a twinkle fingers and if you want to express that you do not support something you can give us a thumb's down. Thank you and let's get started with the council communications. Karla please call the first item.

Item 817.

Eudaly: And ps, it's July 19, not June, whatever I just said that it was. I am a little on auto pilot this morning.

Star Stauffer: Good morning. Star Stauffer. Wheeler is noticeably absent on the day that I am to speak during the communications, and I would like him to know that that's definitely noticed and super shameful and cowardly but coming from wheeler that's not a big surprise. Since January I've been trying to figure out why it is that this council allows the Portland police to run such amok and remain so out of control shooting people, killing people, attacking protesters, illegally declaring things of riot when they are not, escalating every situation, not understanding the art of deescalation or communication, certainly not participating in a public services or a community outreach, and definitely not interested in bridging the gap between the community and themselves. They are distrusted they are

July 19-20, 2017

feared and terrorists, and since January I wondered what is it going to take and how many of our constitutional rights need to be violated, how many of us need to be put in a situation where our lives are in jeopardy because we stand in the street or on the sidewalk. It does not seem to matter where we are. Even in a designated space such as the fourth when we were all in chapman and the police decided to advance and turn what was two separate protests into a war zone while also allowing for disgusting nazis and hateful bigots to safely escape. It turns out that you have no control over the police. You have shown that time and again, and I believe it's because you are scared of the Portland police. I believe they control you and not the other way around. I believe that wheeler put himself in charge because the police have urged him to do so, so that they can run him. Your ineffectiveness and feelings party that you insist on constantly having while you collect the salaries that you do and sit in the positions that you do dictating to us how we are supposed to react to the police in this city and doing nothing about it and making excuse after excuse is disgusting. Because of your lack of regard for how out of control this police department is, every person in this city that's not a white disgusting bigot is in danger every day all the time. They harass houseless, people of color, women, protesters or anybody who does not fall in line with ted's authoritarian rule. We're going to continue to resist. We are not going to stop. I don't care what lengths the police go to. We are going to protest and we're going to continue to show up because unlike you we are not willing to settle under coercive law and authoritarian rule and be told where we can and cannot be especially when it is people of color. Those days are over. Ted's absence is disgusting today. He knew that I would be speaking about the police accountability and where is he now?

Fish: Thank you, star, your time is up.

Stauffer: I don't care that my time is up.

Mimi German: Black lives matter: Black lives matter:

Eudaly: Mimi you are being disruptive and you need to leave. You are excluded and you need to leave. [shouting] Karla please call the next item.

Item 818.

Eudaly: Mr. Johnson is not here, call the next item.

Item 819.

Eudaly: Good morning.

Shedrick Wilkins: Good morning. I kind of failed about holding Montgomery park and all the solar panels on the parking garage. I am shedrick Wilkins. I tried to do something with the library on Sunday but it backfired, I am not an associate group at the library so they did not promote some Sunday meeting at 10:00 I kind of got mad at the library I will redo that one. I said last week, too, that even like solar cells were used on a small scale like people can charge up and use their cell phones and cell phone towers. I have a little solar panel that runs a scientific calculator in 1972, that stuff would cost several thousand dollars to do something like that now it cost \$15. There is a lot of stuff, I do believe that Montgomery park is kind of like a temple to me. It's got the most -- an aerial view, and it is not open on the weekends. One of my plans is to march up there on a Sunday. I am religious about this I don't believe in going to a church and worshiping moral teachings, people want to do that but I like worshiping Science and nature. I should be a towers or zen Buddhist. I was born a Christian but anyway I like one of the leaders right now governor jerry brown has become anti-trump, and he swears he's going to buy a bunch of solar cells with the California economy from china and put them on over your roof. It looks like to me he's going to finish his fourth term like a lot of governors don't. Jerry brown is becoming the leader of the anti-trump, anti-terrorist treaty. I am trying to do my part locally to promote solar cell technology, which generates electricity applied to electronics. I will keep going

July 19-20, 2017

with it and I will try to get an affiliated group and talk at the library on a Sunday and we can march up and look at the solar panels on the parking garages.

Eudaly: Thank you. Karla next item please.

Item 820.

Fish: Is this your first time here?

Teresa Venkatachalapathy: It is.

Fish: Welcome to democracy in action. We are delighted to have you, and I noticed there is a lot of other people wearing similar things. Could they stand so we can acknowledge them? Let's give them a round of applause madam president. [applause] thank you for joining us.

Venkatachalapathy: Thanks so much for allowing me to speak today. I am coming on behalf of myself and a lot of other Portland residents to advocate for Portland adoption of the aclu's nine model policies for law enforcement. We're fundamentally grateful that we live in a state and a city that welcomes immigrants and refugees, and we're really impressed with resolution 37277 that declared Portland a welcoming city and sanctuary city and inclusive city for all. We find a lot of the city's current practices align well with the aclu's suggested policies. What we would like to do is capture those practices in official city code so they are more explicit and permanent. We feel resolution 37277 is written in general terms, which leaves some room for interpretation. We would like the city code to explicitly require a judicial warrant before arresting or detaining or transporting an individual at the request of ice or cbp. Currently the state code only covers the arrest we would like the city code that prohibits ice and cbp agents from entering the Portland facilities unless they are pursuant to acting pursuant to a court order or unless they have a legitimate law enforcement duty unrelated to the civil immigration law, if you are granted access which sometimes they must be, we want them to be required to wear their duty jackets and required to have their badges visible at all times so that the people know who they are talking to. We would like city code that explicitly limits information gathering and sharing by city officials. We should not be collecting data on immigration status and citizenship status unless there is a legitimate law enforcement need for it. We should not be sharing information with ice or cbp unless it has been federally mandated. The federal code can require us to share information on citizenship status and immigration status, and we can prohibit sharing of information beyond that like custody status or work schedules or things like that. We would like the city code that explicitly prohibits the surveillance on the basis of race, ethnicity, perceived religion, immigration status, and discriminatory law enforcement based on those attributes as well. We know about police directive 810.10, but actually it does not specify the discrimination based on ethnicity, religion, or immigration status. It also doesn't prohibit the discriminatory surveillance and it does not pertain to people outside the police bureau. Once the other policies have been codified then the independent review board can oversee compliance within the police bureau and the ombudsman office can oversee compliance for other city officials. Basically it's a lot harder to rectify the violations of current practice than to rectify violations of an explicit city policy, so we know that you will continue to engage with us about the aclu's nine model policies.

Fish: Teresa, is it Teresa?

Venkatachalapathy: Yeah.

Fish: Can I ask you a Couple questions?

Venkatachalapathy: Yes, I am Teresa venkatachalapathy. I didn't state my name.

Fish: I am glad you said that. Just so that I don't do violence to your name I will just call you Teresa, and I am nick. So we have the document, so thank you. It strikes me that a number of these model law enforcement policies are directed at the county and not the city since the county does the detentions. The county does -- has the interface with ice, and we

July 19-20, 2017

have different roles, but the county as you know runs the sheriff's office and the prisons. So are you planning to bring the same proposal to the county board of commissioners?

Venkatachalapathy: Yeah. Many of us have, I believe, brought to Multnomah county, the same information.

Fish: So one of the things that I will want to find out or my colleagues, which of these is more, is directed to us and which is really within the county because we're bifurcated. That's one question, and the second is can you, in any follow-up that you give us, can you let us know what other cities have taken action on any of these kinds of model reforms so we can see where it is working and get some comparables?

Venkatachalapathy: Sample policy code? Yeah. We can have that.

Fish: And the third thing is I just want to reassure you because there is a constant refrain in these model policies That goes to this fundamental question of whether we're going to comply with state law that prohibits us from using public resources to enforce federal immigration laws. As you know when we adopted our sanctuary city ordinance, resolution, which is reaffirming our position, we once again said that we will follow state law. We are currently, the council has also taken action to authorize the city attorney to intervene in a lawsuit challenging the trump administration on some proposed penalties that they are going to bring to the cities and local, localities that do have a sanctuary city designation. So just so you know but we have reaffirmed our commitment not to use public resources. Some of these, I think, probably apply more to the county than the city and some probably do apply to us, so we will, obviously, look into them and we look forward to hearing about other sister jurisdictions where they have put this into code so thank you very much.

Venkatachalapathy: Thank you.

Eudaly: Karla next item?

Item 821.

Injured and Pissedoff: My name is injured and pissedoff and of course you have seen these papers. My i.d. and the Multnomah county court judgment that's rendered. CenturyLink, my internet and telephone provider wrote a nice message at the top of their statement. They have got injured and pissedoff, and they spelled the "off" with a space in between. I guess they made a typographical error. I have spoken April 26 of this year. June 7 of this year, today's date, July 19. My next talk will be September 13 here. Up on YouTube I did a search of injured and pissedoff, and it came up first on the page and at the top there is a video and online the city posts the agenda but I was wonder coming and too bad the mayor isn't here, but I was wondering why they would post two public notices for the city council agenda meetings where the taxpayers are paying for this. The taxpayers pay the city for the tax, for Comcast, actually, pays for these meetings but I am sure that the publications are not doing it for free. The city is paying at least two publications. One of which is the djc and that's this one and then the other publication was from the Portland tribune. I don't know how long this has been going on in their business section, but usually a full page ad cost quite a bit of money, and of course there is two publications. I guess that that's duo printed. Each were printed on a different day so if you forgot one notice, they would print another. I will submit that. And then, of course, in September when I am talking about this snow job that occurred in 2006, august 9, as uninvited guests, clearly that was a misprint of some sort and then on the web I searched injured and pissedoff on google itself, and it came up with only two searches. The second search on this says the five meanest things said to the Portland city council last week, and that's dated March 22 of 2017, one of the frequent flyers is named, and I am not joking, injured and pissedoff. I will provide that and of course that was written because of this photograph that was where I spoke at city hall across the street. March 7 and they did not print my name in the article.

July 19-20, 2017

Eudaly: Sir, your time is up, thank you. Karla can you call the next item?

Item 822.

Eudaly: Commissioner Saltzman.

Saltzman: Thank you madam chair president. I am pleased today that the Portland bureau of transportation is here to present the over dimensional truck study that will provide local jurisdictions with the comprehensive assessment of over dimensional truck movements to more effectively plan for their safe and efficient routing within the metro region. Here to present it is pbots bob hillier, and Theo welch, who is on the advisory committee. Welcome to both of you.

Bob Hillier, Portland Bureau of Transportation: Thank you and good morning council my name is Bob Hillier for the record. I am the great planning coordinator for the Portland bureau of transportation. With me today is Theo welch, chair of the Portland chair committee. I want to give you an overview of the packet that was handed out by the over dimensional truck study, it was recently completed so I want to touch on a key highlights, the elements included, and some of the key recommendations that affects Portland.

Fish: What is that a picture of? It looks like something from nasa.

Hillier: It very well could be a very large cylinder type item, so I have got a couple of pictures here. I grabbed this off the web so this, I don't know if this was local or not this looks like it is some type of missile arts conduit. I have gotten some good pictures here. So before we get into the main presentation the first thing that I want to describe is what are over dimensional loads? Trucks obviously carry all different types of commodities and goods and deliveries throughout the region. All different sizes and shapes, but there is a class of commodities being moved that is larger than most other commodities being moved, and they require a permit from the Oregon department of transportation. These are loads that meet a certain dimension requirements so loads that are 8.5 feet wide have a height of 14 feet or greater. A length of 40 feet or exceeding five feet beyond the trailer or a load that is a gross vehicle weight that exceeds 80,000 pounds and has all different ways to weigh these loads and we will look at loads of different actions on things like that so the real large items that are not typical part of your goods movement. This common example is the construction equipment. This is the most common, through our analysis, this is the most common type of over dimensional load moved throughout the region, 30% of the classified over dimension loads are construction equipment and this is a crane or this is an excavator so excavators, cranes, log loaders are common particularly in Clackamas county area, and so again, this is what we're talking about where we mean over-dimensional vehicles. Over-dimensional loads. As part of this there was also – yes here's a nice picture. There is also another load classified as super loads. So these are out of the ordinary, and I don't know if you can guess what this is. This is a wind turbine blade, so if you go out to eastern Oregon or Washington you will see the wind turbines out there, and those individual blades, there is three per windmill about a 125 feet long, themselves, so this is classified as more of a super load this is not really common, but these loads do move around a region, and obviously into the northwest we have quite a few of these loads. These particular loads they come in, manufactured in Asia, and they come into the port of Vancouver, Washington and then they head out to eastern Oregon and Washington and Idaho, but again these are not all that common. A little background purpose for this study and why we decided to do a truck study. In 2006 council adopted the Portland great master plan. In that plan there was about 30 actions and activities that we wanted to advance and learn more about. One of those specific actions and activities was to identify a routing for over-dimensional trucks through the city of Portland and also an action to identify a way, a strategy to transfer the bypass Lombard to Columbia boulevard. Columbia boulevard is a designated great route but it goes through the St. John's area and that is a

July 19-20, 2017

state road, there is a temporary designation for that to be the high route so we can make the necessary improvements on Columbia boulevard. This study helps us to advance in that direction so with the analysis that we completed here. We pulled together, the partner agencies, and I want to emphasize this is not a city of Portland study but this is a regional study this is really a study for metro. Is the partner agencies included odot and metro and the city of Portland and we served as the project manager for the study and Clackamas and Multnomah county. And again the main purpose is to provide local jurisdictions with a comprehensive assessment and a better understanding of how these loads move throughout the region. Mainly what it does provide is a technical basis for planners and engineers when we are doing the local transportation system plans to get a better understanding how the loads need to be accommodated on the roadway systems. So it's really forms a technical basis for making future decisions. So key elements of the project, we initiated this project in the fall of 2015. Most of the work was completed at the end of last year. Our consultant dks we hired, they completed the report in March of this year so it is relatively new we pretty much wrapped everything up. Stakeholder involvement, what we did here, we pulled together representatives from the heavy hauling industry and also staff, state and local staff and members of the Portland freight committee and basically all got together in a room and we really looked at the critical routes for over dimensional that are being used throughout the region for over dimensional movements so they are a key resource. We completed the first system inventory of 34 identified routes through the three county metro region. So we have a really good document which really helps our planners and engineers while we're making improvements on our roadways we identify the function of the roads and the policy designation. We inventoried all of the facilities on the road, bridges, bridge structures, and we inventoried all of the current projects are being done. More importantly what we looked at, we wanted to identify what sort of system constraints are and I will get into that in a moment. What are the physical barriers based on the state standards for height and weight restrictions? Our consultant came out with a recommendation of solutions and -- solutions and recommendations along these corridors. I will go with that in a second here. One of the first tasks was to map the over dimensional system this really hasn't been done before. So we tapped the stakeholder group, the permitting staff, the members of the freight committee, and we just looked at what are the key primary strategic routes for moving every day over dimensional vehicles. And here's a map, we identified 34 corridors, and some of these corridors cross over different jurisdictional boundaries, to the left, Cornelius pass road is parts in Multnomah county, other parts in Washington county, same thing with 82nd avenue, which is identified as a key over dimensional route in the city of Portland and also Clackamas county. We color coded it by jurisdictions, and in the city of Portland there is 10 over dimensional routes. If you notice on the map most of the routes are identified in our industrial areas and most of them in a river gate industrial area, northwest industrial and swan island. So these are common routes used for general great movement. So a key part of our analysis, the Oregon department of transportation, we are able to utilize the single trip permit data base. Their staff, they pulled together 20,000 records for a three-year period and that gave us a good snapshot of the type of goods being moved throughout the region and dimension those loads. That data base provided us some valuable information to identify with the key constraints and also to identify solutions.

Fish: Can I ask a basic question? So if I am a trucker on one of these, "over dimensional loads," I have to get an odot permit in order to complete the delivery?

Hillier: That's correct, so if you reach -- if you are a certain dimension, and loads that are 14 feet long, 80,000 pounds, vehicle weight, the issue is a single trip permits. Certain companies they get a continuous operating variance permit.

July 19-20, 2017

Fish: Let's stick with the single permit. The trip, the single trip permit. Does that permit specify the route that I have to take?

Hillier: Yes.

Fish: So it's a time and a route, and it's for one trip.

Hillier: That's correct. Generally how it is set up, a company if they want to move an excavator somewhere from Clackamas county to the pearl district, they would get a permit from odot and they would issue a permit for the route, and the hauler has to provide that information, to the state, and now if there is a part of that route which is a -- letter routes are on state and local roads, if it's on a local road they need a permit from the city or the local jurisdiction.

Fish: What if it's on an interstate?

Hillier: They go through odot.

Fish: I am thinking of the example we see on i-5 of big trucks moving homes. It is an elaborate operation they usually operate during off-peak times there's a smaller truck up front. Heralding what's to come, oversized loads and it seems like it is a prescribed process.

Hillier: Yes, it is. They have got to know what route they are going to take, and what are the vertical clearances, some of the bridges. A high load, obviously, they don't want to hit a bridge or any other structure or go over a bridge which is weight limited.

Fish: Let me ask one more basic question. This is an excellent presentation so make sure that I understand it, so odot issues the single trip permit. What about if the truck is going to go on a city arterial? Does the city issue its own permit? Or has that been delegated to odot?

Hillier: Certain cities will delegate it to odot for issuing the permits.

Fish: How about in Portland?

Hillier: In Portland we issue our own permits.

Fish: So if you are planning a trip and you will be on a state road, a federal road, and a local city arterial, you potentially have to have three permits?

Hillier: Well, the highway system is managed by odot so they would go to the state, and the state would issue a permit for the state portion of the road whether it's an interstate highway, a bypass, which is the state road, 82nd.

Fish: And pbot would issue it for our portion?

Hillier: Right so if they have to travel on a local road they would get a permit from us, and then our engineering staff will look at that and the route and the dimensions of the load and see if they will go under any bridges that are -- that have the vertical clearance or over any bridges that have a weight limitation.

Fish: Do you have the discretion in your piece of this to prescribe the time that the trip occurs?

Hillier: It's not clear to me how that is done in terms of the time of day when that is.

Fish: It seems some of the monster trucks, the city might have an interest in saying sure you can do this but we prefer you do it during the non-rush hour times?

Hillier: I know generally, actually, I've been on a couple of these loads. The haulers, and they prefer to do it at night. If it's really large because they don't want us to deal with traffic and also a lot of the people and the vehicles on the roads, so they would prefer to do that. Certain loads is time sensitive and they might have to get at a certain site, you know, at a certain prescribed time. It's not clear whether we prescribe a specific time for that or whether it is a limitation.

Fish: Thank you.

Hillier: Sure.

July 19-20, 2017

Hillier: So just quick wrapping up the single trip permit, this provides us a great database and gave us a good snapshot of the loads. One of the take-aways, this is most of over dimensionals are construction equipment. 90% of all the high loads, over height loads are 15 feet or less, this is an important piece of information because when we are looking at the vertical clearance of our bridges and which can accommodate most of the loads, and basically 99.9% of the high loads that are moved throughout the whole three county metro region could be accommodated in our bridge system there is a small percent that cannot be accommodated at the high loads. Length and width of the loads is not so much of an issue for the drivers. They are able to accommodate them but they have special trucks and steering equipment so they could get around a lot of tight turns, but height is an issue for some of the drivers and also heavy loads. A number of the bridges in Portland are older, older infrastructure, and some of them have weight limitations on them so that's also an issue. What I want to do, touch on three Portland projects that came out of the study. There is 24 recommendations as part of this. So there is three in Portland, and they are all in the river gate industrial district, two in the Columbia boulevard and one on north Portland road. This is the i-5 bridge which goes over Columbia boulevard and union pacific railroad. This is a known choke point, this is one of the target areas that we wanted to look at, part of the study. Nobody has really taken a look at this to see what could be done with this choke point, it's a 16.5-foot vertical clearance, the state standard for vertical clearances is roughly 17 feet and 4 inches. So we had our engineering staff or our dks consultant team and they looked at this and one of the questions was you know, can we raise this Bridge? Well, one of the problems you get with the union pacific railroads is you raise a bridge that's expensive and you got to go from a long distance to get the adequate clearance. If you notice that there is two double stacked trains they barely make it under -- that's Columbia boulevard, i-5, and on-ramp. So you really have got -- you have to barely have clearance, you have to raise the off ramp, and if you raise the off ramp you're probably affecting the main line so it became clear early on that's not feasible, so our consultant team recommended to lower the roadbed. There is a complication in this particular area kinder morgan has a jet fuel line which serves pdx which goes underneath the road so we got some data for that and kinder morgan, they did not want to provide the specific information for security reasons, but we feel that we can actually lower the roadbed to get that necessary clearance and get an additional foot or so. So this is information that we did not have before, and this helps to answer the question of what constraints are identified in the Columbia boulevard that need be to -- that can be fixed to help to transfer the bypass.

Fish: Can I ask you a basic question? Are we legally obligated to tailor our system to accommodate whatever truckers come up with because at some point, they could stack them three or four, I mean, and you are talking about now raising bridges, lowering bridges, doing this work. This is a costly exercise. Are we legally obligated to do that or are the truckers required to adapt to our system?

Hillier: There is no legal obligation. This is a direction from council from the great master plans to identify a strategy to transfer to the u.s. 30 bypass to the Columbia boulevard. In order for that to happen all the over height vehicles accommodated on U.S city bypass on Lombard would need to be accommodated on Columbia boulevard.

Fish: But ultimately it's commissioner Saltzman's recommendation at some future time where this fits in to the cip and what we do, but, and I am all for freight mobility, I supported the master plan but when I see a slide like this in a monster truck like that and I am told that we are going to spend money lowering a bridge in order to accommodate something like this --

Hillier: This is a railroad. These are double stacked trains here so yeah.

July 19-20, 2017

Fish: If we are going to do that for the railroads, we have a few other things to negotiate with a few of the railroads. So I will make a mental note of that because we don't always get very far on our wish list, and if we are going to make these changes we may have leverage to do things like the greenways.

Hillier: All these are complex projects. This is the first time that we had a look at this because everybody over the years scratched their head, what do we do with this choke point here? You have the jet fuel line and union pacific railroad. Can we raise the bridge? We did not know that. We did not know what we did not know before we did this so at least now we have information, we have very general basic cost information to see what it might be to lower the roadbed which seems like if we did -- if the council did want to pursue this project at this point that was seen as the most feasible option. There is another thing that came up on the Portland freight committee through bill burgal who's a long-term member union pacific railroad, they would like to double track a lot of their system. If they did there might be a way that they could use a depth girder, which if they did that, that might give us a clearance. There is all different options but this is one of the main choke points that the study was targeted to look at. The other choke point on Columbia boulevard, this is the George middle school pedestrian bridge its 16 feet high. It was constructed in 1969 it was refurbished in 1990, or the 90s to put on the ada ramps, this is another choke point on Columbia boulevard for high loads. The recommendation was to look at either raising the bridge an extra foot or possibly to take the bridge down and put a crossing here. Just found out last week through a house bill 2017 a transportation package that \$1.5 million has been allocated for crossing and for improvements at this section here. So we got money to look at this in more detail. Columbia boulevard is a wide road, 60 feet of pavement five foot lanes, and it's posted At 40 miles per hour, its a major great route, so there are some issues that would have to be addressed for having a net grade crossing here. And the other point on the system in north Portland is north Portland road, between - - on -- this is the Columbia slough bridge, this is the old highway between marine drive and Columbia boulevard. It used to be our road or it used to be the state road, we took the road over, but the state still re-owns the bridge. This is weight limited to 105, 5,000 pounds, and through our data that we got through the single trip permits this weight limit on this bridge limits 98% of all the heavy loads on the system. So again this is a state bridge here, we would like to have an opportunity to work with odot to refurbish this bridge here. One of the key points I forgot to mention with this study, the map I showed before is, not only a key freight route for over dimensional roads, but these are just key safety routes, and in the event of an emergency, an earthquake, these routes are going to be providing key equipment and goods that are going to serve our region in an event like that so they serve a multiple purpose as well. So next steps, what I would like to request is for council to accept the study as our strategy for accommodating over-dimensional loads in the region, and to include the three project recommendations that I described in our transportation system plan. I want to point out that those three projects have been identified on some of our draft lists for the transportation system plan update, and they also have been included on the regional transportation plan, draft list, and we also included it on the transportation system development charge update or draft list, so they have been recognized through this study that these are projects that we wanted to put in our plans. We're not sure when they may or may not get done but we want to recognize these are important features, and important elements in our transportation system. So I went a little bit over, but I can answer any other questions that you might have.

Saltzman: Did you want to add anything?

Hillier: No, just thank you for your time.

Saltzman: Ok. Thank you very much.

July 19-20, 2017

Eudaly: Karla, is there any public testimony?

Moore-Love: No one signed up.

Fish: I move to accept the report.

Saltzman: Second.

Moore-Love: It's a resolution.

Eudaly: So we are resolving to adopt the recommendations but they are non-binding city policies so commissioner Fish if -- did you have something?

Fish: I am going to make a comment. My view is we are accepting the report and there is three projects that they are recommending the commissioner in charge take a good look at. Ultimately, it's my understanding that it's Dan's call as to whether to do that and in some Sequence --

Eudaly: Karla can you please call the roll.

Saltzman: Thank you both for being here this morning. I appreciate metro leading this effort to take a look at these key bottlenecks or choke points for moving freight through the region. This is very important to do that. Thank you. Aye.

Fish: Thank you for an excellent report and for the answers. The clear answers you gave to our questions. This discussion brought back a bad memory for me that goes back 20 years, over 20 years. When I hired a moving company to move our family stuff from the east coast to the west coast, and we hired a reputable firm. They had a big load and the first overpass they hit in the Bronx was too low and it sheared the top of the truck off like a sardine can. And we were consulted because the truck continued on its way, went through the midwest, ran into stormy weather, some snow and sleet and rain and literally when it arrived in Portland almost everything in the truck was destroyed. The good thing we got out of it was two weeks at the old Mallory hotel, but it was my first encounter with one of the issues you are raising here which is thinking about freight mobility in terms of the barriers and thank god for insurance. Commissioner Saltzman the one thing that did get my attention, though, is one of the recommendations to you is the northeast Columbia boulevard uprr bridge underpass. Whenever I hear any reference to railroads, and particularly union pacific, I see, I hear opportunity. I am not picking on the union pacific but historically they have been some of the hardest parties to negotiate some of the issues that we're trying to move on that Dan is responsible for like greenways and that's because railroads don't generally think that greenways and railroad tracks should co-exist. We know in parts of the city we've been able to work that out, but we're not going to have a greenway along Sullivan's gulch or finish the north Portland greenway. We're not going to connect the system unless we have a willing party with one or more of our railroads. Dan I was intrigued here because this seems to be an area where the railroads have a strong interest in us doing something, and it may give you the leverage to say yeah, we're interested in that and we would like your help to complete our greenway circuit. That may give us leverage to have that conversation.

Hillier: I will make a quick plug. Union pacific railroad and Burlington northern have been members for -- since the committee was started, 14 years ago, so I know that the union pacific went through staffing changes but we have been at the table so to help with the negotiations.

Fish: Just want to close by saying that when we talk about great mobility, we're talking about getting things through our community. We're talking about jobs, we're talking about things that are very key to our economic future, and there is a lot of good family wage jobs that depend on great getting through, emphasis on safely. Safely getting through the community so this is a thoughtful report thank you for your presentation.

Eudaly: Thanks for the presentation. Aye. The resolution is passed. Karla can you please call the next item.

July 19-20, 2017

Hillier: Thank you.

Item 823.

Eudaly: Do we have staff here?

Fish: I think Teresa Elliott is going to come forward. I have a cheat sheet but it says I have no talking points so that's a blessing. I will turn it over to you Teresa. She is the chief engineer of the Portland water bureau. Welcome.

Larry Pelatt, Procurement Services: Good morning, I am Larry Pelatt with procurement services. I know it's a busy day for everybody and there is lots of people here. I will make this the short version. You have before you the procurement report recommending a contract to e.c. Company for the groundwater electrical supply improvement project in the amount of \$621,819. The engineers estimate on this project was \$820,000 and the bureau's confidence level was high, the agreed contract is 24% under the engineer's estimate, and that's not something that we get to say very often these days.

Fish: Would you say it again? [laughter]

Pelatt: 24.13% under the engineer's estimate. There is a total of \$313,985, or 50.5% of the dmwesb subcontract participation for this project. E.c company is located in Portland, Oregon, and they are not a state certified firm but there is still over 50% participation. They are in full compliance with the contracting requirements. If you have any procurement questions I can answer them or Teresa Elliott is here.

Eudaly: Any questions? Is there any public testimony?

Moore-Love: No one signed up.

Fish: I move the report.

Saltzman: Second.

Eudaly: Karla please call the roll.

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

Eudaly: Aye. The report is accepted. Karla, please call the next item.

Item 824.

Eudaly: I will turn this over to commissioner Fish.

Fish: Thank you madam president and we're going to welcome Greg madden, president of madden fabrication and members of his team and we'll let you introduce the folks here where I'm proudly wearing the madden shirt. I want to do a brief introduction to this item. As my colleagues know the Portland loo debuted in December of 2008. It was the brainchild of former city commissioner randy Leonard. The loo was a solution designed by the city of Portland to address our needs for better public restroom options. It was actually copyrighted and I believe has won some awards for it's design. In 2014, or maybe around 2014, we made a judgment that it made more sense to have a third party manufacture and sell and market the loo, and for the city to get out of the loo business but get into the business of perceiving royalty checks and the idea was to stay in our lane and let the private sector do what they do best, so since July madden fabrication located right here in our community has been fabricating them and marketing them across the globe. As I said, it made more sense, I think, for us to get out of this business and turn it over to the experts. Well it, turns out that they have been successful in manufacturing and marketing loo's, and that's good for our rate payers because the city earns a royalty for every loo that is sold. With us today is Greg madden and he will introduce other folks to update us on how the arrangements is working and he had something for us so welcome and thank you.

Greg Madden: Thank you very much. Thank you for your time. I am not a public speaker so I appreciate you introducing me so well that I can shorten my speech here for you. Once again thank you very much, and I am really excited to be here from the standpoint of, it is really good, positive news, its a public private relationship that as you mentioned is very successful. I know when the city of Portland first started the project, it was intending

July 19-20, 2017

to market and sell to other cities, and we really, switching it around in 2014 and negotiating the licensing agreement, really was the best way to go. It's really has taken off since then. I am here with even madden who heads up our sales and marketing, and he will talk more about some of those successes and the awards you mentioned that the city, the city of Portland, Portland loo has been awarded in the past.

Fish: What is Evan's relationship to you?

Madden: He is my nephew, we have a family owned business, madden industrial craftsmen, madden fabrication is our metal fabrication facility in northwest Portland, which manufacturers the Portland loo right here, my two brothers Paul and ken manage the staffing service, and my brother ken is Evan's father and I also have another nephew that works with me at the shop, Chris madden. It's quite a family business and it's a great opportunity for all of them, so just getting to it quickly, like I said it has been a really rewarding partnership between us and the city of Portland. We work closely with Amanda Fritz's Portland parks and rec division, and they are the ones we pay our royalty commission to every quarter, and they have also helped us to develop and improve the loo by giving us access to that and letting evan present visitors to look at the loo, and we opened it up, the back side of the doors and let them view that. Just to mention the quick history of it, randy Leonard, it was his brain child to create the loo, and he could not find anything that was off the shelf that matched the requirements of the loo, and there was several failures in the Seattle area where they tried premanufactured semi-automatic toilet designs that really were major failures, so what randy did was he pulled together all of the city's resources and a lot of the public and social resources around the city, and put together a team to design and build their own Portland or public bathroom, which ended up being the Portland loo, and the list is long and I don't want to take up too much of the time, but it is important that I mentioned some of the bureaus and the resources in that randy joined together to make this happen. Just to demonstrate how thorough of a job that he did, the Portland water bureau was involved with the utilities, maintenance and also the contract requirements that made the loo possible. The police and fire were involved through the then commissioner mike Reese, Portland parks, Bryan Aptekar, Karen Trappen, and Don Athey were very involved with citing and maintenance issues. The Portland building department was involved with meeting ada and construction code requirements of the loo, in its design, and Portland bureau of transportation was involved with engineering and foundation work for the loo, and the bureau of environmental services was also involved with maintenance and sewer right-of-way's, downtown clean and safe were involved with maintenance and safety design of the loo. Randy Leonard's office, and ty Kovac, Ann Hill and Anna Di Benedetto all manage and help to coordinate these associations between the bureaus and the designers from the social service side flush group, which is the public hygiene lets us stay human run by carol McCurry, were instrumental in crime prevention, design concepts and public outreach to both businesses and social services. The Portland development commission now known as prosper Portland, Kevin Johnson, and pam neild helped to introduce us to randy Leonard's design team and madden fabrication was involved with the practical and affordable designs of making the Portland loo happen. Along with that Curtis Banger was an outside designer who coordinated all of these design concepts into what we feel is a very beautiful design, esthetically pleasing, and very functional. So the results of all of this effort and design effort that randy Leonard did resulted in what we have today, which is the Portland loo. To explain how successful it has been, I am going to pass this on to Evan Madden.

Fish: Before you do I want to make an observation because I am pleased that you focused on Randy's role and the team that he assemble. And it reminds me of the age old argument in Portland about, it goes something like this, is Portland the city that it has

July 19-20, 2017

become because of or in spite of its form of government? As you know people have strong views about our form of government. The interesting thing that I have observed in my nine years is that one of the advantages of our form of government is that it allows for champions on the council to actually drive big policy questions. I will give you examples. We would not have a children's levy, and the millions of dollars that have gone to children if Dan Saltzman was not on the council, it would not happen. We would not have made the progress that we have made on streetcars if Charlie Hales had not been the streetcar guy. I don't think that we would have made the progress as quickly as we have on renter protections if Chloe Eudaly was not on the council and while Randy was always a little ambivalent about being the toilet guy, he was not sure how that happened, but the truth is we knew Randy as a bulldog when he was on the council so when he had an idea he would see it through, and it takes that kind of sustained commitment to do hard things. It just -- I am making a plug for the one side of our form of government that I think does not get enough credit which is he got, you have got five commissioners which are all passionate about something and they have this freedom to drive policies and if Randy had not taken this on I don't think it would have happened.

Madden: Yeah, I totally agree with you. His -- he did have -- he did push it through and took some serious risks that I think that paid off specifically in this case. I agree with you as far as the longevity of the city council, it is the benefit just like in my business, it's good to have, you know, longevity and skills that you can pull on and comfort levels, communicating with each other. Excellent point.

Fish: Welcome to council is this your first time?

Evan Madden: It is, I've been here for a meeting before first time speaking and presenting.

Fish: In the process of pushing out your uncle and others so you can take over the business?

Evan Madden: Exactly. I work for Madden Fabrication I do the sales and marketing for the Portland new restroom, and what I have seen is a consistent growth in sales and interest in the Portland loo, as the success of the restroom spreads to cities across the U.S., Canada and most recently New Zealand. We have 12 states, three countries, 21 cities, and a total of 48 installations. The public loo won Canada's best public restroom award in 2012, the Portland business journal's manufacture of the year award and the new export award, and has written about in Fast Company, the Los Angeles Times and countless local news articles. With each installation we have seen a positive impact in, it has had in each city and seen the word spread that the world loo is a quality product it serves the communities. As I travel and meet with cities and city councils I am complimented that Portland has figured it out and is a model for public restroom success. Having a product that began with the city of Portland shows the proof of concept that the cities considering the Portland loo will be able to be successful when cited correctly. Born and raised in Portland I am proud to bring the Portland solution and landmark to other cities that will last for generations. For each restroom we do sell the city gets a royalty payment of 8% for each sell in total we paid the city \$148,950 averaging about \$13,000 per quarterly payment. This quarter's payment is \$14,515.89 and we continue to see it grow and be a successful product.

Fish: And you brought the check with you?

Evan Madden: We did.

Fish: Get that check.

Evan Madden: That's why you invited us, right? And along with that we also brought you some swag so we have this.

Fish: Can they come forward?

July 19-20, 2017

****: Ok.

Fish: The check goes to the president of the council.

Eudaly: Oh, yeah, I will take that. Thank you. So I thought commissioner Fish had arranged this report because I had some questions about the Portland loo. I still have questions about the Portland loo and I have to confess I have never been inside of one so while it sounds wonderful I am still in the dark about what are the unique functions or features of the loo. If you could just quickly --

Evan Madden: I will take over for this. What is special about the Portland loo and sets it apart is that it focuses on how it is going to be used, and maintained, and that's critical in making sure it stays clean, easy to use and doesn't prevent crime and what the loo does is really prevent crime with the angle louvers on the top and bottom of the restroom and that's what the Portland police wanted to see in the restroom too, where it can be easily monitored by them and self monitored by the people that walk by and naturally in the area. So it's not a comfortable place to be doing things you should not be doing or using the restroom and not meant to be a comfortable place in general so that it is just used for what it is intended for. It has anti-graffiti coatings to keep it looking clean and maintenance features like a water closet with a hose bib that makes it easy to clean whenever it needs to be or regularly.

Eudaly: It's not self cleaning?

Evan Madden: It is not, and that's what did not work out in Seattle where they spent \$5 million on just five restrooms. That ultimately didn't work for them, is --

Madden: We found that design, we thought we might compete with that as a product but in reality it is more mechanical, things to break, it uses much more water. It's also way too private for the environment on the street today.

Evan Madden: Now Seattle is looking to get more restrooms from us in the coming months, too, so meeting with them they were bashful to know that their restrooms didn't work out and they were interested in our restrooms, as well.

Madden: One of the personal things I like to do is buy local and that's one of the collateral successes of the loo is that each one that we sell basically increases the sales in the local community by about \$40,000. So each loo commits about \$40,000 in goods and services to outside services besides madden fabrication. Also just we've added basically five ftes over the last six years to the program and to our business and I like to introduce some of our team today. If you don't mind of course Evan Madden is the sales and marketing, Leo Gonzales is our production manager, we also have Jason parker and randy Gillery our production, we also have Danielle young is involved with the development, Charlie martin with manufacturing matters, has been very instrumental in our lien practices and improvements in our manufacturing facility, and also Oliver lowery is our cad drafter that we included, marketing and sales through cad development. And my wife, Beth madden is in the back.

Fish: The most important person.

Madden: Yep, sales and life partner. So, and anyway, along with that I wanted to just briefly go over some of the local manufacturers we use to produce the loo to give you an idea of the quantity and the people that, and some of them are here today, too, that I want to mention but manufacturing matters would be Charlie martin as I mentioned, and brailey gray electro pac, west coast metals, bridge city steel, mark's brothers, industrial plumbing supply, Portland fasteners, m group engineering services, pacific lock who I think is represented in the back thank you for coming, flare plastics, ced, e.c. company, signs by tomorrow, a better glass shop, industrial creators and packers psp powder coating, Portland development commission, u.s. commercial services for exporting assistance,

July 19-20, 2017

business Oregon for exporting assistance, flush, and personally I want to also like to thank parks and rec for all their additional services and helping us to develop the loo.

Saltzman: How long does it take to manufacture one loo?

Evan Madden: It's a little over two months, but as we were so busy we have so many orders coming in that we cannot meet our normal deadline so typically it's 90 days but we can do it sooner but now we have to push it out several months beyond that just because of the volume that we have seen in the sales, so each year we've been getting busier and breaking our records and that's the fun and exciting part, but it's more of a headache to meet the deadlines and make things happen when cities often want them in a hurry.

Saltzman: Do you do the installation?

Evan Madden: Locally we will, and likely we will for Olympia as well but not like in California or on the east coast. Only in this region really.

Saltzman: Ok.

Eudaly: How many Portland loos do we have in Portland?

Evan Madden: We have 12 with a few more installations happening soon.

Madden: We have 12 in Portland and the rest of the 48 are outside of the area, with one in New Zealand, through a licensing agreement that we negotiated with a manufacturer there, and five in Canada.

Fish: Imitation is the highest form of flattery, are you seeing competitors that are essentially coming out with knockoffs of our loo?

Madden: We have no competition.

Fish: I like to hear that.

Madden: Actually yeah. Several years ago there was one manufacturer that duplicated the idea and concept out of Roseburg, Oregon. We have not seen them sell anything and because of the advantage of the relationship that we have with the city of Portland and the long-term development and improvements that we have continued I think that we are way over 30, 40 improvements in the hardening that we have done with the loo in order to make it better product and I think that we have given us a major leg up on the competition.

Fish: If I could make a comment madam president, Dan and I have, you know, nine or ten years of history on the loo that feels like just yesterday some of the more controversial debates that we had in this building, and you mentioned that commissioner Leonard took a big risk in moving this forward. I remember when there was a lot of controversy about whether it was appropriate for the utilities, you know, to be in the loo business and who should pay for it. One of the things that I think that we learned is that government is sometimes in the position of launching a good idea, but it makes a lot of sense to turn the private sector to put that idea into practice, and it's like figuring out what is your lane and what are you good at and Randy had a good idea. He put people together and came up with a loo and patented it and I think that when we were able to enter into a licensing agreement with Madden that's where this took off. And I just want to say Greg that in your customary very humble and modest way that you managed to deflect all the credit to everyone else in the room, and I think that it's worth noting that we at the city think that the secret weapon here is that Madden fabrication is making the loos, and we're so proud that you are here in Portland, and we're so proud that you are having this kind of success, and we wanted to have a chance to celebrate that success today at council not just get the check in the mail but have an opportunity to thank you and your team for doing great public service.

Madden: Thank you. That means a lot. I appreciate that, and you know as far as you know, the planning goes with us marketing and selling I agree. One of the things that I think about is sustainability. Sustainability, we try to keep the work here local, you know, keep our shop here local. But also from the standpoint of money is sustainability, too, like

July 19-20, 2017

we're very motivated to succeed and watch the margins and make more profits but also, you know, continue this i.p. that we are taking advantage of so thank you for that. Appreciate it.

Saltzman: Thank you.

Eudaly: Karla, is there any public testimony?

Moore-Love: We have one person signed up. Lightning.

Eudaly: Good morning.

Lightning: First of all I am lightning and I represent lightning super watchdog x. Randy Leonard's last day as commissioner I said to him his legacy will be the loo. When you pull that switch or push the button, we'll think of Randy Leonard because that's what you are. You basically in my opinion to be called a brain child is an actual insult to the think tanks out there and truly the brain child's. Mr. Saltzman, commissioner Saltzman, I give him the respect for the children's levy, the affordable housing bond, because he's earned it. Correct me if I am wrong Randy Leonard was one of the people that used the incorrect funds to fund some of the loos and didn't follow the charter, and Mr. Delorenzo went into court and stated that that could not be done and the judge agreed. Correct me if I am wrong that Randy Leonard is basically an individual that I would not look up to or give any respect to because that's my opinion and I had that right to my opinion, and that far chair that left the commissioner chair in the far left people seem to go one term and they leave. It's kind of what I call the karma chair, that far left chair. I don't know what it is but they make it one term and then they are gone. They just leave and I would like to see number one the city of Portland not hold this patent anymore and give it back to these people over here. Give it back to the Madden company I don't think that the city needs to be making any royalties off the name or patent. To me that's almost a conflict of interest for what government really is. We're attacking the new president for that reason. It's called a conflict of interest and so maybe I would like to have this looked at a bit closer but to Randy Leonard in my opinion, you should have your picture put inside of the loo. This is your legacy. This is what you are and when I flush that, push that button I am going to think of you. I am so glad that you no longer sit up here as the commissioner and to me you were the biggest disgrace as a commissioner in the history of Portland. When you stepped on a bunch of developer's toes out there and did selective enforcement and stepped on them using nuisance liens you are the nuisance. You are a pathetic disgrace, and anything that you probably did on this a corrupt. Enjoy your legacy, Randy Leonard. Enjoy your legacy. Push that button. That's Randy loo. Goodbye.

Fish: Madam president we don't have a report. We don't actually have a report to accept but, and we have now lost the Madden family, but I want to thank Jamie Dunphy, my Jamie for helping to organize this and to give us a chance to thank a local manufacturer who is making something, and in return providing some real value to the cities across the world, and a return on the investment that the city made in designing and manufacturing this, so grateful to the Madden family and Madden fabrication and thank you for the opportunity to present.

Eudaly: I wish one of you had told me that this chair was cursed. I have a few ideas why people stick around for one term.

Fish: How many terms did Randy serve?

Eudaly: Multiple terms, I think.

Fish: I think you are ok. It skips a beat, every two.

Eudaly: Okay. Karla, could you call the next item please?

Item 825.

Eudaly: Commissioner Fish.

July 19-20, 2017

Fish: Madam president we welcome Shannon Reynolds and Jennifer Belknap Williamson not to be confused with Jennifer Williamson, who is a state legislator. The purpose of this legislation is to authorize a pte contract with water systems consulting, inc. For the development of an asset management-based pump station system plan. As part of the bes efforts to proactively manage the infrastructure the bureau seeks approval to create a pump station system plan. It will allow us to assess the condition and risk of failure of the city's pump stations, the majority of which are over 60 years old. To complete this work bes requires the services of a specialized engineering consultant. This ordinance would authorize bes to contract for those services, and this contract was selected through a competitive process. I should note in the briefing that I got I learned that there are about 100 pump stations in the city of which I think that you told me that we manage, we own and operated 83 and operate the rest for the benefit of other parties. I have had a chance to tour a number of the pump stations, including the ones critical to the big pipe. Colleagues I know Dan has done, spent probably more type than he wants subterranean looking at pump stations. Commissioner Eudaly we would be delighted to give you a tour because it's the invisible part of our system that actually is critical to how we move wastewater throughout the city. The engineering marvels of some of these pump stations is really something to behold. Anyway the matter before us today is to seek approval to move forward with a contract that allows us to assess the condition of our pumps and then begin to plan for the future, and I will turn it over to the presenters.

Jennifer Belknap, Bureau of Environmental Services: Thank you very much. I am [inaudible]

Saltzman: I think the microphone -- there you go.

Belknap: Ok. I am Jennifer Belknap Williamson, a principal engineer with the assets system management division and bureau of environmental services and with me is Shannon Reynolds the senior engineer. We appreciate the opportunity to present madam president and commissioners. As commissioner Fish mentioned this is a critical part of our system, director Jordan from bureau of environmental services has been here talking to you in the past about our capital program budget and our asset management investments we're going to be making as we look at aging infrastructure and areas of the system that are really critical to invest in to make sure that they continue to function for the long-term for the sustainability of our city. So when you look over at the next ten years of our capital program, the pump stations enforce mains which collectively have a value of over a billion dollars to repair and replace them, our current investment level ranges from 7 to 10 million a year in that asset class. What we're looking at is continuing to sustain that current level for the next five years, and that's the area shown in orange and the budget projection but looking out in years five to 10 in our budget we are looking at starting to ramp up to the investment level at \$25 million a year. That's really based on the age, the condition, and the criticality of these assets to make sure they don't fail so this is a part of the bes gathering information to inform the next phases of the capital program. As commissioner Fish mentioned there are 99 pump stations around the city that are really critical to moving wastewater and storm water up to the treatment plants to provide appropriate treatment before they are discharged and if those pump stations fail, we can have really significant flooding and environmental damage that results. They pump many hundreds of thousands of gallons per minute and when there is failures we have to come in an emergency setting and set up pumps adjacent to it and try to figure out ways to get that water and wastewater moved around. So they are a really critical part of the system to invest in and make sure that we don't have emergency failures. So the goals of this project are to develop and implement a comprehensive asset management approach for this asset class, and that will include identifying and addressing the risks and developing a condition assessment

July 19-20, 2017

methodology that allows us to track the condition of all of these assets. It will develop a series of recommended capital projects and actions, as well as an overall implantation plan for staff training to continue the program on in the future after the consultant work is done and then how to inform the future of the capital program budget. There is a number of stages in the scope, including creating an asset registry which is essentially a database, a list of all the information we know about these assets, all the parts that are in them, and pump stations have pumps and electrical controls and heating, ventilating and air-conditioning systems and structural components so there is a lot of pieces to keep track of within the systems. We will define risk criteria to understand how can we better predict when those parts and pieces are going to start to move towards the failure so that we can repair and replace them before that happens and develop this condition assessment methodology that will allow consultants and staff to go in and investigate and understand where we're at with the condition of all of these parts and pieces of the pump stations. We'll conduct the assessments and prioritize the actions and we'll have a strategy for the ongoing implementation and bringing it into the capital program. So the schedule for this project is about a year and a half to do this pump station system planning work, and then there will be an initial five to ten-year period where we ramp up in the capital program and start implementing more of these larger scale rehabilitation projects, and then we'll have ongoing implementation of this over time as a part of our sustainable asset management approach to these. So that is our short and sweet presentation.

Fish: You said in your excellent presentation that the value of our pumps is about a billion dollars. What's the current, when we look at all of our assets at bes what's the current value of our infrastructure?

Belknap: The current replacement value of all of our infrastructure, the bureau of environmental services owns and manages is just under \$14 billion its about \$13.8 billion. So this is a sizable part of the system both in its value and in its critical role that it serves.

Fish: I am glad that in your presentation you began by referencing what the director Jordan presented to the council during the budget in which he said that his long-term vision is for us to get to sustainability with all of our capital assets meaning that at some point in the future they are almost all of our assets are in good condition, and what we're doing is maintaining them as we go forward and not just waiting for catastrophic failure. It is an audacious goal there are not many utilities around the country that can say that they have achieved it, but it's the vision that he laid out in support of this budget, and that's, that's the strategic direction of the bureau over the next decade.

Belknap: We feel it's in the best interest of the rate payers and we make these investments in these assets over time to avoid having these big catastrophic failures if we delay or don't make those investments, so this photograph, the last one is of our swan island pump station, which is our largest pump station that's a part of the combined sewer system that prevents sewer overflows it sends a tremendous amount of combined wastewater up to our Columbia boulevard wastewater treatment plant. This is one of the newer pump stations, and it's in very good condition today, and we want to keep it in good condition.

Fish: Thank you for your excellent presentation.

Belknap: Absolutely, any other questions or comments?

Saltzman: Are the pump stations always operating or are they activated from the treatment plant?

Belknap: There is a number of them that are continuously operating and there are some that are more what we would call the storm surge type of pumps that they come on only when there is storm events and we have more flow coming from the storm water joining the system.

July 19-20, 2017

Saltzman: How about the swan island one?

Belknap: Swan island is not always running although the majority of it has some functionality. There is a series of pumps so they are usually, there are usually several that will continue to function and others kick on if we need additional service.

Eudaly: Great, thank you.

Belknap: Thank you very much.

Eudaly: Karla, is there any public testimony?

Moore-Love: No one signed up.

Eudaly: All right, the motion to move this item.

Moore-Love: This is a non-emergency. It will pass to a second reading.

Eudaly: Ok.

Fish: Thank you very much. Well done.

Eudaly: Please call the last item.

Item 826.

Fish: We are joined by Teresa Elliott, the chief engineer of the water bureau and Jodie Inman who is the project manager. The purpose is to authorize a contract to update the Portland water bureau's supply system master plan. The update will identify the long-term needs and direction for the water bureau's supply system and ensure that the bureau stays compliant with the state community water system requirements. The most recent version of the infrastructure master plan was completed in 2001. Now I will turn it over to Teresa.

Teresa Elliot, Portland Water Bureau: Good morning. Commissioner, I am Teresa Elliott, chief engineer of Portland water bureau, and with me today is Jodie Inman the senior engineer and project manager of the project. You guys have made this council session way too easy for this time. I was expecting it to be a very lengthy council session and us to have two minutes, but it's also a very safe environment today, too. I have I have a number of retirees at my management level, and so this gives me an opportunity to induce, to introduce a new person to speaking at council, and this is a good setting for that so thank you. With that what we're seeking is approval for a pte contract for providing with ch2m to provide engineering services associated with the master plan that we're required to have every 20 years with that Jodie will tell you a little more about it.

Jodie Inman, Portland Water Bureau: All right. Good morning everyone. For the record I am Jodie Inman with the Portland water bureau. As commissioner Fish laid out this project is a planning effort to lay out the next 20-year master plan for possible supply system projections and improvements. This project, this master plan is required by the Oregon health authority for agencies serving populations greater than 100,000. We do have a separate master plan which is not due yet which covers our distribution master plan and that will be following after this in several years. The supply system includes the bull run watershed and the Columbia south shore wellfield to Powell butte. The purpose of this master plan is to develop a planning road map which we can use for the next 20 years to help to identify the potential future supply transmission and storage improvements and to identify major capital improvements that may be needed over the next 20 years. This solicitation for this study was the city procurement process for pte contracts. We received four proposals, ch2m was the more qualified proposer or responsive proposer. The contract is \$795,358 with three sub-consultants, two of which are state certified dbes and expected to perform 28% of the work with that we are available for questions.

Fish: Thank you, how much of this assessment is driven by the standards around Brazilians?

Inman: That's a part of the plan. This is going to be taking into account the current things, we have had a lot of asset management work looked at maintenance and aging infrastructure. And we're also going to be bringing into that recommendations that come

July 19-20, 2017

out of the seismic study as well as any other newer goals that we may be wanting to achieve so the hope is to be able to incorporate those together and kind of identify that 20-year plan on how we're going to approach those.

Fish: Very good. Thank you.

Eudaly: Thank you. Karla any public testimony?

Eudaly: No one signed up.

Eudaly: Do we hear a motion to move this resolution?

Moore-Love: This is a non-emergency.

Eudaly: Ok, another first reading. Sorry. My script is wrong. All right. This meeting is adjourned. See you at 2:00.

At 11:01 a.m. council recessed.

July 19-20, 2017
Closed Caption File of Portland City Council Meeting

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

Key: *** means unidentified speaker.**

July 19, 2017 2:00 PM

Eudaly: Council is back in session we have one item before us, and I'm going -- oh, wait. We don't have to do roll again, right? Oh, we do. Karla, please take the roll.

[roll call taken]

Eudaly: Commissioner Fish.

Fish: Could you read the item?

Eudaly: I need a nap. [laughter]

Item 827.

Fish: Thank you, madam president and colleagues. Today I'm pleased to introduce a resolution directing the bureau of planning and sustainability, bureau of environmental services and prosper Portland to develop a new tool to help clean up brownfields and put them back to work. In 2016 the legislature authorized local governments to establish property tax incentives for brownfield cleanups. We are honored to have one of the state senate's champions with us here today, senator Lew Frederick, Lew welcome. Portland has approximately 910 acres of brownfields contributing little or nothing in terms of property taxes, jobs, or productive use. As my colleagues know, the city's new comprehensive plan specifically calls for reinvesting in brownfields as a guiding principle for economic prosperity which includes 600 acres of contaminate brownfields in industrial areas. The resolution today builds on years of hard work by the metro-led Oregon brownfields coalition with broad support from diverse stakeholders including thousand friends of Oregon, league of Oregon cities, northwest environmental business council, Verde and the Portland business alliance among many others. Similar tax incentives have been successful in other states. Portland is poised to be the first jurisdiction in Oregon to take advantage of this new opportunity. Here are some additional brownfield facts and I would note that one of our guests today was tweeting quite a bit and put out these facts ahead of the hearing and I was pleased that she did so, our friend from the county. Brownfields are three times as likely to be located in under-served communities and approximately 50% of reported brownfields are within 1,000 feet of environmentally sensitive areas such as wetlands and streams. Now, we know that cleaning up brownfields creates jobs, generates tax revenue, protects our environment and helps address disparities in our community. As you will hear today's presentation parties who caused the contamination or who are responsible for superfund cleanup are not eligible for these tax incentives. Furthermore, the incentives are designed to reward community benefits such as affordable housing, redevelopment in high poverty areas and equitable contracting. We know that no one tool will clean up Portland's brownfields but tax incentives properly used will help us move one step closer. I want to introduce your all-star panel today we have two of the first we're joined by Kimberly branam, executive director of prosper Portland, formerly the Portland development commission. Andy Reed, project manager of prosper Portland, and Jenn Bildersee of the bureau of environmental services.

Kimberly Branam: I'm just going to kick it off and mention that with the passage of this house bill we really do have a new, important opportunity to build a program with economic, environmental and social equity impact. It's an important tool and it feels like partnership is central to this not only did the bill have bipartisan support of the state we

July 19-20, 2017

have been working with fantastic partners to think about the next steps in how we implement that. So I wanted to mention and thank those partners before handing it over to Andy and Jenn. First I wanted to just draw two examples of where we know this can work. These are both central city examples and we hope this tool will help us have exemplary projects in east Portland and industrial areas but the south waterfront central district, north district, both -- there were 90 acres, hard to imagine, 90 acres of highly contaminated brownfields. As a result of the cleanup work through public-private partnership we have seen more than 1.5 billion of private investment, thousands of permanent jobs, housing, vibrant neighborhoods, infrastructure. This is the kind of partnership that we would like to see moving forward as commissioner Fish mentioned. So really what I wanted to do was to say thank you for your leadership, commissioner Fish, and to the working group that's developed the concept so both Jenn and Andy but also Tom Armstrong from bureau of planning and sustainability, Nancy Klinger, Matt Hoffman from Multnomah county, Emeril Bogue and Lee Schwansy from Portland. We also had additional support with research for the coalition Steve Kountz and Tyler Bump, Ashley Carter for the city of Portland. We had great support from our colleagues in the office of government relations so Dan Eisenbeis and Elizabeth Edwards are to be commended. So thank you and with that I'll turn it over to Andy.

Andy Reed: Thank you, Kimberly thank you commissioners, for your time. Today Jenn and I are going to go through a couple of things. One set up the action today. Two, share how we got to this point and describe what the cases for taking action now, and three to discuss what a local brownfield incentive program could look like. So as previously shared, this is the action we're asking you to take. Just to be clear, this is not creating incentive program but instead is giving us a year to continue to analyze the program further other and refine the concept. This creates the space for us to write the code and have the time to do that well, but also put the parameters around what that might look like. So we have heard some of the statistics come out already. As you can see here, there are a lot of areas that this goes into in terms of how it impacts our city and just as a side note Tyler Bump and Nancy Klinger are here today if there are technical questions about how this all works with our various plans. The case for action from our standpoint is pretty clear there are 900 acres ready to be redeveloped but for having a tool to do it. When the total cleanup does occur we'll see an estimated \$240 million in cost. So we have sites that are upside down that are ready to go but for the cost of doing the cleanup. They are not occurring. So doing this will allow us to continue economic development within the urban growth boundary on land that in spite of our booming economy has not converted to development at this point. More over this effort is a key strategy to meet our social, environmental and economic goals.

Jenn Bildersee, Bureau of Environmental Services: Good afternoon. I'm Jenn Bildersee. I coordinate the brownfields program at bureau of environmental services and I'm going to pick up the story left off. To give you a little bit of context about how we got there because it's really shaped the proposal we have brought today. In response to the brownfield program problem that Kimberly and Andy have outlined, in 2014, metro really took a leadership role in convening a coalition of partners. The Oregon brownfield coalition, to start to discuss statewide solutions to addressing brownfields. It's an extremely broad opt-in coalition its had over 50 partners and we have been meeting actively for the past three years. The main role has been to identify, to shape and to advocate for new tools to address brownfields in the state of Oregon. The city of Portland has been an active participant since the first meeting. Early on in our coalition meetings, we identified our top priorities for the tools we thought would be the most useful to pursue, and a brownfield property tax incentive rose to the top of the list pretty quickly mostly because it's been a

July 19-20, 2017

very successful tool in several other states. Independent of the coalition's work the bureau of planning and sustainability conducted research in 2012 on the brownfield situation and landscape in Portland and also identified the same tool as one that would be useful here and a good match for Portland's brownfield. So with the coalition's support, this concept for a brownfield property tax incentive became house bill 4084, authorizing local governments to provide property tax incentive programs. Again, the state legislation did not create the tax incentive program what it did was it created the opportunity for local jurisdictions to shape their own programs and certain aspects of the programs were dictated by the state legislation. For example the fact that polluter pays so responsible party of contaminated property would not be eligible for this incentive. That's within the state legislation, but the legislation also allows local jurisdictions to really tailor the program to fit the particular needs and priorities of the local context. After this opportunity became available last year, the city of Portland and a number of partners, port of Portland, Multnomah county, began meeting regularly to take a look at what a successful program in Portland would look like. So what we have brought today is really an outline that was built on the years of work at the coalition and proposals that the coalition put forward and also this additional year of work that the working group at the city has done to look at how could it be further shaped to Portland's unique circumstances. On this slide you can see that the general concept is that a property where a brownfield contamination is cleaned up, 50% of the cost of eligible cleanup activities could be deducted from future property taxes over a set period of time. Additionally, if a property and a project fit certain priority category for the city of Portland, for example affordable housing, equitable contracting, additional incentives to the amount of 25% of the cleanup for each of the categories could be added to the incentive and that would cap out at 100%. Andy will actually walk through a specific example. I do want to recognize so many partners who were part of the coalition are here in the room today. Kimberly named many of them. Additionally senator Frederick has been an early champion of statewide legislation and brownfield efforts and we're all thankful for that its really what's allowed us to get to this point.

Reed: Thank you, Jenn. Here's a sample incentive structure again we're still conceptualizing what this could look like but this has received garnered strong support for those working on this as a concept. So as commissioner Fish already mentioned, not eligible would be a site owner causing contamination so you do not get to use the program if you are the contributor of the contamination. Second cost connected to superfund responses also are not eligible under the law, but again, as we have conceptualized here we're looking at a 50% tax exemption on a market rate development and then additional percentages, 25% to 50%, can get applied for priorities such as affordable housing, mwesb contracting, location in or near low income areas, things like that. So again, we have discussed these throughout the presentation. We have economic, social and environmental impacts by implementing a program like this, and it really does have potential to do all three of those at the same time. We could see redevelopment and if all the brownfields are redeveloped we could look at 131,000 new jobs just on the brownfields alone with another \$40 million in revenue to our jurisdictions. These sites are in our most under-served communities and cleanup can help protect surface water by reducing nonpoint source pollution, so there are a lot of areas where this can be a strong benefit to us.

Bildersee: We have a panel that's going to come up and speak, a number of real champions for brownfield in our communities the panel will be metro councilor Sam chase, Multnomah county commissioner Jessica Vega-Pederson and state senator Lew Frederick, but we're happy to answer any questions you have at this time.

July 19-20, 2017

Eudaly: I want to compliment you on that info screen a slide or two back. I'm going to try to steal her. [laughter]

Fish: Thank you. We're pleased to welcome Lew Frederick, Jessica Vega Pederson and Sam Chase. I believe Senator Frederick is the most senior member of this all-star panel and Lew, you started this a long time ago. I might have been working with you when you started working on this. On behalf of the city thank you for being a champion on this issue. We understand there's a lot of brownfields in your district, and so this is an issue you care about both as a matter of principle and as a representative of interest of your district, but you have been our champion. Thank you for that.

Senator Lew Frederick: Thank you. I appreciate that I'm Senator Lew Frederick I'm supposed to introduce every time at the legislature so I do that. District 22 north and northeast Portland thank you. It's also a neighbor situation for me one of the main reasons that I started this was because there was a gas station grocery store that sat empty for 30 years a block and a half from my house. It just -- I knew why it was empty, because the fellow who was a mechanic there I used to take my VW bus there and I went to pick up the bus one day and I was in the backyard and the guy came out of the shop with a bucket of liquid and he proceeded to pour it on to the ground. I said, what are you doing? He said, just pouring this solvent from cleaned up carburetors. I said you can't do that and he said, I have been doing it for years. What are you talking about? That's when I stopped going there because of that, but a few months later they completely closed down the shop. I'm sure it wasn't just because I wasn't going any more, but I realized that that was one of the reasons that sat empty for 30 years was because it had been a brownfield, identified as one. In fact, when I went to the legislature my first, one of my first bills in 2011 was dealing with brownfields, and so we asked the deq to take a look at the brownfields in my district and the other districts around the state. I had 147 they were easily identified in some ways they were the old gas stations used to be on every third corner or so, there were the drycleaners shops, they were the photo shops, they were battery companies. They looked around the state and found out that there were farm implement and farm supply places that were also contaminated sites and every legislator that I talked with knew exactly where they were. They had seen them, they just didn't know what to do about them so we began a process to try to get those cleaned up. First we needed to get the deq to identify them and identify the problems we did that. Once they found that out that they were no longer liable for anything new that might happen and then we began this process. Somebody has already mentioned Dan Eisenbeis and Elizabeth Edwards but you had a government affairs group that was very helpful. The port of Portland got involved, the association of Oregon counties. The list that you saw there of people were saying, look, we know we have untapped resources, important untapped resources. When I usually talk about important untapped resources I'm usually talking about people. In this situation we really are going down to earth, this is untapped resources that we could be using, that people could be using. I hope at some point to include additional incentives I would like to see when there are jobs created on those brownfields that we actually have some kind of tax incentive there for them as well. That's a little difficult when our budget is the way it is and mentioned a tax cut of some form and that does not hit well with my fellow members of the ways and means committee, but I think that that may be another way to do it. 31,000 new jobs is great, better, more housing is great and this particular proposal is resolution is outstanding because we are really going to see some things take place. This does not come about because everyone just decided -- one group decided to do it. It was the senate, it was the state, it was the city, it was the county. All these folks working together and it was bipartisan because everyone knew about those empty sites sitting there empty and we needed to do something about that. What I'm very pleased about this is in

July 19-20, 2017

particular that it's predictable everyone has a sense of what is needed and how it's done. I congratulate you for this particular proposal, all of you. This is the kind of thing that we need to see happening because many people do not understand the kind of connections and the procedures and process that's involved, but when you have something like this that is very out, very clear and predictable we actually get something done for the people of Portland and the state of Oregon. So thank you again.

Fish: Lew can I extend our thanks for the work that you did in the legislature that resulted in \$8 million in the governor's budget for superfund and \$5 million of that is available in the short term, \$8 million over the two years and that's critically important as we partner with deq, the port, some of the prps that want to move this process forward. The state having skin in the game is very important and I know you had very tough choices to make, but we appreciate that money making it into the final budget.

Frederick: I'm glad we were able to get something accomplished. I also have to say as well that one of the reasons it managed to come through was my former chief of staff. Sue hagemeyer was heavily involved in making sure this worked. She would be very pleased. Thank you.

Fish: Thank you. Next up is our newest county commissioner Jessica Vega-Pederson and it turns out that in this context, she may be the most important person in the decision making tree going forward because not only is the county our key partner but as a practical matter, the county has to concur in any tax abatement and the county assessor has to agree to actually take the property off the rolls. You could say Jessica has all the cards on this one. Welcome to city council. Thank you for joining us.

Jessica Vega-Pederson: It was good of you to invite me then. Thank you so much for having me here today and especially commissioner Fish for your leadership on this such an important issue. I also have the habit of announcing, stating my name for the record. I'm Jessica Vega-Pederson, I'm the Multnomah county commissioner for district 3 which includes most of the southeast and east portions of the city of Portland. So to state the obvious place matters our natural and built environment have an enormous impact on our communities. Fresh air, clean water, walkable environments are all to our benefit yet air pollutants contaminated water and soil or poorly planned communities are to our detriment and brownfields are a combination of these threats and often reinforce negative stereotypes of blight and dis-investment in many of our communities. These properties typically housed a former industrial or commercial use and now future use is affected by real or perceived environmental contamination. You cited some statistics earlier commissioner for the city of Portland for the county of Multnomah brownfield sites are scattered throughout the county and cover an estimated 6300 acres of land, so that's almost ten square miles within our county borders. These brownfield sites are both an environmental and environmental justice issue. Brownfields are three times more likely to be located in underserved communities and approximately 50% of the total and reported brownfields are in or within 1,000 feet of environmentally sensitive areas such as wetlands and streams. That's why the action you're taking today is so important to the health of our community. Thoughtful design, cleanup and redevelopment of brownfield sites can be beneficial to the community members in a number of ways. Such infill development can help reduce the need for sprawl and I look at the three of you who have championed the housing many of the housing issues problem so strongly. You know that the population of the Portland area is rapidly increasing and that with our community valuing rural land, forests and open space, brownfield sites are becoming increasingly valuable as opportunities for infill development. Cleanup and redevelopment can also reduce or eliminate ground water and soil contamination and provide an opportunity to knit back together communities that have been divided or blighted by such sites. I'm here to

July 19-20, 2017

advocate that equity should be a strong component of any proposed programs. As you may know the Multnomah county commission also wears the hat of the local public health board and because of this I would ask that health and equity are considered when selecting and redeveloping brownfield sites. We should focus on site redevelopments that support the health of the community and ensure the benefits of growth are shared equitably. Maps created by the Multnomah county environmental health division found that parts of north and northeast Portland, the cully neighborhood and Columbia river corridor and large area of east Portland exhibit high health inequity and therefore high need. Compounded by gentrification we know these same areas exhibit increasingly concentrated poverty. These findings support brownfield cleanup and redevelopment efforts that emphasize community benefits and prioritize areas of health and equity from both a racial justice and health equity perspective. Legislation that my former colleague senator Frederick championed and which I was proud to vote for at the state legislature that the city will make use of is structured to incentivize cleanup and meaningful development in areas that experience high poverty rates, affordable housing shortages and disproportionate environmental impacts. This local authority will allow you to use this property tax incentive tool to benefit our most vulnerable communities and highest risk areas. I support the city's plan to study this issue and the policy options created by the legislature to incentivize the cleanup of these areas and it should be noted that local jurisdictions do have control over the program specifics. So you can choose to require public health and community based benefits such as affordable housing requirements, mwesb contracting and clean fuels contracting for cleanup activities and I encourage you to do so. Remediation and meaningful development will help bring brownfield sites back into productive use and back on the tax rolls. The cleanup of these sites will also remove environmental threats and help improve our built environment particularly for our most at risk communities. I strongly support your efforts to further study and craft effective and equitable policies and look forward to working with you on this issue. Thank you for the opportunity to testify here today and for your focus on such an important issue for our community.

Fish: Commissioner thank you for your outstanding testimony. Next up is metro councilor Sam chase. Sam is too modest to mention this so I will. In a prior life, Sam was the architect of what later became known as the 30% set-aside, which mandates that 30% now more thanks to some changes we adopted the last two years, a minimum 30% of urban renewal funds go to affordable housing. A little known fact, there was actually some push-back in city hall when he came and lobbied for that but he persevered an we're still in a housing crisis but I can't imagine where we would be today if we didn't have that tool all these many years to invest in affordable housing, so thank you, Sam and welcome to city hall.

Sam Chase: Thank you. I thought you might say I was too modest to mention I was a former chief of staff for a city commissioner here. [laughter]

Fish: I wasn't going to mention that because you took it off your resume because you've reached greater heights. [laughter]

Chase: Thank you again, Sam chase, metro council. My district is roughly downtown Portland, northwest, northeast, north Portland and a little bit of Washington county. You know, there's an old adage that it's all been said but not everybody has said it, so I will simply echo the really articulate comments that have already been made around that brownfields program. I will say this as a metro councilor I'm focused on how our region is growing and developing. We are doing very well, and we have a lot to worry about but we're doing very well we have a resilient economy, strong economy. We have a quality of life that people around the world want to be part of and we also have a lot of people who

July 19-20, 2017

don't have access to that quality of life and don't have access to that job to those jobs and I think that is our biggest challenge is to make sure that everybody has the opportunity to succeed in our region and you often hear me really focused on affordable housing and equitable jobs and jobs for under-served communities. Brownfields are a part of that equation because that is something that we have left in the hands of lower income communities and we have not taken care of, we have not done our job on cleaning up those brownfields and making those really fabulous places to serve our community. So I thank you so much for taking this on and tackling this issue. I think it's another show of your commitment to us growing as a responsible region that is still far from successful and serving all of our residents but striving to find those ways to help everyone succeed in. I will add, one our small piece that I have really observed about brownfields and around the industrial land component, I look a lot of the assessments around industrial land needs, regional, and we have some land available in the outer areas of our region and we have some modest amount of land here in the inner areas of our region far and away when businesses are looking to locate here when they are looking to grow here, far and away they want to live close they want to be located close in the quality of life that we can offer in our inner urban areas is a huge driver. So when we clean up brownfields, when we create those industrial areas that are available along the Willamette river and in our communities, that really helps drive our job growth as well.

Fish: I have a question for you or any of the panelists. That is when I met with Jenn to go over this presentation and we looked at the composition of the Oregon brownfields coalition that metro led, it's a remarkably diverse group of stakeholders. There have been real serious fault lines among some of the stakeholders. There's been big battles statewide among some of the participants, yet somehow this coalition came together around this idea and then ultimately it got unanimous support in the legislature which doesn't happen all the time. What was the dynamic that was different here that you think led to that kind of consensus?

Chase: Well, I'm going to hand that one over to the folks that were down in the legislature engaging with that, but I will say, I can't speak to others' interests, I think people have different interests, but I think that the folks who have the kinds of interests that are here at the table are sometimes the folks that are skeptical about looking at tax incentives and really do a lot of due diligence. I think once you look at the numbers, once you really do the evaluation, you realize this is the kind of strategy we have to have in place to once and for all get this done. That's what I would add. I would turn it over to our legislators and former legislators.

Frederick: Thank you. I guess I go a little philosophical on this. There's no power dynamic here. This is something that all Oregonians can understand and they are affected by it. As I mentioned some of the legislators that were involved once we showed them that they had 150 brownfields in their district and they could identify several of them right away they wanted to get something done there too, whether that was a farm implement supply dealer in burns or someone who was somewhere down in coos bay, they understood that they could see that right away so there was no power dynamic here. This was simply let's see what we can do to get something going for Oregon and every district has a concern about jobs, about the use of untapped resources as I said before, so there was pretty straightforward. There wasn't a lot to do except there were people suspicious of other people, which is what always happens, but that we even broke through because everyone understood this is something everyone could be part of.

Vega-Pederson: I have to again commend my former colleagues. The reason that people knew that they may have had 155 brownfield sites is that every single legislator in the building got a map of the district they represented with all of the different brownfield

July 19-20, 2017

locations. So you could see in black and white right in front of you what the impact was for your community and the people you were representing and that was something we received from his office. That was a very powerful tool in making that connection, bringing it down to a personal level and making people realize it's not a Portland problem, it's an Oregon problem that we need to impact.

Fish: That's great and it's very inspiring. I would like to acknowledge while you're here that we did get a letter from the port, from Curtis robin holt, never heard of him, a letter in strong support of what we're doing, Emeril bogue is here. Thank you for arranging this letter. That will be made part of the record. Questions, colleagues?

Eudaly: Well, thanks to the panelists and for the presentation. I'm really excited about this. I had heard tale of these 900 acres and I'm excited to see the map of Portland for sure. My biggest question is do we yet have a sense of what percentage of these brownfields may be appropriate for housing development? Of course that's my priority.

Frederick: I don't have those numbers because I have been dealing with it in a different way but I wouldn't be surprised if someone hasn't mapped out at least a few things. To some extent be careful what you wish for. The brownfield that I mentioned that prompted my thing ended up being housing development of high end housing and it was also supposed to be taller than it is now. It created its own set of problems, but there are a lot of places like that scattered throughout the neighborhood and throughout the community.

Vega-Pederson: I think, I don't know if someone else can answer that question one of the things I like is there's incentive for doing affordable housing development with these properties. Again, we want to incent good behavior on that. I'm hopeful we'll see a lot of good development coming out of this.

Eudaly: I did see the incentives for affordable housing development don't differ between using mwesb and not using because the cap is at 100% of the cost. In the info graphic that's what it looked like.

Frederick: You know, there are some interesting things and that's part of the whole study thing. We need to look at, that see what sort of impact that does have. I hope that's the plan.

Eudaly: I see someone back there that has something to say about that. You would have to come to the mike.

Fish: Thank you for our panel.

Bildersee: What the info graphic showed is that for each category of the five, you would receive an additional 25%. If for example it was affordable housing development that also used equitable contracting that would receive both additional 25%. It's just if you hit more than two categories, if you use equitable contracting and affordable housing and you're in the high poverty area as we define that you would still cap out at 100%. The recommendation was that and the state legislation was that no one should receive more than 100% of what they actually spend on the cleanup.

Fish: We'll have chance as a council to further discuss that when the recommendations come back, correct?

Bildersee: Yes. Tyler bump from the bureau of planning and sustainability is here and can speak about the acreage for housing.

Tyler Bump, Bureau of Planning and Sustainability: Of the 910 brown acre brownfields in the city, about 35% is in areas zoned for multi-family or mixed use development so a significant amount of land that could be developed for housing of course that depends on the location whether or not it's appropriate for that level of housing or density of housing. What we have done with the map itself is we have a map that's very accessible that we developed at the bureau of planning and sustainability that's on Portland maps. If you go to Portlandmaps.com/bps/brownfields there's an interactive map where you can see where

July 19-20, 2017

all the sites are and click and see the deq site information that links to the property tax assessment website as well.

Eudaly: Great. Thank you. Karla, do we have any public testimony?

Moore-Love: No one else signed up.

Eudaly: Great. So this is a first reading.

Fish: Resolution.

Eudaly: Right. Last time -- we move it, right?

Fish: No, we get to vote.

Eudaly: Okay. I'm glad you find me so amusing, nick. All right. So Karla, will you please call the roll?

Saltzman: Well, thank you commissioner Fish for bringing this forward to senator Frederick, metro commissioner Sam chase, commissioner Vega-Pederson and all the other parties port of Portland, everybody that helped bring this to reality. Looks like a great tool to deal with a very thorny issue that has so far not been subject to very elegant solutions. I hope this is one of them that will really put a lot of this property into productive use, particularly in our more distressed areas of our city. I'm very hopeful this will work. The art of the deal still needs to be crafted here in terms of what we will do locally, but thanks to the state for giving us this tool to do something locally. Aye.

Fish: I just want to make one comment about president Eudaly and her stewardship of our meetings. She is a no nonsense council presiding officer we got done today before 11:00 this morning. This hearing has gone off flawlessly. When the mayor comes back there may be a council coup to keep the gavel in you know who's hands. Thank you for your excellent stewardship of our meetings. This is a very proud day. I don't want to repeat all the thank yous but I will. I want to thank all the bureaus that have been involved. Prosper Portland, bureau of planning and sustainability, and of course the bureau that I have the great honor of leading, bureau of environmental services and Jenn bildersee, thank you for your great work and ongoing leadership on this. Kimberly Branam, Andy Reed, thank you. The port, Emeril bogue, our partners, thank you. To the three elected officials who came today, senator Frederick, we can't thank you enough. I'm glad that you invoked Sue's name. It's appropriate in this setting because she was your key partner in getting this done we are thankful to her for her service. To Sam chase, I'm glad to see that your experience in city hall did not hold you back and that you have gone on to -- Sam was once at public gathering explaining how local government works because it's very confusing. He said here's the shorthand. If you just think about it hierarchically there's metro, the county and the city. [laughter] apparently that's the view from metro. I don't know whether that's true or not but I appreciate -- I appreciate the moxie. Commissioner Jessica Vega-Pederson, it's our great good fortune that you have migrated from the state legislature to the county commission. We thank you for your partnership and look forward to implementing this with your full partnership. I think we should do a shout-out, Sam, to all the organizations that participated in the metro led Oregon brownfields coalition. It's not the case if you put all these kinds of diverse groups together you always get to an outcome. In fact I fear increasingly we're getting good at getting to know in some of our big public policy debates. This is a conspicuous success and so we thank all the folks who took time to get it right. Within the next year we'll have a new tool it's been made clear to us that this tool alone will not leverage all that we need to do so we'll be looking for others tools. One thing I like about this tool is there's always been skepticism about tax abatements and incentives. People wonder does it really meet the test of but for this expenditure, this foregone revenue, something that otherwise wouldn't happen happens. Some of our programs frankly it's getting harder to make the case but for it's an incentive but may not be the critical reason why something happened. We know but for the kind of incentive folks are

July 19-20, 2017

not going to develop the land. You can sit unproductive generating very little or we can make this investment out of the increased value of the land and give a little bit back in order to create incentive to me that's very smart public policy. Thank you to everyone who has brought us to this moment and I'm very proud to vote aye.

Eudaly: Thank you, everyone, for being here and for bearing with me. I'm so excited about this as an advocate for affordable housing because what we hear over and over again from developers is that land is too expensive and there's nowhere to build and when I mention this 900 acres to a certain renowned developer in town, his eyes lit up like it was Christmas. I'm going to be especially interested in how we can most strongly incentivize affordable housing and it seems clear to me that the benefit is doing this versus cost of doing nothing is going to be a huge win for the city and for the region. So thanks for all your hard work.

Fish: Madam president before you gavel us to the end of the meeting, I committed a faux pas. I did not acknowledge Amira Streeter who is in charge of community development in my office and Todd Lofgren who is the liaison to the bes and thanks to both of them for your great work. Thank you.

Eudaly: Are you done?

Fish: Yes.

Eudaly: Aye. The resolution is passed and the meeting is adjourned. Thank you.

At 2:44 p.m. council recessed.

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

Key: *** means unidentified speaker.**

July 20, 2017 2:00 PM

Wheeler: Alright good afternoon everybody this is the Thursday, July 20 afternoon session of the Portland city council. Karla, please call the roll.

[roll call taken]

Wheeler: Good afternoon. The purpose of council meetings is to do the city's business including hearing from the community on issues of concern. In order for us to hear from everyone and give due consideration to the issues before the council we must endeavor to preserve the order and decorum of these meetings. To make sure that process is crystal clear we want to review some of the basic guidelines which we hope will help everybody be in a position where they feel comfortable, heard and respected and safe at the meeting as well as to ensure decorum is maintained. Thank you. There are two opportunities for public participation. Actually this meeting the opportunities include public testimony for the first reading of reports, resolutions and ordinances. If you sign up for testimony your testimony must be relevant to the matter being considered at the time. Please state your name for the record. We don't need your address. If you're a lobbyist we require you disclose that and if you're representing an organization it's helpful if you identify the organization you're representing. Individuals have three minutes to testify unless otherwise stated. Sometimes we have lots and lots of people signed up and we have to shorten it a bit. When you have 30 seconds left the yellow light lights up. When you have no time left the red light will light up and you'll hear beeps. Conduct that disrupts the meeting, shouting or interrupting testimony or council deliberations is not allowed. People who disrupt the meeting face ejection from the meeting. If there's a disruption I'll issue a warning that if any further disruption occurs you'll be subject to arrest for trespass. If folks would like to show your support simple thumbs up, if not, thumbs down is good. With that we'll get to the first item. I would like to request Karla that we pull item 828. Is there any other item pulled from the agenda?

Moore-Love: I have had no other requests.

Wheeler: Please call the roll on the remainder of the consent agenda. We need commissioner Saltzman. Why don't we go to item 828, please?

Item 828.

Wheeler: Elizabeth, would you mind coming forward to talk to us a bit about item 828? The reason I'm pulling this first of all I think that squire Patton Boggs has done an outstanding job of representing this city's interests at the federal level. I'm very satisfied with their work and my personal preference would be to continue the contract. This is an extension of the contract we're planning on doing a full rfp, is my understanding, but we want to extend this contract during the time which we conduct the full request for proposals to continue our lobbying efforts in d.c. My question is one that either has been raised or will be raised so I would rather be the one raising it rather than have it be in a newspaper and raised somewhere else. One of their clients is the government of Sudan. Why?

Elizabeth Edwards, Interim Director, Office of Government Relations: For the record, Elizabeth Edwards, interim director of the office of government relations. Mr. Mayor, city commissioners, as you stated our contract is with squire Patton Boggs since June they

July 19-20, 2017

have had a contract with the government of Sudan under the Obama administration sanctions were beginning to be lifted. Part of that process is quite lengthy, so that government enlisted the help of squire Patton Boggs in making sure that they are abiding by the law taking the appropriate steps to move through that process. Which also includes tracking u.s. Currency it helps with fighting terrorism and some other efforts that are under way. It was at the part of the lifting of the sanctions involved former secretary of state Kerry and former president carter.

Wheeler: So just to be clear, for the record, the reason that Sudan is on their list of clients is not that they support the policies and programs of the Sudanese government, which I most certainly do not support. It is to bring them into compliance with the requirement of the united states and other governments around the world that they come into compliance on issues related to human rights and other issues. Is that a fair restatement of their role in this contract?

Edwards: Yes, Mr. Mayor. Much more eloquently stated.

Wheeler: I appreciate that. Colleagues, any further questions or comments on that point? Very good. Is there any public test mope on this item? Come on up, Mr. Walsh. Is there anyone else who wanted to testify? Seeing none we'll close the list.

Joe Walsh: I'm joe Walsh I represent individuals for justice. Just an observation, I was not going to pull this one, however, the question comes up that if you're going to spend money lobbying the federal government, if that's my understanding of what this is, just on what you have here on the agenda, because I haven't done any research on this at all, but the question went through my mind if you're going to spend money to lobby the federal government, why don't you just give it to me? Because it's totally wasted. The man we have in the white house is crazy you are not going to get anything out of this federal government. You're not going to get anything from the department of justice. You're not going to get anything from osha. You're not going to get anything from any other department. I mean for god sake, sessions and trump are fighting. How bad can it get? Save your money. Save your money for three years.

Fish: Joe, what's your hourly rate? [laughter]

Walsh: I keep trying to get you to give me a raise. [laughter] it's zero. No matter how you multiply it, it's zero. I do this because I care, believe it or not. I don't get paid for this, but that's a thought that went across my mind. If you are going to do lobbying, all I'm asking you is watch what happens. It's like me lobbying you. Nothing. [laughter] nothing happens. You know? Because the people that you are going to lobby are going to have the same attitude as this council has. Very arrogant. You know more than everybody else. They know more than you do so your money is going to go down the tubes. I'm just asking you if you're going to spend a lot of money on lobbying, watch what happens. Maybe down the line, six months, you'll say this is crazy. Let's pull this money back cause these people are all nuts and we're not going to get anything. We're not going to get any social programs they are coming after us on a number of items. Just went through my mind when I read it I said, why would we lobby trump? There is no department in the federal bureaucracy anymore. It's all trump. It's what he wants and he's crazy. Fancy words I could use, paranoid, all that. No, he's crazy. Absolutely crazy. Save your money. All the money. Save all the money.

Wheeler: Thank you. This is a nonemergency first reading it moves to second reading unless my colleagues have any other questions. Lobbying is two-way. Not only lobbying Washington d.c. For what we want from them, it's also an opportunity to collect information about what is going on in Washington that could impact the city of Portland. This moves to second reading.

Moore-Love: I think this is being referred back to your office. It's not coming back.

July 19-20, 2017

Wheeler: If you would like to have further conversation about it or we can move it to second reading. My question has been answered.

*****: Second reading.

Wheeler: Which is what I have done. Thank you. Please call the roll on the remainder of the consent agenda.

Saltzman: Aye. **Eudaly:** Aye. **Fish:** Aye.

Wheeler: Aye. The consent agenda is adopted next item, please.

Item 838.

Wheeler: Very good. Thank you and colleagues, I have a number of questions even though I am bringing this. I know some of the answers to some of these questions. I do not know all the answers to all of the questions. And conceptually I think this is a very good idea. This policy has not been updated in many years and I think it's appropriate for us to review this policy and to update it. Second of all, as many of you know, a great amount of council time is taken up with these contracts and it's been my observation in seven months of serving as the mayor that lots come to the council and very few are actually pulled and/or amended. But I would like to have an opportunity just to ask my questions first and that might spur further conversation or further questions as we discuss this. First of all, could you tell me the number of contracts that came to the council in the last year or so between that 100 and 500,000 level?

Ken Rust, Director, Bureau of Revenue and Financial Services: Mayor wheeler, I'm Ken Rust, city's chief financial officer and director of the bureau of revenue and financial services. This is Larry Pelatt, interim chief procurement officer. I think he has that information and I'll have him answer that for you.

Larry Pelatt, Procurement Services: Thank you, ken. Good afternoon. I have a whole list of talking points and you're cutting in the middle. I might have to --

Wheeler: Go through your talking points and if you don't answer all the questions then I'll ask them then. If you have talking points let's hear them.

Pelatt: Thank you. So in the last three fiscal years, this is tied to the contracting levels, the pte group, professional services group, averaged 310 contracts a year. They spend on average for the three is \$30 million. The average contract value was \$113,964. Specific, this is the last 18 months they have done 588 contracts. The total spend is \$88 million. The average contract value has moved up to \$149,000. So it's an average al wan increase from 310 contracts to 392, if you took this annualized, and the contract value increase is \$35,000, which is significant when you start at 113. So where we're at is 21 of the contracts exceeded \$500,000. You would have seen those anyway. You have 116 contracts that came in over 100. You have 95 contracts between that 100 and 500,000 on the pte side. That would be that 95 contracts that would not actually come here for you to spend your time working on.

Wheeler: How many of those contracts were denied or amended?

Pelatt: Dollar value, none.

Wheeler: Zero.

Pelatt: Yes. There have been some minor questions or commissioner Fish likes to make a friendly amendment to adjust something in terms of a time frame or something like that, always appreciated, but as far as dollar value, nothing.

Wheeler: If I'm sitting out there hearing this, okay, great, council didn't do anything. What about transparency?

Pelatt: This is really not so much an issue tied to transparency as it is about workload and efficiency. Transparency, you generally largely comes -- take bes for example. They tell you they are going to spend \$20 million on sewer rehab this year. That's defined, it's there, the dollars are there, approved, not approved, changed, but that's approved. When we

July 19-20, 2017

bring contracts before you, that's not changing the \$20 million. That's not new money, a different allocation, that's money you've said yes, we're going to spend it on this type of work. All these contracts are just identifying the specific areas in which we're actually going to do the work. So the transparency is already in place. On the pte side, when the contracts come back, I guess I looked at it differently. On the 100 to 500,000 dollar contracts, those are almost exclusively tied to the sort of routine kind of a and e architectural type of services. If you use allege 8% calculator, roughly the fees for a project, at \$200,000 that project will be a \$4 million project when the construction project is actually identified that's going to come back here anyway. So you see it on the front end on the budget on what's done relative to how much did we actually agree we're going to spend. You see it again on the other side when the \$4 million project comes back and they say this neighborhood or this area is where we're going to spend this \$4 million.

Wheeler: The contract itself has not been approved but the expenditure has been approved through the process.

Pelatt: Yes, sir.

Wheeler: How did you pick -- you made a pretty good case, maybe not directly but you made a case for the \$100,000 threshold. You talked about the 119,000, the average 149,000. So I get the 100,000 threshold. Tell me more about the 500,000 threshold on the other side. How did you pick that number?

Pelatt: Actually that comes to -- it's a lot of research. Looking at other sort of similarly sized jurisdictions, nothing relatively close by except for Seattle. I looked at Salt Lake City, at Denver. I looked at Atlanta. That didn't tell me much of anything. I looked at Chicago and then we looked around similar size even though these are all similar size cities. That's pretty low end, very typically contracts over \$1 million come before some kind of a legislative body. Contracts up to \$1 million. This is -- we could pile on a bunch of research but this is pretty rule of thumb is that contracts up to \$1 million get approved through whatever the contracting office is. A lot of these agencies use decentralized process. The environmental service type people, water people do their own contracts. Transportation does their own, that kind of thing. Those are approved inside that agency. They never see the light of -- this is bad term. Never see the light of day in terms of in front of a legislative body and we're not looking at that. We're looking at \$500,000 as the very low end saying, okay, this is something we're routinely doing anyway. There's a lot of stuff that comes here that not much happens.

Wheeler: So you have built an opt-out for the council, effectively a pilot project.

Pelatt: Yes, sir.

Wheeler: At the end the council gets to decide whether this has been a good or bad exercise, the public gets to decide whether or not the transparency requirements were met or not met. When I think of a pilot project I think of six months or a year. I note that this pilot project is a year and a half. Why the long timeline or in my opinion relatively long for a pilot.

Pelatt: The time frame we looked at because if we enact it now we basically have if we go through the end of this calendar year, six-month time frame, we won't have enough time to develop a really good, solid data driven report for you. If we make it a one-year pilot that means it ends essentially middle of our contract heavy contracting season next year, which is going to be pretty problematic for a lot of bureaus. They planned on doing things a certain way. They get to June 30 and they have to switch back to the old --

Wheeler: I'm sorry, what's the season?

Pelatt: That would be basically for lack of better term April 1 to about the middle to late october. That's when the big construction projects are winding up.

July 19-20, 2017

Wheeler: Gives you effectively six months after the completion or five months after completion of the season to compile data, put together a report, come back to the public and to council.

Pelatt: Right. We would have a good, solid, data driven report to give you.

Saltzman: Does this proposed ordinance encompass contract extensions or changes of scope to contracts? Current contracts?

Pelatt: Those would follow the rules that they follow now. That piece of the rule would not change. It's difficult to amend a contract to add scope without it coming back to council generally speaking when you add significant scope to a project you go above the 25% threshold which automatically comes back to council. So that piece is not changing.

Fish: I have a couple of questions. The mayor's first question dealt with transparency. Under our current system, some of these routine contracts that we process show up on the consent agenda. We adopt them, but there's a place where people can go to find them. If we agree with your recommendation here, is there some place on the website or through your website or some other place where people can go to find contracts subject to this pilot that have not come to council but that have been signed off by a bureau director?

Pelatt: No, I understand. I guess I'm trying to think of a cogent answer from the standpoint all contracts are available.

Fish: I understand.

Pelatt: We aren't changing the solicitation piece so our electronic procurement system still records all of that.

Fish: Under our current system these contracts show up on the regular agenda or consent agenda. You can go to the auditor's office website, find the item, click on, again the material and it's readily accessible.

Pelatt: Right.

Fish: If in the name of efficiency and updating our process we accept your recommendation I still think there needs to be a centralized place to find this otherwise we require people to jump through a lot of hoops to find information and that seems to me different than the efficiency argument you raised in terms of how we use our time.

Rust: I think it's an interesting question. Want to remind council that for now we have signature authority at a lower level so there are already a number of contracts that don't come to council at all that are subject to the same if you think it's difficult to get information it's no different than what we're proposing, just a larger limit. I understand your point. We have a bit of that already. After the fact some reporting tools, vendor payment check book we created a couple of years ago that gives any individual the opportunity to go online to our website and pull down information about vendors receiving payments in the city almost real time monthly updated status. It's not linked to contracts specifically but there's a lot more vendor information present than even a couple of years ago on the city website in terms of who we're spending our money with.

Fish: Fair enough. Couple other questions. One of the issues that we often do focus on when contracts come to council is the equitable contracting numbers.

Pelatt: Yes, sir.

Fish: So the issues that come to us, sometimes we're told there's a challenge. Sometimes we look at the equitable contracting number. Sometimes we look to see whether the bid came below the good faith -- the engineer's estimate, things of that nature. My sense is that the council has spent a lot of time the last years looking at the numbers in terms of equitable contracting. If we follow your recommendation, who is tracking that information?

Pelatt: That information is developed by procurement services. Now. There's not anyone out there who fights harder for more participation than procurement services.

July 19-20, 2017

Fish: I'm not suggesting that you don't. I'm saying that my experience is that's an area that my colleagues tend to focus at. Have we reached our aspirational goal, have we done better. Sometimes when we chronically don't reach certain goals we have questions about what are the barriers. Other times when we're well above our goals we celebrate that fact and ask what was different so that that has been a valuable part of our contract review process. If we accept your recommendation what happens to that piece of oversight?

Pelatt: Nothing happens to the piece of oversight from the procurement services type of thing. From the council perspective, individually commissioners could ask their bureaus to forward them the same information that's still there. Still available. So individual commissioners could ask individual bureaus specifically to a particular project or type of information if you want to know, okay, at our a and e contracts where is our participation level in for example environmental levels.

Fish: We could spend all day on this question. Have you reviewed this proposal with Dante James, office of equity?

Pelatt: Yes.

Fish: What was his position?

Pelatt: He was supportive.

Fish: Why does this have an emergency clause on it?

Pelatt: From the legislative aspect there's only two ways, regular agenda and emergency. It would be nice if there was something in the middle that didn't imply risk of life and loss of limb and all that.

Fish: If we drop the emergency clause for whatever reason that doesn't put you in any bind today, does it?

Pelatt: A bind, no. It simply restricts the bureau's ability to make use of this. This is an efficiency things. It restricts the bureaus from using it for another six weeks.

Fish: Ken let me just ask my last question to you. So a number of years ago the city's utilities adopted a policy that any contract that was valued at a half million dollars or more would be put on the regular agenda. In fact the net effect of that is we have a lot more stuff on the regular agenda and occasionally I have heard from colleagues saying we may be overdoing it. What it ensures is a higher level of transparency on contracts with utilities. How does this proposal change that practice?

Rust: Clearly if it's approved we'll have a different level of contracts coming to you, so whether they are on consent or otherwise, it could affect the number that you would see. I think a little consent on this is important as well. We're bringing this action to you not because we're trying to hide anything. That's clearly not the case. We're getting a lot of concern from bureaus about getting projects out the door. We're a central service provider. We have a lot of work, over the last several years there's been an explosion in funding resources for bureaus and they want to get projects out the door. The community wants to see those projects built. Bes, water is spending more money, a housing program is ramping up. Pbot has more money. Parks has a g-o bond measure. We're under a lot of pressure from our customer bureaus to find ways to do our work more efficiently. This was one of the ideas that we have been looking at that could expedite the time it takes to get projects out the door. It comes with some potential tradeoffs. It means that fewer items will come to council. Does that mean they won't be looked at? I don't believe that's the case. We have talked about the authority for those projects still will be the same. We still have a lot of review by budget advisory committees, by bureaus themselves. Processes approved by council in terms of the way we contract for, bid for projects. All that is unchanged. We're trying to find some balance between the volume of activity that we're having, the time it takes to process that activity, being able to get projects built and out the door and serving the citizens and making our bureau customers happier. I think if you were to ask bureau

July 19-20, 2017

customers whether they are supportive they would say yes, we think this is a common sense change that if structured and executed correctly will be beneficial to us. That's why we proposed a pilot period of time to find out are there things that we're missing that could be improved upon. Are there some reporting things that could be developed that would make people more comfortable about that. But really it was in response to a lot of demand and concern about how do we get projects done more efficiently. What we're trying to do is balance multiple competing ideas here. We think this is a reasonable way to do that. We appreciate the concerns that have been voiced. We have those concerns as well but we think that a period of time to try this out and see how it works makes sense given the volume of activity we have now and the expectation that that volume will stay at a high level for an extended period of time.

Fish: Final question. I see that in the ordinance the thresholds are a half million dollars for professional, technical and expert service contracts and \$1 million for goods and services contract.

Pelatt: Yes, sir.

Fish: The example of the utilities bringing things on the regular agenda, if this is limited to under \$500,000 for pte contracts then most of the contracts that I referenced with respect to utilities would still come to council.

Pelatt: They would.

Fish: So the other question I have is it's written in terms of the chief procurement officer may execute these contracts. To what extent does your action executing them require some kind of approval or sign-off by the bureau director?

Pelatt: The bureau directors have their own internal processes by which before the contract shows up in procurement services to be signed, so different bureaus have different processes, different approval levels on when it finally comes to the chief procurement officer for signature but by the time it gets to the chief procurement officer the bureau has approved the contract. They have approved it being submitted because when the chief procurement officer signs it it's an executed contract and it's good. You can go start work.

Fish: At that point depending how the commissioner charge structures his or her bureau this could be a contract that's been signed off on by the director and by the commissioner in charge.

Pelatt: Yes, sir.

Fish: That is another level of accountability before it goes to the chief procurement officer.

Pelatt: That would be individual by commissioner and by bureau how they choose to address them, yes.

Fish: Under this pilot therefore nothing would prevent a commissioner from at that point saying, no on this contract I would like it to go to council.

Pelatt: Absolutely. A commissioner could absolutely do that.

Fish: Okay. Thank you.

Saltzman: I just want to return to contract extensions and changes in scope. So if I understand under this new rule if there was a contract a professional services contract for \$450,000, and there was a change of scope or some reason to lead to compensation to exceed 25% of that, that would come back to council?

Pelatt: That comes back to council. That is correct practice and that does not change. It would still come back.

Saltzman: I guess I'm prepared to support this pilot but I have found over the years that I think a lot of particularly consultants, not so much true in the goods and services, but consultants fear when the commissioner charge says, gee, I have to take this to council.

July 19-20, 2017

That scares them and they usually come in at a price that avoids that threshold. I want to just register that concern. I'll be looking at that.

Pelatt: Good. I truly hope you do because I think that's an effective tool.

Saltzman: I do too. Yes.

Fish: May I make two comments? Number one you asked about the duration of the pilot. I share your concern on that. I wonder my first question is whether you believe this should be a shorter period. Second, I want to be very clear I'm prepared to support this as well but I would like to either have this baked into what we're doing or made clear to the bureaus that the accountability piece initially rests with the commissioner in charge and the director to sign off on these contracts and then forward them to the chief procurement officer for signature. At least with my bureaus, I intend to have that step as an accountability piece within the bureaus. I don't know whether that has to be requested specifically or whether that's just an existing practice.

Pelatt: That would be policy within the bureau and the structure you set up within the bureau.

Fish: That would have to be clarified that procurement services cannot execute a contract unless you get two-signature authority.

Pelatt: If you wished within your bureau and if you communicated to us it would be very helpful if you want to see -- still want to see construction contracts between 500 thousand dollars and 1 million and you want a check-off sheet, tell us so we would make very certain that okay, when a bes contract or a water contract comes through if the commissioner's box isn't checked we're not going to sign it. We'll send it back to the bureau and say there's a box you missed. We can do that.

Wheeler: In response to your question to me, commissioner Fish, I think it's a misnomer to call it a pilot project. This is a policy change with a sunset but makes perfect sense given the life cycle of the contract as you described earlier. Is there any public testimony on this item?

Moore-Love: Yes, we have three people signed up. Craig Rogers, Joe Walsh, and Floy Jones.

Wheeler: Is there anyone else who would like to testify? The list is closed.

Craig Rogers: Good afternoon. I'm Craig Rogers. Let's talk animals. This is kind of an example of the fox guarding the hen house or the camel getting its nose under the tent. When I hear the phrase data driven, my caution flag goes up. If you yourself said, ted, don't trust the numbers. Remember on the emergency with the data. I would like to hear more of your thoughts on that because it probably comes from your experience. Don't trust the numbers. So during the street fee near the end of its life here before it went down to Salem, the city had hired a consultant who had prior experience as an employee of the city, and they needed to reinstate the contract for a sum of \$35,000. Citizens of the city whose money this is then had an opportunity to voice their opinion and I think that's a very important right. It's called the first amendment. So I think it's important to remind you that when standards fall, trust is right behind. Over a period of four years, this city report card, these are historic lows, and I know how they got that low. In fact they are kind of so low you almost need another piece of paper to show how low they are. I think trust should be a priority. I think communication is foundation of all good relationships. Quite frankly, it's really hard often to get through and we had a member of council say, well, I think staff would be delighted to communicate with you but that's not the fact. We have had a lot of people, we have both been present when they come up for their three minutes and tell you they tried to talk to staff and couldn't get through to them. So I said before here I'm watching the death of democracy at the level of Portland city council and this is what I'm seeing right now if you take our voice away on this but then again compromise is a

July 19-20, 2017

wonderful thing. What's the data if it's to drop down to 100 grand, 150, what are the numbers there? Something to consider. Then in this report here from osberg, they gave you a d-minus for transparency in city spending. I tend to walk on the sunny side of the street. I can give you an f-plus.

Fish: In fairness to the mayor I think he had another job when that report card came out. I don't think it's been updated in the last six months.

Wheeler: There is a tradeoff and in the light of day the bureau directors have been very explicit about what the tradeoff is. There still is the budget process and in my view it's as transparent as a public budget process can be. It's probably improvements that can be made but on the whole having looked at the county, the state, now having the opportunity to evaluate the city things are actually very good. Not to say there are not improvements to be made but the tradeoff specifically calling out today is bringing back hundreds of contracts to the city council and over the past year the number that were amended or rejected was zero, against the withering pressure for us to be faster to address the issues of the city. If you picked up your newspapers today you will see i'm being excoriated broadly for being too slow to respond to the housing crisis. This is exactly the kind of policy change that can help make it efficient and speed things up. So there are tradeoffs but in this case personally I think it's a good one. I think it's a risk. There's always risk associated with any policy change but on balance I think it's a solid move in the right direction personally. That's just me. Mr. Walsh? Good afternoon.

Joe Walsh: My name is joe Walsh. I represent individuals for justice. I would ask you for your patience if I go over a little bit. I don't feel well and I'm struggling with some words. You're talking about 95 contracts in 17 months. That's what they are talking about. If you do the math. I round everything off. It's about one contract a meeting. A week. Why that is so much to ask you? There's not a lot of contracts involved in this. It's tens of millions of dollars that you're going to give away to an administrator. The people of Portland voted you into office to take care of our money. Everything I heard here today presented by the people that gave you the information was all about efficiency. Well, there's a guard outside this building. Let's let him sign off on it. That's efficient. They wouldn't even have to bother coming into the building. Just have the guard say, yeah, okay, here's 10 million. Go do it. That's efficiency. That's not what you're charged with. You are -- your charge was representing the people's money. That's what your charge is. And you're giving it away for efficiency. I understand you were a treasurer. It's all about efficiency. Here it's about I want you to take care of my money. You know? I want to get up in the morning and say, mayor wheeler cares about how he spends money. You were just told by a judge, \$17 million you got to find someplace to give back to the general fund. So with all your stuff that's in place right now that we're asking you not to change, you're on the hook for \$17 million. Where are you going to get that? We're asking you to not change it or at least do some amendments on this. Shut down maybe cut it in half. Maybe instead of going from 500,000 go to 7500 or 75,000 or 750,000. Whatever the number is, don't jump from 500,000 to \$1 million. Why are you doing that? You guys have a terrible reputation. Why are you doing this? This just adds to it. That's what we get so frustrated. We walk out of the building and say, god, why did they do that? You know? It's not going to be on me. It's going to be on you. You know? All of you. Makes no difference to me. I'm not going to be here when this stuff hits the fan. But you got a lot of bills coming up. Don't give away your power.

Wheeler: Just to be clear, we're not.

Walsh: Yes, you are. It's arbitrary.

Wheeler: It's not arbitrary.

Walsh: I'm going to say to that --

Wheeler: Do you want me to respond to your comment?

July 19-20, 2017

Walsh: But tell the truth.

Wheeler: I will tell the truth. We have people in our city infrastructure, bureau directors, deputies, professionals, all of them go through and vet this entire process then we as commissioners in charge of whichever bureaus we're in charge of are then also responsible for the outcomes of those contracts. Then with the parameters that we have just put into place, certain contracts either do automatically come back to the council or by the request of any one of the five of us up here any contract can come before the council and what we are balancing here, we're not just saying, go have a party, sign any contract you want. We are simply setting standards for which contracts come back to the council for full council approval. And as you heard there are multiple --

Walsh: Wonderful scenario except one piece is missing. It is not mandated that the bureau heads which you are the bureau heads, are mandated to do that. It's an option and a bureau head can do it any way they want because the way --

Wheeler: I fundamentally disagree with that.

Walsh: Read the ordinance. If I'm wrong, put in the ordinance that bureau heads will review these contracts.

Wheeler: They do.

Walsh: We want to hold you responsible, not some administrator.

Wheeler: They sign them and we sign them and we are held accountable.

Walsh: It's not in there.

Wheeler: That's the way the contracts work, joe. That's how they work. Good afternoon.

Walsh: Oh, yeah, see, now you -- go zoom.

Wheeler: How did I go zoom?

Walsh: It has to be in there by law. You cannot say to me because if a contract gets to the city and this administrator signs off on a \$1 million contract, you may never see it. That's what I'm saying.

Wheeler: We'll see who is right. Let's see how it shakes out. You had your piece. I had mine responding to you.

Walsh: That's what's wrong with this council. You don't listen at all.

Wheeler: You're confusing listening with agreeing with you and respectfully, sir, I disagree with you.

Walsh: Commissioner Fish and I disagree all the time.

Wheeler: Let's hear what she has to say. Thank you. Good afternoon.

Floy Jones: Good afternoon, mayor, commissioners. I'm floy jones with friends of the reservoirs. For the benefit of commissioner Chloe, who I have not had an opportunity to speak with we have been working on water bureau issues for 16 years. Personally I have at least 16,000 hours related to water bureau issues over all these years. It would take the full three minutes for me to go through all the background but I served on the budget committee for multiple years, attended all budget hearings for at least seven, maybe eight years.

Wheeler: Thank you.

Jones: As background. The reason I'm here is to talk about this procurement change and we do have the transparency concerns and it sounds to me as if there are water bureau contracts ready to go and that's why the emergency clause. I'll give you an example from -- I don't know the year. The water bureau brought a CH2M Hill service contract, a flexible contract for water mains. You can read the contract. You can watch the tape. That's what it says. Subsequently we found out they used that contract in order to have ch2m hill do pre-design for UV radiation which we don't want mercury bulbs breaking in our water, that set them up at a clear advantage to get the next contract, which they did. So the issue is as commissioner Fish brought up transparency. When it's on the council agenda we click on a

July 19-20, 2017

button we see what the contract is. We may not have time every single time to come down here to voice any concerns but we can see it. We know what contracts are out there, we know if we want to ask questions about it we can. So in this scenario, where would we go to find that information in advance of it being signed? That's the big concern. Transparency all around. I went to the Portland utility, new Portland utility review board. The first issue, there was consensus on this, that many complex issues corrosion control, biogas, of course crypto. That's what they are talking about, hydro, they all come to them and this is a quote often it seems as fait accompli. Bottom line says requested information is usually not given until the day of the meetings, making their work less meaningful. I went to the wholesale customer meeting last week. They are very upset about not being included in the corrosion control up front. Their exact words were this could set the whole region into chaos. So transparency is big for a lot of reasons. Looking at these long lists of contracts you have all seen my chart and I know you hate seeing it. This only goes to 2011 but these are all the contracts that have gone to MWH Global, CH2M Hill just after 2011. There are many, many more. I haven't had time to extend this list, but transparency is really important. Where is it that we would go to be able to see those contracts? Some of these flexible service contracts will fall into that category.

Fish: Thank you for your testimony. Let's excuse the testifiers then I'll make a comment. As I read this ordinance, mayor, it says that if the chief procurement officer may execute professional, technical and expert service contracts that do not exceed \$500,000.

Wheeler: That's correct.

Fish: Contracts in excess of \$500,000 for pte, which is what Ms. Jones was referring to, would still come to council.

Wheeler: That's correct.

Fish: As someone who was actually present for part of the pub and has been involved in discussions in a number of water related issues, I deeply respect floy jones' service to the city and the dogged way in which she follows these issues. But she just made a number of factually incorrect statements and we don't have the time to go back and hit the truth button but it's grossly unfair to make those kinds of comments and representations that are not factual. If my colleagues would like follow-up on a number of things she said I would be happy to share the actual facts.

Wheeler: I have a different -- I'm actually very satisfied with this policy. To the degree that there are people out there who want to work with me and who would commit the time and the energy that is required to review contracts on a timely basis, because as you know the number one standard that we're being held here which is solving the problems of our community and making it a better place to live, that's actually the value. It's where I disagree with Mr. Walsh. I agree in my role as state treasurer there was more of a focus on roi, that kind of thing, efficiency, but that was a different job. The goal here is a values driven proposition around making the community a better place by addressing issues like the housing and homelessness issue, policing issues and what not. There's a timeliness aspect to this. What I hear from the public is they both want us to be transparent and accountability and cost effective and quick. So there's something of a balancing act that were engaged in here. I think this ordinance does a really good job of capturing that balance. But if there's people who are really, really into the contracts that I signed in my bureaus, I'm not afraid to have people review those contracts. I just can't wait two months for people to do it. Nor can I wait endlessly to respond to the crises of this community. There's people listening and you want to review contracts to the degree we're able to accommodate that great I'm all for it.

Fish: Mayor, if I had the time I would volunteer.

Wheeler: Perfect. I'll put you on the list.

July 19-20, 2017

Fish: This is not in the nature of a friendly amendment, just a clarification. The ordinance contemplates council will get a report at the end of the pilot period and specifies general categories of information. My request would be that at the time in which the chief procurement officer begins to think about a report that we each get an email outlining the intended scope of the report and the issue to be discussed for feedback so that we can help shape what kind of information we would like to get back.

Wheeler: You're getting two head nods, commissioner Fish. That's a go.

Fish: I don't think this is the time and place to put every single feature but if you scope that report the council before you undertake it that would be beneficial.

Wheeler: Great. Further comments? Seeing none, please call the roll.

Saltzman: Well, this has been a good discussion. I appreciate the testimony as well as the discussion amongst my colleagues. It is a dry topic but an important topic how we spend your money. I do think that maybe a little bit lost in this is procurement services is a body that's independent of the bureaus and I think they are charged with being autonomous and applying a certain amount of criteria and asking tough questions of contracts that come out of the bureaus. I do think that that is something that we sort of have maybe been glossed over in this discussion. I am willing to undertake this for a couple of years. I'm somewhat I say that as somewhat of a micromanager. I do sign every contract under every bureau that I have ever overseen my signature is on that contract as I'm sure is the case with my colleagues but I think it's worth given the booming climate we're in and the bureaus have a lot of work to do to fulfill public needs I think this is worth undertaking this not pilot but program for two years with a sunset clause. Aye.

Eudaly: I had some concerns about this ordinance, but I appreciate all the conversation and questions that were answered today. It makes sense to me. We haven't adjusted the signature authority in 20 years. A lot has changed. The fact that there's a sunset on this and we receive a report is reassuring to me. Aye.

Fish: I think this has been a good discussion. I think the reason we keep calling it a pilot is the word pilot appears in the ordinance. Subliminal thing. I appreciate the concern people have raised about how we balance transparency and efficiency. But I'm persuaded that this is worth experimenting with and particularly because the pte threshold is set at 500,000 it doesn't change the existing practice with the utilities bringing those contracts to council and we'll continue to do so on the regular agenda. Thank you to procurement services and the mayor for bringing this forward. Aye.

Wheeler: I love this conversation today. Obviously not all of us agreed on all points but I actually appreciated the back and the forth. I think the discussion/debate helped highlight the tradeoffs inherent in this policy. Frankly I really enjoyed that. I hope we have continued robust discussions and even disagreements in this chamber. I think it's a good right sizing, I think it's a good course correction given the changes that have taken place over the years and I really appreciate the work that the bureaus have done to come up with what I think is a very good, common sense approach that takes into account a lot of different balanced and sometimes competing needs. So I think you hit the balance largely right. I'll look forward to seeing how this unfolds in the months ahead. Aye. The ordinance is adopted. Next item.

Item 839.

Wheeler: Colleagues, this is one of many innovative programs that the city has to address housing affordability in the city of Portland. These programs are complementary to the recent voter approved housing bond and aligns with the goal of increasing the supply of affordable housing. In other words, the city has many different programs and policies at our disposal. Many of which have received the intense attention of my administration over the last seven months. This is just one of many. The multiple unite limited tax exemption

July 19-20, 2017

multi program is one of the important tools to promote mixed income rental housing that otherwise would be available only at market rates. Portland's market as everybody understands is experiencing very low vacancy rates and the multi-program provides a crucial incentive to develop affordable housing units. The church apartments is just the latest project to come before the council for approval of a multi. The council has approved 20 projects over the last year and a half which is projected to result in over 400 affordable housing units becoming available in the next couple of years. To discuss this particular program at the church apartments we have representatives of the housing bureau including director Creager. Do you want to start us off, sir?

Kurt Creager, Director, Portland Housing Bureau: Thank you, mayor, council. Kurt Creager, housing director. I'm pleased here today to introduce Dory van bockel, who is the chief staff in charge of this program. I would underscore that we're entrusted not only by you, the city council, but also the Multnomah county board of commissioners to administer this tax abatement program it was designed as a means by which to tap the hydraulics of the private market and the private sector to incentivize them to provide affordable housing not otherwise made available. It's done in cooperation with private developers using their own capital. Dory is that single point of contact that helps them understand the program and helps them work through the obligations and the commitments that go with the program. With that I'll let her explain the church street apartments and this specific developer.

Dory Van Bockel, Portland housing Bureau: Good afternoon, Dory Van Bockel with the housing bureau.

Wheeler: Good afternoon.

Van Bockel: So this is actually a developer who has submitted a couple of other applications that have been approved for the multi previously, this particular project is in the St. John's cathedral park neighborhood. Is a smaller one for the program in that there's 22 total units resulting in five units of housing, affordable at the 60% of area median income level and still will result in a reduction of rents by an average of \$400, \$500 per unit for those affordable units over the period of the tax exemption.

Creager: The other thing I would mention is this program is refined under the sponsorship tutelage of commissioner Saltzman and made more useful and streamlined for the private partners. So the projects you'll see including the church street apartments and the remaining few coming forward are those that were created and authorized under the former multiple unit tax exemption program. On a going forward basis you're likely to see more projects that are complying with your inclusionary housing policy and tax abatement is one of the offsets among many others that are offered to private developers. The biggest difference is we're going from 20 years of affordability -- ten years of affordability under the current model to 99 years of affordability going forward. I was never particularly comfortable with buying temporary affordability because in ten years we could still have a different kind of housing problem. The longer-term affordability is quite important. There are some equitable contracting responsibilities that come with this money. Could you explain that Dory?

Van Bockel: Yes. In order to reach towards the goal of 20% participation in the construction contracting by minority women and emerging small businesses we do have the developer's contract with the third party technical assistance provider who can provide feedback help with bidding processes, et cetera, in order to reach towards that goal. Look at what plans they have, the steps that they take and will take to hopefully reach that outcome. It's been a short-term that we have had that in place over the last year and a half or so, and what we have been able to do is see some positive outcomes but more than anything also use it as a learning experience. That's one of the requirements of this

July 19-20, 2017

voluntary multi-program in place that we have seen some success at least in the relationships forged between the particularly minority contracting community and some of the local developers.

Fish: Mr. Director, I was pleased that you mentioned commissioner Saltzman's reforms of this program. I might quarrel with you about making it more useful but I think the signature achievement was convincing the county to lift the cap. As you know with we had a hard cap and with a hard cap there were fewer people eligible. Whether it was a competitive or not, whether it was streamlined or not, the bottom line we got fewer projects that were covered. I think that was important. I also just because I like history I will remind my colleagues that in 2008 the auditor issued a blistering audit of our tax abatement programs and out of that came a series of council actions to address the concerns the auditor raised. One was about transparency and one was about ongoing oversight and accountability and there were so the structural issues. As a result of that, mayor and colleagues, the program migrated from the Portland development commission to the Portland housing bureau. Portland housing bureau was required to give no less than annual reports to the council. We now have a routine procedure where we get a report and certain projects are delisted and disqualified because of failure to follow the criteria and that money then comes back to the county and to the city and in addition to those changes, under Dan's watch we addressed some concerns that developers had that it was cumbersome. We eliminated the competitive process and we lifted the cap. So there's a lot that's happened since 2008. I also want to acknowledge although it doesn't get the same attention that the bureau now routinely puts an impact statement with these requests. We actually have a slide that shows us exactly what we're buying and what 60% of ami looks like and who benefits. So a lot of progress around transparency and accountability it still is not my favorite tool because it's not addressing the acute problem in our community, but if we're looking at a tool kit that has many tools and allows us to do many different things, it's the best we have for this purpose. I continue to have a concern that we're really not focusing on where the greatest need is. This particular tool is not geared to get us there so we either accept the limitations of this tool and get some units spread around the community or we don't. That's a fundamental policy question. As we currently stand the city and county both think this is a good investment so I'll go along with it. I appreciate the work of the bureau in improving public trust in these programs through the oversight work you do.

Creager: The only other thing I would like to mention, in 2016 the city council enacted the north northeast preference policy. It was decided that every project that the bureau is funding directly or indirectly in north and northeast Portland would abide by the preference policy itself. Even though we're not directly financing these units to develop who will participate in the preference policy and we'll be using the no app fee platform to fill vacancies which also creates a relationship between the private developer and the pools organization so if they have other properties elsewhere in the city they may choose to use that platform as a way to fill vacancies. It's very important we match the people that need the housing because we're always getting the question, where are these and how do I get on the waiting list. In this instance because its in north and northeast Portland the path to return that was created by council in that policy would apply to these units.

Wheeler: Very good. Colleagues, any further questions? Do we have public testimony on this item?

Moore-Love: No one signed up.

Wheeler: Please call the roll.

Saltzman: Thank you, dory and Kurt, for your good work. This is a great project and I'm happy to support it. Aye.

Eudaly: Aye. **Fish:** Aye.

July 19-20, 2017

Wheeler: Aye. The ordinance is adopted. Next item, please.

Item 840.

Wheeler: Commissioner Fish.

Fish: Fish in light of the action council just took on 838 -- no. Just -- attempt at humor.

Wheeler: It was pretty good.

Fish: We're joined by Scott Gibson and Jim brown. Scott, take it away.

Scott Gibson, Bureau of Environmental Services: Thank you. Good afternoon, Mr. Mayor, city council.

Wheeler: Good afternoon.

Gibson: The purpose of this legislation is to authorize the director of the bureau of environmental services or their designee to execute a temporary easement with public storage Oregon in support of the Tryon creek wastewater treatment plant head works project. A temporary easement is required for the consulting team to perform investigations necessary for the design and permitting of the project. Following the site investigations and site design bes will be able to determine the extent of the property acquisition from public storage Oregon required for the project. Public storage Oregon's attorney requires inclusion of indemnify case clause to finalize a temporary easement. This clause holds bes responsible for claims, damages and fines as a result of the site investigations. Council's authorization is required for indemnify case prevention in the easement. Both Jim and I are here to answer any questions about the easement or about the project.

Wheeler: Colleagues?

Eudaly: No.

Wheeler: There you have it. Is there any public testimony?

Moore-Love: No one signed up.

Wheeler: Please call the roll.

Saltzman: Aye. **Eudaly:** Aye. **Fish:** Aye.

Wheeler: Aye. The ordinance is adopted. Next item, please.

Item 841.

Wheeler: Commissioner Fish.

Fish: Mayor, thank you. We have had a previous hearing on this matter on this matter and subsequent to that hearing I have received a number of questions from colleagues and third parties and I thought, mayor, that before we take action on this I thought it would be helpful to have a supplemental presentation. To give the council as full a picture as possible about what we're asking you to do, not asking you to do, and answer any questions that come up. I have asked the director and one of our ace attorneys Karen Moynahan to join us today. Karen, I think I'm going to turn it over to you first or mike?

Mike Stuhr, Director, Portland Water Bureau: Me.

Fish: I'll turn it over to the director then to Karen.

Stuhr: Mr. Mayor, commissioners, thank you for taking time to talk to us today. We're here to talk about the agenda item and energy northwest. This is a very complicated issue, and we had hoped initially to be able to bring all parts of this thing together at once, but we negotiated with pge for almost 15 months. It was tough negotiations, and we just weren't able to finish lining this up. I think you'll be pleased with the result we achieved and we'll be back on august 16 to talk about the power sales agreement and the other two parts. The reason we're here today is we really need to let this maintenance contract go. We are obligated under our ferc license to properly operate and maintain the facility and pge's contract is up on 30 august. So we need to get our new maintenance contractor time to hire and be able to operate. As I mentioned, this is a very complicated thing we have been helped by a technical firm that's an expert in energy policy and marketing, energy gps, ken Coffman is a specialty attorney in power agreements that Tracy reeve found for us to use

July 19-20, 2017

in doing this negotiation. We have consulted extensively with Ken Rust, our CFO. He will help us present on August 16 to go through the financial issues. Cecilia Hewn, whom you know, Karen, our lawyer, Dave Peters and Glenn Pratt have been managing the effort for us. So on that basis I'll turn it over to Karen.

Wheeler: Before you do this, I apologize, I don't want to seem daft but I have not been completely in the loop on this issue. Could you clarify the steps you are asking the council to take? I realize a broad level you just did. I wanted to make sure I understand exactly what you are asking for in the order. Commissioner Fish.

Fish: We are going to lay that out, Karen is about to lay that out in excruciating detail.

Wheeler: Good I just wanted to make sure that wasn't the presentation.

Stuhr: Karen will elaborate.

Fish: She's channeling your anxiety and she is going to answer that question.

Wheeler: Good afternoon thanks for being here.

Karen Moynahan, Senior Deputy City Attorney: Good afternoon, Mr. Mayor, commissioners. I'm Karen Moynahan and I'm a senior deputy city attorney assigned to advise the city on matters related to the Portland water bureau. I'm here today to discuss the proposed intergovernmental agreement with Energy Northwest to operate and maintain the Portland hydroelectric project. I will address three questions. First, why are you being asked to approve this IGA prior to other documents related to the project. Second, why is it important to approve this IGA, and third, does your action today affect the city's general fund? Over the past 35 years, the city has invested \$55 million in this project. Net of cost, including paying down the project's debts, has returned \$14 million in profit to the general fund. There is a reserve fund of \$1.9 million. Next month as the original agreements expire you will be asked to decide whether the city should continue to operate its hydroelectric project or not. The water bureau, hydro bureau and city attorney's office will make a concerted effort to ensure that you are fully briefed on all aspects of the hydroelectric project including the financial risks and public benefits that you may wish to consider before you make that decision. Today you're not being asked to decide whether the city should continue to operate its hydro plants. Instead you are being asked to approve an intergovernmental agreement to maintain the plants which must be done whether the city decides to continue to generate power or not. As you know the city's primary source of drinking water is the Bull Run water shed which includes two dams during the national energy crisis of the mid 1970s council directed the water bureau to develop the Bull Run dams for power generation. In 1979 the bureau of hydroelectric power was established by ordinance to manage the construction and operation of the city's hydro facilities. The hydro bureau operates under the direction of the water bureau but is not ratepayer funded. It's a general fund bureau which means for the last 35 years the general fund has carried some risk related to the hydro project. Since 1982, the city has owned a hydro plant at the dams. It's been operated by PGE under terms that were financially favorable to the city. PGE could offer favorable terms in part because it was already operating other dams in the region and had the work force in place to operate the city's plant without much added expense and since PGE was also purchasing power from the city marketing costs were lower. In a perfect world PGE would continue to both operate the hydro plant and purchase the power that it generated. However, in late 2015, PGE informed the city that it was not seeking to renew its contract to operate the plants which expires August 31st. Understanding that the city faced a decision about whether to continue operating this facility, Commissioner Fish directed staff to hire an expert consultant and outside legal counsel to ensure thoughtful and full consideration of the city's options including whether and how the city could continue producing power in the watershed. What is before council today is relatively straightforward. This intergovernmental agreement with Energy Northwest is necessary to

July 19-20, 2017

maintain and safely operate the hydro plant, which must be attended to whether or not it's used at least in the near term. This is why the iga is coming to you in advance of the policy decision. If you decide to approve of the continued operation of the Portland hydroelectric project, and the marketing of power generated, this iga would allow energy northwest to run the physical operation for the next five years. If you decide not to continue the hydro project the plant still must be maintained until the city surrenders its license to the federal energy regulatory commission. Which could take six months to a year otherwise the city will be in violation of its license and subject to federal civil penalties. That is why it's critical to approve the iga. Finally, it's important for you to know that approving this iga with energy northwest for the operation and maintenance of the hydro project will not result in expenditures from the general fund prior to your decision as to whether to approve of the continued generation and sale of power. Should you decide not to continue the project, the city will have access to a Portland hydroelectric project fund, \$1.9 million, to fulfill its maintenance duties until the project is officially shut down with its ferc obligations. In summary you're being asked to approve an agreement with energy northwest that will provide for essential maintenance of the city's hydro plants separate and apart from council's ultimate decision to approve of its continued operation. Without an operator the city's hydro plants cannot be maintained in accordance with its ferc license nor will the city have the ability to continue its generation and sale of hydropower should council choose to pursue that endeavor. I'm happy to answer any questions you may have concerns about.

Wheeler: Just a compliment. Commissioner Fish, that is the most thorough answer I have ever received to a question I have asked before the Portland city council. That was excellent. Thank you.

Fish: Mayor, I want to compliment Karen because she's been our go to lawyer on a lot of issues. What we learned following the last hearing is that because this bureau gets so little attention and operates sort of in the distance without a lot of attention, we had made some assumptions about the public awareness of what all the issues were. We thought it was important before the council is asked to take this action that we tell the complete story. That we make sure that people understand that this is in fact a general fund bureau, that the water bureau simply performs the ministerial function of overseeing it. That has operated at risk to the general fund from the get go. That the profits have been returned to the general fund, which is the upside. The \$14 million and as we'll discuss next month when we come to you with the other contracts including a price agreement with pge, we'll be able to better quantify for you the risks and benefits of continuing with this operation or not. You will have all the information you need to ultimately make the decision green light or red light, as to whether we continue hydropower operations. For purposes of today as Karen has I think very clearly explained, we have a regulatory requirement to operate this plant. It is in our watershed. We have to have a professional operator. There is no risk to the general fund and this action would need to be taken regardless of whether we continue the hydropower operation. I appreciate the questions which we had since the last hearing because it helped inform this presentation.

Wheeler: Thank you for that, commissioner Fish. Karen, that was so succinct, could I get a copy of that by email? There's a couple of people that have been inquiring of me about this. I would love to just send them your statement. It's very illustrative and I appreciate it.

Eudaly: I was listening very carefully. You may have answered it but I missed it. So I understand that we'll either contract with energy northwest for five years as actually operating and producing energy or we may opt to shut it down in which case we would have to maintain it for six months to a year, but if we made that decision we would not be obligated to pay for the duration of that five-year contract?

July 19-20, 2017

Stuhr: No. The contract has a six-month notice period so the most you would be liable for is six months of operation and we would go beyond that. While it's a big number, it's a service contract and we only pay for work done.

Eudaly: Great.

Fish: I appreciate what Mike just said because there was a cost of maintaining it under the old arrangement. I regret that I think this has been a -- I think this has been a productive exercise for all of us, council, the bureau, our legal team and others in not assuming a foundation of understanding around something like this. In fairness given the other regulatory issues we're dealing with, I don't know that we laid the foundation for this conversation as strongly as we could and Karen has now I think done a marvelous job of laying out the information. Colleagues, first let's see if anyone wants to testify, then I have a request.

Moore-Love: We took testimony on this on the 5th so we don't have a sign up sheet.

Fish: Mayor, I would like to make a motion to put an emergency clause on this. I'll just read the following statement. The amendment that I would offer is as follows. The council declares an emergency exists to allow continuous and uninterrupted operation of the city's hydroelectric project in compliance with its ferc license and therefore this ordinance shall be in full force and effect from and after its passage by council.

Saltzman: Second.

Wheeler: We have a motion from commissioner Fish, a second from commissioner Saltzman. Is there any discussion on the amendment? Please call the roll on the amendment.

Saltzman: Aye. **Eudaly:** Aye. **Fish:** Aye.

Wheeler: Aye. To the main motion is there any further discussion? Please call the roll.

Saltzman: I appreciate this discussion. Look forward to further discussions about the future of the bureau of hydroelectric power. I'll tip my hand a little bit I don't know why we wouldn't want to continue generate carbon free electricity. Seems like a good idea in this time and climate. Aye.

Eudaly: Aye.

Fish: Thank you, colleagues, for this discussion. Thank you to the director and our esteemed attorney for their presentation. Dan, I don't want to tip my hand either, but I think there's a compelling argument to continue to generate clean energy, not the least of which is we have invested \$55 million in this plant. What I think the council may want to focus on, though, is how we mitigate any risks that come up in the operation since the market for this kind of energy are somewhat unpredictable. I think you'll be pleased when we come back to council with some recommendations by the bureau to mitigate our downside risk and I also think it may be time for us to consider in lieu of sending any profit to the general fund putting any proceeds from this bureau into a separate fund to be used in effect for the rainy days that may occur in the future, but we can have that conversation. Thanks to my colleagues and to the bureau for its presentation. Aye.

Wheeler: So commissioner Fish just hit the nail on the head for me. Obviously I support this contractual piece and I'm persuaded that it is a requirement of ferc that we continue to do this and it's the responsible thing to do today, so yes, but I am interested in the risk mitigation part of this conversation. That will be something of great importance to me while I do not consider myself an expert on energy pricing there is a lot of dynamism to that market right now. We're seeing prices continue to drop on the positive side obviously. As an aside renewable energy is becoming very much more competitive which is a good thing given our city's objectives around renewable energy. I look forward to that conversation next month and I appreciate the clarity which you brought to the discussion today. It answered a number of my questions and commissioner, Karen and Mike, I thought you did

July 19-20, 2017

a great job answering those questions. Thank you. Aye. The ordinance is adopted, we're adjourned. Thank you, everybody.

At 3:24 p.m. council adjourned.