



CITY OF
PORTLAND, OREGON

OFFICIAL
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 18TH DAY OF SEPTEMBER, 2013 AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fish, Fritz, Novick and Saltzman, 5. Hales left at 11:16 a.m. and returned at 11:50 a.m. Fritz presided during Hale’s absence. Commissioner Fritz left at 11:48 a.m.

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

On a Y-5 roll call, the Consent Agenda was adopted.

	Disposition:
COMMUNICATIONS8	
871 Request of Lightning to address Council regarding homelessness (Communication)	PLACED ON FILE
872 Request of Namkisiah O. Rope to address Council regarding having another law considered (Communication)	PLACED ON FILE
873 Request of Mary Eng to address Council regarding traumatic brain injury, vision impairment and Portland Police brutality (Communication)	PLACED ON FILE
874 Request of Benjamen Pickering to address Council regarding take time to make time (Communication)	PLACED ON FILE
875 Request of Norm Santana to address Council regarding covering of Mt. Tabor reservoirs (Communication)	PLACED ON FILE
TIMES CERTAIN	
876 TIME CERTAIN: 9:30 AM – Accept the report of the Chief Administrative Officer for the Quarterly Report of the Technology Oversight Committee (Report introduced by Mayor Hales) 30 minutes requested Motion to accept the report: Moved by Fish and seconded by Saltzman. (Y-5)	ACCEPTED
CONSENT AGENDA – NO DISCUSSION	

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Mayor Charlie Hales		
*877	Authorize a grant agreement to provide All Hands Raised, formally the Portland Schools Foundation, \$800,000 for support of the Cradle to Career Partnership (Ordinance) (Y-5)	186248
Bureau of Planning & Sustainability		
*878	Approve annexation to the City of Portland of property within the boundaries of the City Urban Services Boundary in case number A-2-13, in the southwest part of the City on the south edge of SW Highland Rd, north of SW Canyon Ct (Ordinance) (Y-5)	186249
Office of Management and Finance		
*879	Authorize charitable organizations eligible to participate in the City 2014 Charitable Campaign and authorize exemptions from umbrella requirement for Portland Parks Foundation and for Portland Toy & Joymakers (Ordinance) (Y-5)	186250
*880	Pay claim of Joseph McDonnell in the sum of \$17,595 involving the Water Bureau (Ordinance) (Y-5)	186251
881	Authorize Intergovernmental Agreement between the Office of Management and Finance and the Portland Development Commission for debt management services (Ordinance)	PASSED TO SECOND READING SEPTEMBER 25, 2013 AT 9:30 AM
882	Authorize Intergovernmental Agreement between the Office of Management and Finance and the Portland Development Commission for banking services (Ordinance)	PASSED TO SECOND READING SEPTEMBER 25, 2013 AT 9:30 AM
Commissioner Dan Saltzman Position No. 3 Portland Fire & Rescue		
883	Accept donation of Code-Stat 9 and LIFENET software and licenses from Physio Control, Inc. to transmit data from emergency scenes to health care providers (Ordinance)	PASSED TO SECOND READING SEPTEMBER 25, 2013 AT 9:30 AM
Portland Housing Bureau		
884	Approve and terminate Limited Tax Exemptions for properties under the Homebuyer Opportunity, Rehabilitation and Transit Oriented Development Limited Tax Exemption Programs (Resolution) (Y-5)	37030
Commissioner Nick Fish Position No. 2		

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Bureau of Environmental Services

***885** Reauthorize Environmental Services Treebate Program through June 30, 2018 to contribute to Portland stormwater management, clean river and community livability goals for \$27,000 in revenue reduction and \$12,000 in expenditures annually (Ordinance)

(Y-5)

186252

886 Authorize the contract and provide for payment for construction of SE 62nd & Morrison Sewer Rehabilitation Project E09049 for \$1.5 million (Ordinance)

**PASSED TO
SECOND READING
SEPTEMBER 25, 2013
AT 9:30 AM**

REGULAR AGENDA

Commissioner Steve Novick

Position No. 4

Bureau of Transportation

887 Nominate six projects for FY 2016-18 Regional Flexible Funds and one project for the Regional Economic Opportunity Fund (Resolution) 30 minutes requested

(Y-4; Hales absent)

37031

888 Vacate a portion of SW Fairview Blvd at SW Champlain Dr subject to certain conditions and reservations (Hearing; Ordinance; VAC-10081) 10 minutes requested for items 888 and 889

**PASSED TO
SECOND READING
SEPTEMBER 25, 2013
AT 9:30 AM**

889 Authorize the Director of the Bureau of Transportation to issue a quitclaim deed for a portion of SW Fairview Blvd at SW Champlain Dr (Ordinance)

**PASSED TO
SECOND READING
SEPTEMBER 25, 2013
AT 9:30 AM**

Commissioner Nick Fish

Position No. 2

890 Revise Pay and Park and Non-Pay Private Parking Facilities regulations (Ordinance; amend Code Chapter 7.25) 15 minutes requested

**PASSED TO
SECOND READING
SEPTEMBER 25, 2013
AT 9:30 AM**

City Auditor LaVonne Griffin-Valade

891 Assess property for sidewalk repair by the Bureau of Maintenance (Second Reading Agenda 870; Y1081)

(Y-4; Fritz absent)

186253

At 11:56 a.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 18TH DAY OF SEPTEMBER, 2013 AT 2:00 P.M.

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

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Roland Iparraguirre, Deputy City Attorney; and John Paolazzi, Sergeant at Arms.

The meeting recessed at 2:59 p.m. and reconvened at 3:02 p.m.

<p>892 TIME CERTAIN: 2:00 PM – Accept report on the Women into Housing Now initiative (Report introduced by Commissioner Saltzman) 45 minutes requested</p> <p>Motion to accept the report: Moved by Fish and seconded by Saltzman.</p> <p>(Y-5)</p>	<p>Disposition:</p> <p>ACCEPTED</p>
<p>893 TIME CERTAIN: 2:45 PM – Amend the Visitor Facilities Intergovernmental Agreement with Multnomah County and Metro and the Intergovernmental Amended Agreement Regarding Consolidation of Regional Convention, Trade, Spectator and Performing Arts Facilities with Metro (Ordinance introduced by Mayor Hales; amend Contract Nos. 51557 and 25921) 1 hour requested for items 893 and 894</p>	<p>PASSED TO SECOND READING SEPTEMBER 25, 2013 AT 9:30 AM</p>
<p>894 Authorize Mayor to sign Oregon Convention Center Hotel Project Memorandum of Understanding with Metro and Multnomah County (Resolution)</p> <p>Motion to amend MOU to add requirement for quarterly pro forma variance report: Moved by Fish and seconded by Fritz. (Y-5)</p> <p>(Y-4; N-1 Novick)</p>	<p>37032 AS AMENDED</p>

At 6:14 p.m., Council adjourned.

LAVONNE GRIFFIN-VALADE
Auditor of the City of Portland



By Karla Moore-Love
Clerk of the Council

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

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Closed Caption File of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

SEPTEMBER 18, 2013 9:30 AM

Hales: Good morning, everyone. And welcome to the September 18 meeting of the Portland City Council. Would you please call the roll, Karla.

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

Hales: We are going to start this morning's work with a presentation. There are a lot of threats to the public health and the individual health of our citizens, and one of them is ovarian cancer. We have some activists in our community that have worked very hard on awareness and treatment and research on that deadly disease, and I want to invite Diane O'Connor and anyone else with you to come up and speak to us about this morning, and we also have a proclamation to read. So maybe I will start by reading the proclamation, and then invite you up to follow up. It says: whereas ovarian cancer the fifth leading cause of cancer deaths among women in the United States and whereas when detected early, over 90% of women survive ovarian cancer, but many women will be diagnosed in the late stages of the disease due to lack of awareness of the symptoms and lack of a screening test. And whereas ovarian cancer has symptoms even in its early stages, and women should contact their health care professional if the symptoms are present, if they are new or unusual, if they persist for more than a few weeks. Symptoms like pelvic and abdominal pain, increased abdominal size, bloating, loss of appetite, feeling full quickly. So people who feel the symptoms should contact their doctor and make sure that they are okay. And whereas ovarian cancer awareness month helps increase awareness about the signs and symptoms of ovarian cancer and spotlights the need for continued research to improve prevention, early detection, and treatment, and possible cure. Now, therefore, I, Charlie Hales, Mayor of the City of Portland, Oregon, the City of Roses, do hereby proclaim September 2013 to be ovarian cancer awareness month in Portland, and encourage all residents to observe this month, and to watch for those symptoms. So thank you for being here. Come on up and tell us more about what's going on in the national effort that you are leading.

Diane O'Connor: Thank you. Good morning.

Hales: Actually, sit there so that that way you are on camera. You have to sit facing us because then you are on the camera.

O'Connor: Counterintuitive.

Hales: Counterintuitive, it is. There is a lot that we do around here that's counterintuitive. [laughter]

O'Connor: Thank you. Good morning. You will notice that a lot of us are dressed in teal today, and your fine mayor has the teal ribbon on, and that is the color of ovarian cancer. Those of us in the audience are either survivors of ovarian cancer, including myself, or family and friends, or researchers. So, traditionally, September has been declared ovarian cancer national awareness month by the president of the United States, including President Barack Obama whose mother died of ovarian cancer. And I would also like to add that Mayor Hales' lovely wife Nancy's mother also passed away from ovarian cancer. So it's near and dear to their hearts, as well. As the Mayor mentioned, we look upon September as the month to educate women about ovarian cancer and the symptoms. We don't have a screening test. We don't have a mammogram, we don't have colonoscopies, and a lot of women think a pap smear takes care of that, but it does not. That's only for cervical cancer. So it's utmost important that all women are aware of these symptoms and listen to their bodies. And by the way, 90% of women have symptoms when they're diagnosed. It is not a

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silent disease. So, we'll hope also, that you will notice the Morrison Bridge tomorrow night, courtesy the Willamette light brigade. It will be lit up in teal tomorrow night to honor ovarian cancer national awareness month. And we'd especially like to thank our Mayor, actually, he's your mayor, I live in Vancouver, for his commitment to the city of roses. And we would like him to accept a teal rose to add to his collection and thank you for your proclamation, and your dedication to our cause. Thank you.

Hales: Thank you, Diane. [applause] Well, Diane, thank you, and all your fellow activists for the work that you put into this issue. I think that people who take on a national cause like this from personal experience and passion can really make difference. And, actually, I had coffee yesterday with the president of OHSU. And we have an amazing research organization here in Portland that's made a lot of progress in cancers of one type or another. So, I think that the fact that you continue to help raise awareness about this disease, about the symptoms, you know, is one more part, I hope, of a successful effort both medically and in the community to make people aware and make people well. So, thanks for everything that you're doing. Thanks for being here this morning. We'll wear it with pride and look forward to the lights tomorrow, thanks for coming. All right, we'll move onto the regular agenda. And we have some folks signed up to testify on communications this morning.

Item 871.

Hales: Lightning, you here? There he is. Good morning. Good morning.

Lightning: Good morning. My name is Lightning. When it comes to reducing homelessness, the harsh reality is one plan just simply does not fit all. Creating a mutual understanding between all parties is essential for reducing homelessness. Creating a balance between the homeless community and the business community is a very complex issue. As we have all seen by the media attention, the current situation in front of City Hall is a great example of just how complex the situation can really be. We must first have a complete understanding from each homeless person where they possibly would like to move. This is imperative to gain cooperation from all parties to ensure things run smoothly. Again, one plan simply does not fit all. Some may desire to move to shelter, apartment, home, hotel, or ultimately, long-term permanent housing. Mayor Charlie Hales has offered financial assistance to numerous nonprofits with the intent of reducing homelessness. Getting the homeless to relocate from the sidewalks and into some form of housing is a great solution for reducing homelessness. In my opinion, I feel some of the nonprofits have not stepped up in assisting the Mayor to ensure a smooth transition from the sidewalks into housing for the homeless in front of City Hall. I would like to see more sidewalk, street outreach by the nonprofits, more face-to-face, and gaining an understanding where the homeless would like to move and get them into some form of housing. Portland Business Alliance, it's interesting your name is often recognized and associated with the homeless by the media. Although the media tends to portray you in a negative manner towards the homeless, which definitely is not to anyone's advantage. In my opinion, Portland Business Alliance should be recognized for improving the lives of the homeless, which in turn, will improve the businesses throughout the city and ultimately, improve the city as a whole, thank you. [applause]

Hales: Thank you.

Item 872.

Hales: Namkisiah, are you here? Okay, we'll see if they get here in time for the end of this.

Item 873.

Hales: Mary, are you here? Okay, we'll see if she comes later.

Item 874.

Hales: Pickering, is he here? Okay.

Item 875.

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Hales: Mr. Santana? Oh, there he is. Nope. All right. We'll see if those folks sign up for another day. Now, let's move to consent calendar. I don't believe there've been any requests to remove items from the consent calendar. None here? Okay, then let's take a vote on the consent calendar, please.

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

[gavel pounded]

Hales: And time certain.

Item 876.

Hales: Good morning.

Abby Coppock, Bureau of Internal Business Services: Good morning. My name is Abby Coppock, and I work on the communications team for the Office of Management and Finance. And I provide staff support to the Technology Oversight Committee, which we commonly refer to as the TOC. The Technology Oversight Committee is made up five citizen members. Colleen Gadbois, Ken Neubauer, Joshua Mitchell, Wilfred Pinfeld, and Doretta Schrock. Unfortunately, all of the TOC members had other work commitments today, so none of them could join us for this presentation. I'm going to provide a brief summary of the administrative updates for this quarter, and I'm going to turn it over to Ben Berry, the chief technology officer for the project updates. As brief background, the Technology Oversight Committee was established by the City in the spring of 2011. It is an independent, five-member citizen advisory committee that reviews elected City of Portland technology projects. Projects may be selected for TOC review based on the size of the budget, potential risks, impact to city operations, or community interest. There is a formal intake assessment that both bureau directors and the chief technology officer independently complete that determines whether a project is overseen by the TOC. The TOC's charge as an advisory body is to focus on whether projects are completed on time, within budget, and within the project scope. The quarterly report that we are reviewing today covers committee activity from May to July 2013. And in terms of the administrative updates. The TOC continues to look at methods for identifying problems early and raising the flag when needed. After the last City Council meeting, and the discussion about the city's contracting process, the TOC met with the city's chief procurement officer in May to learn more about how technology contracting is conducted at the city. This resulted in letter of recommendations to the chief administrative officer and City Council that outlined opportunities to improve technology contracting. One of the TOC's recommendations was to create a contract risk assessment tool that makes it easy for the TOC members to see what provisions are included in any contract that is overseen by the TOC. This tool was created this summer and is beginning to be implemented. New projects that join the portfolio for TOC oversight this quarter include the Office 365 implementation, sponsored by the bureau of technology services, and the city risk information solution connection, sponsored by the bureau of internal business services, and the procurement solicitation systems, also sponsored by the bureau of internal business services. There was one project that submitted TOC intake documents and was determined not to warrant TOC oversight, which was the project for construction project management software sponsored by the bureau of environmental services. Before we move onto the project updates, did you have any questions about any of the administrative activities? Great. I will turn it over to Ben Berry for the project updates.

Ben Berry, Bureau of Technology Services: Thank you. Good morning, Mr. Mayor, and commissioners. I am going to deliver the Technology Oversight Committee report. I am Ben Berry, and I am the chief technology officer for the City of Portland. I will be covering seven projects this morning. The TOC is currently overseeing some projects in their portfolio, only one project, the bts enterprise technology refresh, is truly in the green. All the others are mostly yellow, with a few areas that are trending in the red. And the first one for review is the information technology advancement project for itap. This is with the bureau of development services. The project has many expectations in its current phase, but the TOC continues to monitor their initial concerns regarding timeline and

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total cost. During this reporting period, the QA felt good about the project's progress and contract negotiations, but the TOC rated everything yellow to stay vigilant to potential unknown risks or conditions that may not have surfaced yet. We know that in August, the TOC meeting, that both were increasingly concerned about both timeline and budget. Reds were starting to show up in the overall assessment. Pushing for a detailed project plan, QA has pushed for a detailed project plan, which will in fact allow us to have that plan before the end of December of this year. The estimated overall cost of the projects has increased slightly from \$11.2 million to \$11.8 million since the last quarter report. Reflecting the cost of hiring a professional project manager and an additional part-time subject matter expert. Now, what I am going to also do is give the summary of the critical path chart for QA. It was read for schedule. It was also read for TOC in August. So, we are beginning to bring forth, beyond just the July quarterly report, we are bringing in the most recent into August as well. The budget is going yellow for QA and yellow for TOC, and the scope is going yellow for QA and also TOC.

Hales: Ben, refresh us, and also for anyone that's listening what are those red, yellow, green, ratings from, either the TOC or the QA--

Berry: The red means intervention is required by the team and the bureau director. And yellow is to be aware, there are issues that should be looked at. And green, everything is fine.

Hales: So red means intervention required, serious concerns, don't wait to let this develop further?

Berry: Exactly.

Hales: Okay.

Saltzman: Ben, you said the itap project we see yellows for June and July but you're for August it was -- we don't have August here? But for August, red?

Berry: For the most recent score, the TOC is showing for itap, red for schedule, yellow for budget, yellow for scope.

Coppock: I would also interject that we just got the September QA reports, and that's actually trending back to yellow.

Fritz: Because we took action on the itap project at development services and agreed that the time line would be extended. However, since it's a maximum price contract, the cost doesn't increase.

Berry: And you will tend to see with long lasting projects, some movement up and down. The critical piece is as we get towards the end of the project, we have got to stay in that green area for meeting those deliverable dates. Next project is the water bureau, from the water bureau and revenue bureau's monthly billing statements for water. Despite earlier delays with the vendor, the TOC feels that project is more stable and on a track for a cutover in October, 2013. And both the timeline and budget metrics are trending up this quarter. The meeting with Cayenta, the vendor, and its leadership earlier this spring was a turning point for this project. Cayenta has been able to fix issues as they arise now. They are scheduled for a go-live October 4th billing cycle.

Fish: Ben, just a comment. The mayor and I have been engaging our local utilities to get some advice as to how we might manage our utilities better. And we've received some interesting feedback about concepts like benchmarking and how you might do it. We have also some feedback about our billing system and some lessons that they have learned. It might be, I think, valuable to arrange a meeting with the folks that we're dealing with, that's the leadership of the utilities that are directly engaged in these issues, with your committee. Bounce some ideas off. But they are enormously helpful to us in thinking anew about how we manage our utilities, and I think we may want to bring them to the table to get some advice on these issues.

Berry: Thank you, commissioner. And I will do a follow-up with you after this to get the contact information.

Fish: Thank you. And I would like to join you at that meeting.

Berry: On the critical score pad for this, the QA is no longer with the project, as we have reported in the past. TOC's report for July was yellow for schedule, yellow for budget, and green for scope.

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However, in the latest meeting that we have had just recently, those indicators are all trending in the green at this point for the cutover in October. Next project, enterprise network technology refresh. Project is meeting expectations, the project is on schedule, and the budget, under budget. The majority of the project is a routine migration with the most risk in the early phases of the project such as billing the core and the city migrations. The TOC agreed to provide oversight for the first three milestones, which are all mostly complete at this point. They are all showing green for both QA and TOC. Affordable housing software is the next project, with the Portland housing bureau. The TOC has concerns with lingering delays on this project. The original time line was for October 2012, nearly a year ago. Their scheduled for the September 1 cutover was missed again. The TOC has a low confidence in this deadline given the project's history. With the vendor hds having glitches in their software, the cutover has just recently been delayed once again. If the project continues to delay the old system, midas, which is out of the Portland Development Commission, becomes unsupportable in December of 2013, which uses the old windows xp operating system. The QA contract was completed in December of 2012 when the project was expected to finish. The TOC has recommended reengaging the QA firm, especially for the post-implementation review. And most recently, we have had a letter constructed that will come out from the city attorney's office now, reminding the vendor of its requirements for this project and asking for completion of the work. Questions on that one? The score, the score pad for this one, both QA and TOC show red in schedule. Both QA and TOC show yellow and yellow for budget, and the scope was yellow and yellow for QA and TOC. We have had a more recent update from the TOC, I believe they're red for schedule. Let me do one more checking here for the housing. Yes, red for schedule. Yellow for budget. And green for scope. That's the most recent one as of August.

Saltzman: So Ben, is it your office that will reengage a quality assurance consultant for this project?

Berry: It's the bureau that is reengaging the QA vendor and may have made strides to do so.

Saltzman: That's in process then?

Berry: Yes.

Coppock: Their plan is to get QA onboard in October.

Berry: Next project is to city risk information systems connection, it's called RISC. This is with the bureau of internal business services. The TOC is concerned about the project time line, and the impact of delays. The September 2013 deadline is not going to be met, but it seems like the revised December 2013 time line still has low confidence in being met by the project team. The project is working on completion of four sap interfaces. Both the enterprise business solutions group and the bureau of technology services staff resources are currently under heavy workload with competing time demands. The interface functionality and development is taking longer than planned. If the project is not completed by the end of 2013, a large expense could be incurred to support the current RISC system of the windows operating system xp computers, which is being driven by the office 365 project. As you may know, we are to be off of the older operating xp operating system by December 31. If we are not off by bureaus, then they will not be able to connect their PCs to the enterprise network, because there's no longer virus patches coming from Microsoft for xp. Therefore, they will have to have two PCs on the desk, one for an xp box not connected to the enterprise network, and the other with the windows 7, which is connected, adding the extra cost. During the quarter, TOC rated the timeline as red, but the budget is also seeing red in most recent August reports. The more delays, the more staff time is being spent on this project, including costs for the outside project manager. The last QA report on this, that was just received, was red for schedule, red for budget, and yellow for scope. It's too early for the TOC -- oh, actually, TOC concurred with those scores in the most recent meeting that we had this week. Questions on the RISC project?

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Saltzman: So the -- if I'm reading the color-coded chart right, the confidence level has gone from high to low?

Berry: Very much so. Due to not being able to make their first cutover and we're not thinking they are going to make the second one, based on schedule. I believe the requirements of this project were defined initially, but as they got into more development of the effort, those requirements grew to the point where they had to send requirements to their vendor for development. And now the vendor, who is developing applications, is kind of backed up with all these requirements that took so long to evolve. And so that's why they are thinking that they are going to miss that -- the target didn't make the December date but TOC believes they'll miss it.

Saltzman: So, are we imposing, I don't know if imposing is the right word, but are we asking requirements of the software that are not what the software is sort off-the-shelf designed to do? Is that part of the problem?

Berry: Well, this is a cloud-based application that is being developed on behalf of the city, but it's also being used by other customers. So, that's the dilemma you get into. Certain requirements that we already had defined and then redefined, the vendor is having to take that into consideration as they develop. And so, because it took so long to get some of these requirements to the vendor, they are saying they are backed up to get back the code for the system. So, it's kind of a two-way cause and effect on this application, Commissioner.

Saltzman: And so, the current timeline for the cutover at the end of the--

Berry: The current target is December 16. But, there is low -- we don't think they are going to make that date.

Hales: And what happens?

Berry: Which could go into January and then that will impose that two PC on the desk scenario until they deliver the new system for just the windows 7 operating system.

Hales: So we're at risk for that in two cases, the windows cutover date.

Berry: The city will make the windows 7 cutover date but this particular bureau may end up having two devices on their desk. Until resolution of the application. Procurement [inaudible] system, this is with the bureau of internal business services. This project is currently meeting expectations. The TOC has not discussed the project beyond its initial project introduction. The TOC will more closely monitor the project once it finishes the process mapping phase and enters the system solicitation and implementation phase. This is a brand new project that the TOC will just be overseeing. That is the report for today. It encompasses May through July, but we were attempting to bring in additional information, not holding just to the quarter report, but as we see things in August and September, we'll give more information just like we did today. That's going to be strategy going forward. We would rather you have the most just in time information in which to hear the report.

Hales: Further questions for Ben or Abby?

Saltzman: So, when I met with you, you showed me a one-page document that maybe that's what you were referring to, Abby, as the risk assessment tool --

Coppock: Yeah --

Saltzman: The series of questions that all -- that should be answered, and the commissioner in charge should know those questions, have been answered or, or be prepared to explain why they are not answered. I guess, my request would be that that risk assessment tool be part any council document that comes to us for approval of a contract so that we can see the risk assessment tool and understand if things are being waived, and we can ask, ask why, if those are. So, that is my request.

Berry: We can certainly to that, Commissioner.

Coppock: Right now, this is only being used for TOC projects. So, for the seven projects that are under the TOC. It might be a larger question if you want that to be for other technology projects.

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Hales: Why not? I think it's a good suggestion, why not have the same questions asked regardless of the scope and size. I mean --

Berry: Where there are IT contracts.

Hales: Yeah, so I mean -- right.

Fritz: At that stage would that be presented? Before its bid or when we decide to do the project?

Coppock: When we designed this, it was with the intent during contract negotiations. And this was more just for the TOC purposes to really -- when you are reading through the contract, it's so big and convoluted, and they didn't have time to really easily assess what's actually in here in terms of vendor and accountability and protections. So, this is kind a little cheat sheet that helped the TOC and the bureau director really see this is what's in this contract.

Hales: Contacts come to Council, so it could come then.

Fritz: But sometimes we authorize procurement to actually execute, to decide and execute the contract. Do they come back to us after they've made that choice?

Berry: Well, I think, if we are referring to this form, this is one of the initial forms we'll work with the bureau and making sure that they have an answer, yes or no, on some of these contract requirements. We can -- if there is no's on the form we would plan to meet with the bureau project team and/or director. And we can also give you the updates as a part projects that we report on from a TOC basis that have the form. But, I am also hearing that you want this form for any IT contract the city is undergoing, is that the case?

Hales: That's a good idea. If it's practicable, I think it's a good idea.

Saltzman: As we approve a contract.

Berry: Oh, as you approve a contract.

Saltzman: As we consider it, no later than that, I would say.

Berry: So we can go back and talk with the chief procurement officer, who would be presenting those contracts, and see what the approach and protocol strategy would be for that.

Hales: Good. Other questions for the team? And is there anyone else signed up on this?

Moore-Love: Yes, three people signed up.

Novick: Actually, Mr. Mayor, can I ask one question? Ben, on the RISC project, I know you said EBS and BTS staff resources working on the sap interfaces are under a heavy workload with competing demands. And then you say if this project is not completed but then end of 2013 we could incur significant costs. I mean, I just want to make sure that you have the ability to allocate staff resources in such a way as to minimize our exposure to additional costs. That if you have competing demands on your staff, you have the ability to shift them around, in the most advantageous way.

Berry: Commissioner Novick, this is always a balancing act when you have got competing projects, and resources, responding to the projects. I did talk to the project manager this morning. Actually, the EBS manager, Rick Schulte, this morning. He did tell me that he had about three weeks between now and the next, actually the next three weeks, in which to do actually do work on the RISC project should the vendor supply them with code. So that's going to help us. Any time that we have windows opportunity like that we will certainly apply them, and Rick's team is the one that's responsible for working with the vendor on this kind of constraint around the hours. So we do have the luxury of a three week window in which to get the work done prior to that December 16 cutover date that's been planned.

Novick: I also just want to say that generally speaking, if you find that a lack of staff resources is resulting -- is costing us more money than, than we were saving by having fewer staff, then that's something that we should know and please keep us apprised of that.

Berry: I can do that.

Hales: Questions for Ben or Abby? Thanks very much. Remember that we want testimony on this item, so if you are signed up to testify on this item, it's about the technology report.

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Moore-Love: Those three people were Ivan Scharbrough, Charles Johnson, and Joe Walsh.

Hales: Good morning. Come on up. About this subject. Not any subject, but this particular report. That's the way it works.

Ivan Scharbrough: I was told we could talk about whatever we wanted here.

Hales: But that's for what we just at the front end of the council session. So you have to sign up in advance for that.

Scharbrough: I have an issue so pressing that I couldn't wait until next week.

Hales: You should come up to my office and talk to my staff but don't try to inject that please into this discussion of these particular items because we need to get through the list.

Scharbrough: Ok. I can tell you what I have to say about the technology thing -- it's just--

Hales: Put your name in the record first.

Scharbrough: My name is Ivan Scharbrough, and I recently learned that, I guess, the world health organization admitted to the public in 2011 that wi-fi causes DNA damage that will affect our great, great, great grandchildren. To say the technology review boards take that into consideration, and moving it from the schools and whatnot. Cell phones as well. And the other thing I have to say about that is just that a lot of problems and meetings and wasted time and energy could be saved if you switched over to linux, [inaudible] continuing to deal with Windows, which is probably a money thing, but linux is so much simpler, there is no updating or any kind of weirdness, just straight out, so that's all I have to say.

Hales: Thanks very much. Good morning, Charles. Oh, Joe. Go ahead.

Joe Walsh: You want me to go first? My name is Joe Walsh, I represent individuals for justice. We're going to take the position and ask you to refuse to accept this report. Based on this concept, the report is very complex. As we were sitting here we were trying to follow it and it seems to me that, there would be an easier way to do this if, on the screen, you have slides showing what you guys are looking at, and the report. So, when start talking about yellows and reds and oranges, everybody gets confused, and then you start throwing in figures and different departments, and nobody knows what you are talking about. Now, we are activists, and we have some ability to look this stuff up. So, we don't come totally unprepared. But, I have to tell you, in the middle of the presentation I was totally confused. So, I'm asking you to tell your staff to go back and do something to raise your grade level from just above F in transparency. And the way that you could do that, is when someone presents something, they have slides, like private industry does all the time. They don't come here unprepared. As far as I'm concerned, this administrative officer came to you unprepared, because he just gave you a lot of googly guck, and you sat there and looked at the, at the report, and said oh, okay. The people at home that are watching this and the people in this audience -- and I asked a couple of them, do you understand what these guys are saying and they said no. And, and I didn't understand it, either. And I think that I'm a little bit more advised on what's going on with this City Council than most people, and if I don't get, it you have got problem. And that's what I'm saying to you. You have to go back to your staff, and say, you have to present a report that when you finish, everybody says, I understand that. I may not agree with it, but at least I know what they are talking about. Thank you.

Hales: Thanks. Good morning, Charles.

Charles Johnson: Thank you, Mr. Walsh. I am Charles Johnson. There is, of course, a link to pdf for this item 876, and it does look like gobbledygook, but I think that even Mr. Berry would agree the professionalism of the technology office would be better if he had time to bring along a PowerPoint and to put these graphics up for the public to see on the larger monitor. Three minutes isn't really enough for a comprehensive response. Two things, I think, we wanted to look at is, one of the projects is talking about moving to a famous magic buzzword of the day, cloud-based services. Cloud-based services are services you can't get to when your connection fails. So, right now, I don't know where our [inaudible] RISC is hosted, but, one thing that I'll be following up with

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Mr. Berry is that the city wants to know that its connection uptime is related to cost covering incentives. If a line is cut or there is a connection failure, you either want to get to pay less to whoever your service provider is, or you want them to cover the expense of an interim connection. The slight increase on the -- I think 11.3 million to 11.8 million part of that was hiring a project manager. I know that was a complex decision that was sort of a discovery of the fact that, oops, we did not have a project manager in time, so to get things under control, we are going to hire who we should have hired before. And, instead of going into all seven of these -- oh, we also have the sad situation of, what project has the worst track record? Can you remember? Out of the seven? I will remind you, it is the affordable housing project with the Portland housing bureau. What a coincidence and what that says about the priorities of the City of Portland. So, I'll also be talking to the new housing commissioner. I do want to thank the office of technology services because even though they didn't do two-sided printing, not two-sided printing is a small issue, they did give me the list of the neighborhood people for the pearl district so that we would know that along with Patricia Gardner, and pattyg57@gmail.com, will be dealing with jasmine, bruce, bob, and bill on some other issues. Thank you for your time gentleman. And, lady. [applause]

Hales: Thank you very much. Anyone else signed up?

Moore-Love: That's all who signed up.

Hales: Ok.

Crystal Elinski: I would like to.

Hales: On this item? Okay, come on up.

Crystal Elinski: Hello Commissioners, my name is Crystal Elinski and I represent 10,000 people, citizens, and people interested in what goes on in our city hall. The whole time that last item, agenda item, was going on I was thinking, this is the video of -- I am going to send to my friends and family around the world as the epitome of what goes on. And I applaud you for asking questions and looking into it. I don't want to take up the time that we need to start working on this issue. Working on this issue, so, yeah., so, as -- I guess I'm really put off when I ask direct questions of my representatives, and offices here in city hall, and I get back garbleddeegook. Whether it's in the council chambers or in a letter from your staff people, or even in a silly little put-off session. I feel like you are not coming -- you are not being open, not just you, but, these offices, we're not communicating and our city is falling apart. We need to fix the infrastructure, we need to get the services, and we need to think about the future generations. And we're just working for profits all the time. Which, obviously, are not working because we're losing money as we fail on, on, you know -- yeah, well, again, thank you. And, have a good day.

Hales: Thank you. [applause]

Veronica Bernier: Gracious good morning out there in tv land, this is veronica, I used to work at channel 7. So, you know where we're coming from. Anyway I just wanted to let you know that was then. This is now. Ok. Portland is different than any other city. It's very different, and there is two rivers running through it, which make it a real, real nice island. I call it an island in the sun. It's beautiful. We have more technology here than, than anyone could see, and the police technology is on the top, the cutting edge, all of the cities that I can think of, they really are smart. There is just one tiny little problem out there with regard to what we're talking about here. I have great fears that, that at some point in time, we're going to have a power failure here that's going to blow the circuits everywhere. And without that power, if we have the grid failure, we're going to be in deep trouble. The people who can think on their feet will survive. And this is no joke. It's happened before in the 1960s and the 1970s, and if you were in New York during the blackout you know that that's, nine months later there was a lot of babies born. And, anyway, you understand what I'm saying. We cannot do a failure analysis of a project that is not finished. There's many on the burner and they are all worthy, and if they are funded by the city, I am sure that they are fine. The point of the matter is, once it gets going, watch it. At my school, Portland State, they have removed a huge chunk of

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Lincoln Hall. We were set to do a little light comedy and, and the -- well, it's a musical, a little light musical. It's west side story, been done before, and I can sing the lead to it but I probably wouldn't, but that's what we are scheduled to do. Now, there is a big chunk, they've glitched us again, there's no way to get around it. But anyway this has absolutely nothing to do with what you're talking about but I wanted to put something in the works about it. We all love Lincoln. We sang there. I sang, and during the [inaudible] everybody went up and out a bit. But, you know, everything is worthwhile in this city and we have to preserve it, work to preserve it every day. It means taking walks and finding out it's the people, the people connection that does it.

Fish: Veronica, can I respond to one thing you said. You raised a wonderful point about what happens if there is a blackout with our technology.

Bernier: Oh, yeah. Definitely.

Fish: And I wanted to tell you. I'm the new water bureau commissioner so recently I went to a secure site to look at our operations center.

Bernier: Bull Run, yeah.

Fish: Well, this is the center that has the computers that run the entire system. So it has everything. And it, and it's a technological marvel but I asked the same question, what happens if there is a power interruption, and --

Bernier: Yes, or an earthquake.

Fish: Or an earthquake.

Bernier: Always prepare for a huge disaster.

Fish: So, number one, we're in a building that's earthquake-proof to the highest standards. Number two, we have a backup generator, and I say what if it fails. And number three, it's -- they have a battery setup so that the thing is always running on batteries so there is no such thing on this system as an interruption of power because we ran a battery backup simultaneously with power, and have a backup generator. Now, I'm sure that there is levels of redundancies to consider but that's a great question. You think, if you --

Bernier: Well, I worry about the firehouses, too. Fires and floods, total disaster. But you are right. And, at the same time, natural disasters always happen, it's not the people from up making the problem but the people down here that are shaking things up and doing substandard work. And that's why we have the better business bureau here. And that's why we have the board of permit appeals. I found a house out there on my walk that is divided evenly and a rather wonderful invention, right down the middle. And, the bathroom is here, and this couch on the right side and the left side is the other side of the flat. No workers' permit, nothing, they guy didn't bother to file a permit because he doesn't speak English enough. Now, isn't that interesting? Exposed beams and everything. So, stuff happens. We have to be on guard. Go around the blocks and look at them, and we like the technology, we love Intel. They are on the cutting edge. But we don't want to do a failure analysis of the system without looking at it, a bit better. Ok. Thanks.

Hales: Thanks very much. [applause]

Hales: Further council discussion? Any further questions? A motion to accept the report?

Fish: Motion to accept.

Saltzman: A second.

Hales: Roll call.

Item 876 roll call.

Saltzman: First of all, I want to thank first all, the five citizens who comprised the Technology Oversight Committee for the hard work that they do. And the purpose of the Technology Oversight Committee and the quarterly report to council is to provide the members of the council and the public transparency about where we are and honesty about where we are with information technology projects, which can often, as I have said in the past, they can come back to bite us, and this is a way to prevent that from happening. And so I appreciate the committee's report and, and the

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staff's report and look forward to having that risk assessment tool, any questions raised by that, accompanying future contract documents, at a minimum. We could see them sooner but, no later than when council has to approve them. And, I do agree with Mr. Walsh, I think our future presentation should have a PowerPoint, so that the public, who is here, and hasn't looked at the agenda ahead of time, can see the color coding and the concerns on the screen at the same time this is being presented. So I think that's a good idea. And thank you again, pleased to vote aye.

Novick: I also want to thank the members of the Technology Oversight Committee, and to thank Ben for what I thought was a very clear, although in some cases worrisome, presentation. And, I just want to the extent that the failures of contractors are going to cost us money, I hope that the city attorney is prepared to go after them for recompense. To the extent that we have competing demands on staff, are causing problems, I want us to keep track of that and make sure that as we go into the next budget process that we take that into account and see if there are areas where we need to shore you up. So, thank you for what I thought was a very clear, although sometimes disturbing report, and I vote aye.

Fritz: Well, thank you both for the briefing in my office and for the presentation today. I agree that having -- the purpose of having this presentation is to expand the knowledge of the citizenry and to make things clearer and more open and transparent. So having more of the visual presentation that we were provided would, obviously, support that goal. The important thing, though, is these five citizens who are delving into this on regular basis, getting all of the information, and doing the analysis for the general public as well as for the council with that independent oversight. And I particular thank Doretta Schrock, who my assigned person on that committee. We had a citizen committee oversight for the computer implementation at the bureau of environmental—of emergency communications before Commissioner Saltzman was the great impetus for forming this committee. And it was enormous helpful in tracking. I'm finding the reports very helpful, with the information technology program at the bureau of development services, and so was pleased to see the analysis on that, moving the implementation date out a bit also has the advantage implementing it at the slowest time of the season, of the construction season rather than the beginning, at the height it. So that has multiple benefits. It does requires the staff to be working on the project for longer, so the internal costs are higher. But as I mentioned, the cost of the contract with the external parties will not be going up. So, I will continue to be monitoring these and getting the reports on a monthly basis, and I appreciate knowing there is so many eyes on the projects. Because frankly I'm not an expert in technology, and I am glad to know that there are citizens and staff who are tracking and then giving me the report. Thank you very much. Aye.

Fish: Well, I, too, want to thank the staff for an excellent job. Just three quick points. In addition to a PowerPoint, I hope we also have a paper product to hand out. Some of us with eyes that are declining don't work as well with PowerPoints, and it's easier to have something in hand so I hope people have the option. Second, this technology oversight process represents a sea change from how we dealt with technology even during my five years. So, I want to thank Dan again for having the idea, and I think that the leadership turnover over last year really vindicates why we are doing this. Dan is the third housing commissioner since January 1st. I'm the fourth water bureau commissioner in charge since Thanksgiving. That's a lot of change in leadership. And it makes it even more difficult to manage complex technology projects when you have that much turnover at the leadership level. So, I think it further vindicates the rational for doing this, to make sure that we have a consistent process of providing oversight regardless of who is the director or the commissioner in charge, so it falls to the Council to monitor the technology and protect taxpayers. So, again, Dan, this was very good idea and I think it continues to bear fruit. And, as much heartburn as these reports give us from time to time, to me, that's an example how we are being transparent and not sugar-coating the problems that are coming up. So, thank you all for good work. Aye.

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Hales: Thank you, Ben and Abby. This is important oversight that you are providing, and that these citizens, I suspect, are putting in a little more time than they might have thought that they were committing. But we appreciate them very much. My appointee, for example, is Dr. Wilfred Pinfeld, who has one of the coolest titles I have heard which is the Director of Extreme Scale Programs at Intel. That just sounds like somebody who knows what she's doing, and she does, and I am very happy that she and the other citizens have volunteered. So, we'll continue to make this process more visible and more understandable because part of the purpose of this is for the public to see what's going on, and for us as commissioners in charge to know what's going on in our own bureau's projects. This is serious stuff. Just looking at this list, we have about 15 million dollars at risk in these projects that are now being monitored. That's a serious amount of money, and although the city of Portland has overall a great track record in terms of the bringing the projects in on-time, whether it's the renovation of the fire station or the construction of a park, or the biggest public works project in the history of the city, the big pipe, nevertheless there is always the opportunity in any complex project for things to get off on schedule and scope and budget. So, that's why those three elements are so carefully watched by this process. Very helpful. We'll just keep improving it as we go along. Thank you. Aye. [gavel pounding]

Hales: Alright, to the regular calendar.

Moore-Love: Did you want the first two read together?

Hales: Do you, Steve?

Novick: Let's see.

Hales: The flexible fund is probably by itself.

Novick: Yeah. I was confused, the next two are together. This one is a standalone.

Item 887.

Hales: Commissioner Novick.

Novick: So, I am trying to figure out how to explain a process that involves lots of initials. And metro council and jpac are prepared to give us a bunch of money. And we're coming to you with a list projects that we ask you to agree are the projects that we should ask metro and jpac to fund. Six of these projects, we're asking them to fund under the rubric of regional flexible funds. Another project we asked you to approve our submittal for the regional economic opportunity fund process. Today's vote will be the combination a year of community involvement that identified seven projects that will make our streets safer, and provide access to transit, accommodate the efficient delivery of goods. And the projects were identified based on priorities, identified in the regional transportation plan, the east Portland in motion five-year implementation strategy for active transportation, and the freight, pedestrian, and bicycle master plans. And the projects nominated fall into three categories: regional economic opportunity funds, act of transportation, and green economy and freight. The regional economic opportunity fund, again, was dually created, and this fund will prioritize transportation investments that will result in economic development. And, Portland has prioritized the use of the funds in east Portland because of the incomplete transportation system and barriers to economic development in that area. The area served by the east Portland access to employment and education multi-modal project grant, if you agree we should submit that to jpac and metro. The areas served accounts for 37% of Portland children, 33% of Portland seniors, and neighborhoods with poverty rates as high as 36%. And these improvements will primarily will serve the David Douglas school district where 79% of students receive free or reduced lunches. Council approval of the 9 million dollar east Portland in motion project will bring the total committed or built in east Portland to 47 million since the adoption of the east Portland in motion strategy. The project identified for active transportation funding at a regional flexible funds focus on creating infrastructure in parts of Portland that currently lack these basic services. The Barbur and Foster projects are on existing high crash corridors. Over the years, we've created plans to improve the safety and function of barber and Foster. This grant funding allows us to implement, or would allow

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to us, to implement the necessary projects to enhance safety and ensure that these major roads serve as economic engines for our city. The central city multi-modal safety project, is a--would be a project which would provide planning and implementation funding to help address the 14 of the top 20 high crash intersections for bicycling, and six of the top 20 high crash intersections for walking in our city. Not only do we need to address the safety concerns, but this project will also meaningfully address the public concern that accessing downtown is limited due to unnecessary conflicts between people walking, bicycling, driving, or taking transit. One of these projects will provide funding for southwest, for developing a southwest Portland in motion strategy, modeled off the very successful east Portland in motion project. So that the southwest motion transportation strategy would ensure that we use limited resources to quickly develop networks that get Portlanders in southwest where they need to go. And finally, Portland's freight advisory committee strongly recommended two projects to support the efficient movement of goods, the river gate Lombard ITS project, and the north going to Swan Island freight project. Both these use state of the art signal management and efficient roadway design to ensure the areas continue to support Portland's economic development strategies. And I would like to bring up Dan Bower and Mark Lear to provide some elaboration. But first I want to find out Representative Jessica Vega Pederson's chief of staff was here and wanted to testify on the items. Marina, you are still here? Sorry, actually, Dan and Mark, stay, because there is room for three. But Marina, do you want to come up and offer your comments?

Marina Orcutt: Good morning, Mayor Hales and commissioners. For the record, my name is Marina Orcutt, and I am representative Jessica Vega Pederson's chief of staff. She's in Salem today for a legislative day. So I am here to offer testimony on behalf of state representative Pederson. She represents a large part of the City of Portland east of I-205. Representative Vega Peterson would like to offer her support for the allocation of the \$9 million coming from the regional economic opportunity funds for the east Portland in motion access to employment and education project. And, as some of you know, Representative Vega Peterson has two young children. This summer she and her husband decided to get bike trailers, and travel south to the east, sorry, travel south to the Springwater corridor. Her house is located right by David Douglas High School. So, the route that they were going to take is a potential future site for one of the greenways we're talking about. The route that they have to take is south, and so they had to cross Division, Powell, and Holgate. And as they were riding along with their two young kids, they realized just how dangerous this area is for bike riders and pedestrians each day as they crossed the lanes traffic with cars going upwards of 50 miles an hour. East Portland represents almost one quarter of the city's population. It has some of the fastest growing neighborhoods in the city. With a once-rural environment, the rapid population growth has been adding some pretty -- has been bearing some extra weight on the existing infrastructure. With funding like projects like this, we are on our way to making it safer for east Portland and east Portland families. Representative Vega Pederson would like to thank you for the opportunity to comment today. A lot of work has been done in the east Portland community in identifying this project as being important, and she would like to thank you, Commissioner Novick and Mayor Hales, for your partnership and work towards east Portland. So thank you.

Novick: Thank you very much, Marina, and thank the representative for her support.

Dan Bower, Bureau of Transportation: I am Dan Bower, I manage the active transportation division. For the sake of today's conversation I've been coordinating the submittal of grants for federal funds through both the state through Metro. So what we're talking about is a process for nominating projects for federal funding through Metro. Just last week, Commissioner Novick had the pleasure of sitting on a committee to allocate federal funds through the state process. So there is a lot of projects going on right now. A lot of different public testimony going on. So, there is room for confusion but this is a relatively straightforward process. And I think the commissioner did such a thorough job introducing this topic. I actually have little to say about the process and the projects,

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other than to say that we really want to thank our advisory committees, freight, bike, and ped, as well as the extremely involved neighborhood associations that helped us to prioritize this project. I think it has been a good process and out of the 17 priority projects we advanced through both the state and metro region, we're about to get 16 of those funded, so we feel really good about our ability to work with these projects. Mark's gonna give a quick overview of each project, and then at the end we have a few people looking to testify.

Mark Lear, Bureau of Transportation: I am Mark Lear, I manage the park and funding group and active transportation, and I am going to give a quick highlight of couple of the projects that we submitted. The first project that I'm really proud of for the community and our agency and the city is that east Portland access to employment and education multi-modal project. Hopefully everybody knows it's something amazing going on in east Portland as far as the organization and the identification of critical transportation safety improvements. And over the last -- we had a year-long process to develop the east Portland in motion strategy, and it's something like I have not seen before in the city where we went out to warming shelters, and different community groups and talked about what the needs were in east Portland. A lot of what we heard was really good access to transit, and building a system that get people safely and families to where they need to go. The height -- the number of crashes that we have in east Portland is different than the rest of the city, and it has been great to see everybody come together across the city and support this effort. All neighborhoods. The \$8.3 million, without the match, includes 3 million for sidewalks, and 1.5 million on Powell, and 1.5 million for sidewalk improvements on other priorities identified on the plan, 1.5 million dollars for neighborhood greenways which include the 100 and 150s. And then \$200 million for safe access to transit, and we really want to use this funding to help with those efforts. As Mayor Hales knows, in great detail, we put a Barbur boulevard plan together a decade ago, but haven't had the funding to invest in it. This grant will allow us to make significant crossing improvements in the 22nd area and 26th area on Barbur, add bike lanes, and really begin to implement that plan. Another project that a lot of work has gone into and I think is really positive is the central city multi-modal safety improvements project. Our central city, including a bit on the east side, and the west side, includes 14 of our highest top 20 crashes for people riding bikes, and six of our top 20 high crash intersections. And downtown has done an amazing job of integrating pedestrians and transit, but we have not really done that for people riding bicycles. Although people -- the growth of people riding bicycles has been significant. Portland Business Alliance identified in their own survey in 2001, 3% of employees working in the downtown commute by bicycle. The last survey that they put together was over 11% or 11% and, that's great, but we hear a lot from people that, that I'm afraid to drive downtown because of the conflict with bikes, pedestrians, cars, transit. I'm afraid to ride downtown because of the same concerns. The upshot is we need to do some significant planning between the city and the downtown community, business community, to make sure that we have a strategy, a network that we're going to implement. So this plan provides funding for developing that plan, and then providing significant safety improvements, really building that network. It also provides a half million dollars for planning work association, with the waterfront trail to the south of the Ross Island Bridge. The two freight projects are identified, or requesting funds for, one is the south river gate freight project. Right now, this is the largest industrial area in the city, and it's not -- it currently has significant capacity issues based on the length of trains that are coming in to the site. So, this funding would allow us to do street planning work and waterization work to really address that problem in a way that ensures this area can continue to function the way that we want it to as an economic engine for the city. And again, as Commissioner Novick was mentioning, the east Portland in motion project, this implementation strategy has really worked well in east Portland, and southwest Portland has those same challenges. Over half the arterials, busy streets, and black sidewalks. This project would allow us to do that same kind of a

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project and really stretch those dollars and identify the most needed improvements in southwest Portland. And --

Novick: Mark, can I interrupt you for a second. Politicians playfully say if you are having a hard time getting to sleep, read such and such government reports. When it comes to the east Portland in motion report that issued last year, I would say that if you are having a hard time staying awake, read that report. Because it is a phenomenal example of the community and people of PBOT coming together and developing a list of the important projects and criteria to prioritize those projects. It's spectacular. And I would be, it would be great if southwest had the same kind of tools.

Lear: I agree. So, just two more projects to summarize. The first one is the Foster road project. I think that this is actually really good example of another good community process. We were in a position to make improvements on Foster, and had PDC funding and other grant funding available, but at the same time, you know, people were dying. Multiple people per year on Foster, and I think that the community, the city, did a gut check and said the money that we have with the project that we already sort of have on the books isn't going to result in a community -- in a safe situation, and the upshot was people wanted more. So we've been recently facilitating a process with the community, it's not done yet, to figure out how we can better accommodate pedestrians, bicycles, in this important corridor and this funding would allow us two options right now depending on how that process plays out, but, to follow through with the investment. And we have a higher level of assurance we're actually going to make a big difference. The last project is a ITS, intelligence transportation system project, and even though in our plans we say that we're going to use ITS, the coordination of signals and cameras that can help coordinate that throughout the city on our busiest streets, we have not done that yet for this crucial link between the city and Swan Island. So this project would allow us to do that work, and we'll have significant improvements to access. Thanks.

Hales: Questions?

Fish: I don't know whether this is to staff or to the commissioner in charge, but, I was just -- I wanted to ask about the proposal to fund the Sullivan's Gulch under-crossing at i-205, and there is history that predates the current transportation commissioner, and it had to do with some-- the bike share deal and some discussions we had one or two cycles ago. But, what's at issue is connecting gateway green, which is something the transportation commissioner and I care deeply about, with Sullivan's Gulch, and there was the thought that we could use some of these dollars to do the i-205 piece to make that connectivity, and then later, seek to crack open the riddle of how we work the railroads on Sullivan's Gulch. So, my question is, why this hasn't, -- why didn't it make the cut, and if we continue to have a commitment to fund opportunistically those pieces in the future, which are, I think, vital to connecting east Portland with our active transportation network.

Novick: Commissioner, I will give a brief answer, and then Dan will elaborate. The Sullivan's Gulch project did not meet the criteria that Metro established for regional flexible funds allocation, so we put it into the stip process. And in the -- it was in our initial proposal for stip, and it sort of lost the battle with other projects within the process. It is a priority. But we needed to, we could not get all that we asked for in the process. Dan, do you want to elaborate?

Bower: Yeah, on a pure technical merit, the regional flexible funds has a \$3 million project minimum, and the Sullivan's Gulch trail project was about, I believe, \$1.2. So when we looked at that and the partnership with ODOT --

Fish: You can always inflate the budget. [laughter]

*****: I considered it.

Hales: Strike that. [laughter]

Lear: When we look at the partnership required with that, with ODOT, we thought it would be very competitive in the ODOT stip process. Unfortunately it made it to the 150% list but it really came up against other trail projects, including other parks priorities projects like the NP greenway. And,

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so, we had a lot of different trail projects competing for money. And I think, if we had done better job as a city coordinating our priorities, we would get more of our priority projects funded.

Fish: I am only speaking for myself, the new parks commissioner is going to have her view, and I got an e-mail today from the transportation commissioner asking me to contribute to gateway green. So the point I just want to make is, we've been briefed on these recommendations, my staff has, and we appreciate the care and thought that went into them, and I intend to support them. But, I want to make sure that this commitment that we made previously doesn't fall off the radar. And I think that in particular, since we have, at the grassroots level, citizens raising private dollars to develop the vision of gateway green, I want to make sure that we are good partners in following through on what we can do to connect gateway green to the active transportation network, and it is a key priority of the gateway community which often feels neglected. I want to make sure it's still in the pipeline.

Novick: Absolutely. I should have elaborated on what we did get in the stip process. And --

Fish: That stands for?

Novick: Statewide transportation improvement program. And we did get a major investment in St. John's to alleviate the conflict between trucks and pedestrians. We did get a major investment in the Cully neighborhood. It was a Tri-met proposal. But, we got access to transit improvements along Powell and Division. So, we got a lot of good stuff in the stip. Unfortunately, we did not get the Sullivan's Gulch trail.

Fish: I applaud those. And also, given the news of Daimler, we'll have a more robust partner to finish the hardest parts of the North Portland greenway, which like all these things, involve railroads and, and difficult decisions. But, I liked the proposal, commissioner, and just want to make sure that we don't, we don't -- it does not slide off the radar because we would love to see what we think we can do is opportunistically do pieces. Sort of like what we're doing in south waterfront with the greenway, where there is money doing a piece, it's not connected yet, but, this helps our friends in gateway green advance a very compelling vision. I hope we can continue to look for a pot of money to make some progress.

Novick: Thank you.

Hales: I have question, this is mainly to catch me up because I'm not sure if I heard the outcome. But, does the river gate Lombard ITS project compliment the project that was applied for in terms of the truck over-crossing that applied for tiger funds? Are they the same project?

Bower: They were meant to be complementary.

Hales: We are still awaiting word?

Lear: No.

Hales: We didn't get it. Okay.

Bower: We're awaiting for them to change their mind. [laughter] So this was meant to be in addition to that, but, it's still, as a standalone project, has quite a bit of value.

Hales: Alright. Try, try again, for the tiger. Often it takes more than one attempt. Other questions?

Fritz: So I understand that this about \$22 million and our match is \$2.6 million? Of these projects, which ones are the whole project, and then which ones are just a part a project that we're looking at future funding for?

Bower: That's a good question. The Foster road safety project is combined with the previous regional flexible funds allocation so that's a combined cost of, let me do some math, of about 5.25 million.

Fritz: So will it be done after this?

Bower: That's the plan. The Barbur demonstration project could be combined with another stip award, there was a stip award for Barbur of around 3 million or 4 million, and we're likely going to combine those as one award to coordinate the work. And --

Fritz: But I know that there's more projects on Barbur.

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Bower: Oh, yeah, we could go on and on for that one. Southwest in motion is a strategy, so there will need to be funding to implement the strategy.

Fritz: Right. And that strategy will get done with this money just like the east Portland in motion?

Bower: This is going to fund the planning work.

Fritz: And it will come to council as a result?

Bower: Right.

Fritz: Great. Keep going.

Bower: Yeah, those are all complete. I would say the central city one probably will have a longer list and we'll fund as much as we can. But we'll come back for future asks on that.

Fritz: Okay, and then the other ones?

Bower: They are complete.

Fritz: The other on, the others on the list, they are all done? They will be done?

*******:** The ITS project, you have enough money for that?

Bower: Yes. Sorry. I was asking about the Swan Island ITS. Yes.

Fritz: Great. Thank you.

Hales: Other questions? All right. Thank you both. I think we have some testimony lined up.

Moore-Love: Yes, we have nine people signed up.

Hales: Come on up. Good morning. Put your name in the record.

Mark J. Hofheins: Alright. My name is Mark J. Hofheins, Jr. I think it's great that they are doing something to actually help people, and so forth, and you are committing to helping people sustain their lives, and I want to commend you guys that. But, I also want to commend -- or come in and kind of implement something into it. Actually, you know, as it pertains with the moneys issue.

Hales: Why don't you stay focused on this issue.

Hofheins: It is with the issue, because I mean, it is also with sustaining lives, and sidewalks and etc., as well. I, Mark J. Hofheins, Jr., come before the council under the name of UCARE, United Coalition Against Repression for Equality, escaping the negative stigma portrayed upon Occupy Portland. This being said, I ask, do you care, which obviously you are starting to care. You are doing things and that's great. We spent a lot of time dealing with subjects other than meetings. Your ten-year plan to end homelessness. Instead of you constantly appropriating moneys and time to a multitude of subjects, avoiding the true issue at hand, even as the national scope, where is the committee, where is this committee I was asked to start with you to address the subject as well? Which, you know, we can deal with some other things, as far as appropriating and trying to figure it out with housing and etc. I have competent and religious-based community members at the ready. Many angry at you, or angry that you are directing the police to harass those who are in the -- in your spotlight instead of criminals, listing offenders who qualify as true, lawless, homelessness. Instead spending money to wage a political war on the homeless, and spend the citizen's taxes on those who have no choice --

Hales: I'm sorry, I need to interrupt you.

Hofheins: But to find a way to sustain their own lives--

Hales: Hang on, hang on. Just, hang on. I won't take your time but you need to know that these are, these are transportation funds --

Hofheins: I know, I understand that, I --

Hales: And by state law, hang on, by state law we can only spend these moneys on transportation.

Hofheins: I just want to say this for the record, sir. That's all.

Hales: Okay. Go ahead.

Hofheins: You know, to those who have no choice but to find a way to sustain their life by doing the basic actions any citizens or politician would do, to live day by day and night by night in order to not to suffer and or die. I, as a citizen, and created homeless by the system, I constantly witness, I am a constant witness to the travesties caused when the public eye is nowhere to be found and have

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zero access to the media or the political officials, actions directed by you Charlie Hales, and the city attorney to the Chief Reese and the police, park rangers. As Moses said, let my people go, and as an American, I say, let them be free and equal. No more administrative punishment. Help, not arm. Resolutions, not institutions. In life, not death. Thank you. [applause]

Hales: Good morning.

Novick: Martha, I just want to say, it's an honor and a delightful coincidence to have national expert on bicycle transportation here today. So thank you for coming.

Hales: Welcome.

Martha Roskowski: Thank you. It's my pleasure to be here, Mayor Hales and Commissioners. My name is Martha Roskowski. I live in Boulder, Colorado. I work for the bikes belong foundation. I run the green lane project, which is an effort to help build better bike lanes across the country. As you know, bicycling is really booming across the country. Bike share systems, and more and more people are getting on bikes. I'm here to encourage you to fund the central city multi-modal safety project because it sounds like a really strategic investment of funds. Green lane project has been working with six cities across the country for the last two years to help them to get innovative bike projects on the ground. Portland, San Francisco, Austin, Memphis, Chicago, and Washington, D.C. And we're here in Portland because we pulled in the top staff people from each of those cities who are really the leads in building these innovative designs for a debrief of what we learned over the last two years. And looking forward, you know, where are U.S. cities are going in terms of really rethinking how their streets work for people on foot, people on buses, people in cars, people on bikes. We went on a tour, the PBOT team took us on a tour around downtown so we had a chance to look at your challenges and your opportunities in terms of the people being able to walk and bike safely. You have a really neat downtown. There is room for improvement as you well know. A lot of our cities are doing quite a bit in their downtowns. Chicago, D.C., Austin, San Francisco, have all completed projects recently that have taken travel lanes or taken parking to create protected bike lanes that are places for people of all types to ride bikes. They are doing it for safety reasons, they are doing it to reduce the health care costs long-term, they are doing it for mobility. Bikes do not replace cars but for short trips they can be a good addition to your transportation system and relieve congestion. They are doing it to build more resilient communities for when disasters hit, like in Boulder, bikes offer really good short-term personal mobility. People get home when cars, you know, when drivers can't. More importantly, the big thing that's driving a lot of the cities is economic development. They are building these to attract top young people, which brings high-tech companies that want to hire them. So, it's an economic development strategy for a lot of people. And finally, they are doing it to better order the streets. Surveys are showing that drivers like these protected lanes because they make bicyclists more predictable, pedestrians like them because they get bicyclists off the sidewalk. Some bicyclists don't like them because they force bicyclists to be more orderly, and in some cases, drive slower. Bike more slowly. So, it's really a win-win across the board for people in terms of making your streets work better, I think this is a really cool project, and I encourage you to fund it. And thank you for hosting us here in Portland, it's been really neat.

Hales: Thanks for being a resource for us. [applause]

Joseph Gordon: My name is Joseph Gordon, aka Tequila, and I will get on the point. I want to thank the city for allowing josh to walk with me and my lover. We've been complaining about finding housing, and we have an income, and I am glad that he voluntarily went with us, how a day is with us, shopping-- not just shopping -- trying to find an apartment. And as I will say, like a few hours into it, into our adventure, would you say, he made a comment of, I don't see how you guys are not frustrated. You know. This will get to transportation, just to let you know. I want to thank the city so much for now finally getting in touch and, you know, adventuring out to see how it is and where the corruption is coming from. And the problem facing the city with what is lacking of us and, and there is no resources. Now you know the truth, we've been complaining for so long, that

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there is, for people like me and Joel, it is not as easy as, you have the money, so you can find an apartment. And I see that that I know that now -- know that money has been mismanaged and misplaced, put in different things, and I just hope that it was an eye opener for the city hall to know, and realize now that housing is not as simple as it is made out to be. I'm pretty sure that josh, I won't go into that, but I want to thank you for that. And also, if it wasn't for Tri-met, we would not have made it to a lot of the places, you know. So, expanding. And I am for the expansion of tri-met and stuff because if it was not for tri-met on this ordeal, we would not have been able to go to the places that we did even though it is a futile mission. Also, I am asking, as well, I'm pretty sure that josh will tell you, that if there is a city ordinance on people with rent outside of their places, and there is no vacancy and is somehow the monopolies going on threaten rent. For Rent signs are all on their buildings from one street, and there is nothing for rent. You know. I'm pretty sure you will be working with Jo Ann and all of this stuff to better the system. Now that you know it's flawed. And also, as well, I would say for Tri-met, if you want to get some money, for josh, about--when you can just walk in to tri-met, I know this is going off, but when you can walk into tri-met and pretty much, can I get an honored citizen card and they give it to you without whatever, that's where your taxpayers' money is going. When you can just walk in and get one. So, I pretty much advise, you could save a lot of money through tax revenues from clearing that. You could just walk in there and say I need an honored citizen card. So just letting you know that, just whatever. I know, I'm going to be shot in the neighborhood now. [laughter]

Hales: Well, I hope not.

Gordon: Yeah, no. But I want to thank the city. They finally stepped down and walked with the homeless for a day. So, just want to let you know. Thank you.

Hales: Thanks a lot. [applause] Good luck.

Moore-Love: So we have Gerik, Michelle, and Roger.

Hales: Good morning. You're on first, Gerik.

Gerik Kransky: Great. Mayor Hales, and members of the commission, my name is Gerik Kransky, I'm the advocacy director with the Bicycle Transportation Alliance. I want to thank you for the opportunity to testify in support of this resolution today. We're encouraging you all to vote yes towards this great slate of projects. At the Bicycle Transportation Alliance, we've been working pretty hard with business and community leaders to build support for safe bicycling facilities all across the city. We see those rolling out with this slate of priorities. We are also very involved in the policy conversation around ensuring that 75% of available regional flexible funds are dedicated to the active transportation and complete streets project. So, we're very happy to have been involved in that conversation, as well as this one. And among the projects under consideration today, I would like to specifically mention our support for the central city multi-modal safety improvements, and for two primary reasons: safety and economic development. Portland central business district has the highest daily bike ridership anywhere in the city. And that's part of the reason that the BTA has prioritized improvements in the central city in our regional world class bicycling document, basically, a slate of 16 projects that we would like to see funded all across the Portland metro region. And on page 6 of the handout that I just shared with you, you will see our description of the conditions in downtown. We see this project as a key benefit for improving those conditions. And that's on the safety side. We would like to see those improvements in place on the economic development side. We've been having conversations with our partners downtown, and getting a feel for what their customers, clients, and employees are having in terms of an experience as they ride their bikes. We got a couple interesting quotes I would like to share with you from some folks we've been talking to. The first is from Dennis Allen, who is the director of planning and development at Zidell Yards. And his quote in support of bicycling in general and downtown is, everyone knows how important bicycling is to Portlanders, and that this trend is only going to grow. The south waterfront with its recently constructed Moody Avenue, forthcoming Portland-Milwaukie light rail

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bridge, riverfront bikeways, and great connections to the central business district, is one of the best areas in the city for cycling. Therefore, it's important for us to facilitate safe access and storage solutions for our tenants and visitors. That's just one of the folks we've been talking with over the last couple of months, building support and understanding for this. And I think, as the process goes forward, we will find more and more excitement among the business community and people who live and work downtown, if they can get into downtown safely on a bike. I encourage you to vote yes. Thank you for your time.

Fish: May I ask you a question. You began by talking about how we can create safer opportunities for cyclists on the roads. There are pictures in the brochure you have us of what, let's say, northeast Broadway would look like with a dedicated lane and buffer.

Kransky: You bet.

Fish: And that makes a lot of sense to me. But you also have a fantastic picture of what north Portland greenways would look like and how it could coexist with the rail, which I think is exciting. That raises another question. Because one of the byproducts of the success we have with these kinds of projects is more user conflicts between pedestrians and cyclists. We are hearing that specifically in Tom McCall Waterfront Park, and other places where you have a lot of volume and not a lot of space. My understanding is in south waterfront, in the greenway, we are going to address it by having separated trails. A trail for bikes and a trail for pedestrians. Where we get feedback, is particularly from older people who use these to walk and they have bikes careening by. Does the BTA have a position on how we should be thinking about safety on the greenways as well, in terms of pedestrians and bikes?

Kransky: I wouldn't say a position, but we definitely would defer to the transportation professionals who are realizing that we have become victims of our own success, frankly. It used to be the gold standard that a multiuse path 10 to 14 feet in width was anticipated to be perfectly sufficient for all of the pedestrian and bicycle traffic. We're finding that that is not the case. So that's why we got the big dinner-plate size markings on the Hawthorne bridge to delineate where the pedestrian space and where the bicycle space is. I think that is a sort of 1.0 answer to the question. In the future, that's part of the reason why we're looking at physically separated cycle tracks in our central business district as one of the solutions that will provide dedicated space for bikes separate and distinct from automobiles, separate and distinct from pedestrians, to help address those conflicts.

Hales: Thanks Gerik. Good morning, Michelle.

Michelle Poyourow: Good morning. My name is Michelle Poyourow, and I have been in front of you a couple of times in the past because I used to work with Gerik at the Bicycle Transportation Alliance. But I am now working as a transit planner. I'm going to be working out of an office in southeast Portland close to Foster road and the 50s bikeway that you approved sometime ago. I'm excited about that. I would like to comment on the list of projects in front of you. I think it is a good list of projects and I'm so excited that the city is making this kind of investment. There are two in particular I'm excited about. One is Foster road. Again, I will have a personal connection to that one. I want to point out that sometimes you may hear from people, why would people want to bike on Foster road? We oughtn't have bikes on a main street, it's too busy, they should be on the side streets. And I think in the city we have done a great job of making some neighborhood greenways on side streets where people can walk and bike and it really feels like a safe, quiet space. But there is a limit to what you can do with neighborhood greenways because in the end, people go to the busy streets because that is where all of the stuff is. That's where the businesses are that they need to shop at. That's where the jobs are that they're commuting to. The schools are, sometimes. And also that's where the people are. And in the case of Foster road, it's a diagonal and there is no such thing as a parallel route. If you remember your high school trigonometry, the hypotenuse of the triangle is quite a bit shorter than the two legs of the triangle. So I think Foster road, I know it's a complex project, but I'm so excited to see it moving forward and funded, assuming that you vote in favor of

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this. And the second part of the project that I'm excited about is downtown. I have been biking downtown for probably 13 years. And I noticed recently that right around 6:00, my boyfriend some days will call me and say, hey, let's go to a movie. And sometimes he'll say, oh that movie you want to see is playing at Living Room Theaters at 7:30 or 8:00. Let's go down there. And I say no. Finally he said, what's your problem with living room theaters? And, I love living room theaters. And I finally realized I come downtown for meetings during the day but I no longer want to come down here at night. I'm willing to bike in mixed traffic, I'm one of those hardy bicyclists who will bike in mixed traffic, but as I get older, I don't want to be sharing all of that space with cars that are moving that fast. And there are a lot of people like me out there who aren't biking at all yet. So, I'm excited to see downtown grow and become more active, denser, have more economic activity down here. But to accommodate that, I think we will have to get people here in smaller vehicles and bikes are a great smaller vehicle. So, again, I think it is a good list of projects and I hope that you all support it. Thank you.

Hales: Thank you. Roger, good morning.

Roger Gertenrich: My name is Roger Gertenrich, and I'm here to support the funding for the planning and ultimate construction of the greenway between the Marquam Bridge and the Spaghetti Factory. That section will open the door to bikes and pedestrians from the entire south Portland neighborhood to the downtown area. And it also will be enhanced when the two bridges come online, the Sellwood Bridge and what I would call the OMSI bridge, that will come down into the northern section of this greenway. Regarding that northern section, I have a bonus to add and to give you a heads up. Before the year is out, there is a group of us citizens that are going to bring a grass roots, bottom-up project to you for your consideration. And particularly to Commissioner Fritz, because you are now the head of park and rec, and what that will be is an outdoor maritime display to hopefully go in the section of the greenway between the Zidells and the Marquam Bridge. It would be free to the public and all of the maritime items will be donated with their historical markers. The Willamette River is a pride and joy of the people of Oregon. They really treasure the historical maritime history of it, but we are kind of losing it. So, the river is the heartbeat of the city, and we want to keep the vitality of the city alive and keep that heartbeat going. That particular section will help do that, and I think you'll find when you understand more about the outdoor maritime display that you will find the people -- they don't like it, they love it. And it will be an asset to that particular section of the greenway. Thank you.

Hales: Thank you. Thanks very much. Questions? Thank you all. And we have more folks.

Moore-Love: The next three are Amanda, David, and Joel.

Hales: Good morning, Dave.

David Hampsten: How are you?

Hales: Go ahead.

Hampsten: My name is David Hampsten, I'm the transportation chair for the Hazelwood Neighborhood Association in east Portland. I'm also with east Portland action plan. I'm here to support most of these projects. I'm not going to criticize anyone of them. I -- one thing that we really support in east Portland is getting projects in areas that lack transportation infrastructure, not just in east Portland, but even north Portland, southwest Portland, and in Cully. And so I welcome many of the stip projects that were approved last week and we especially support the SWIM project, the southwest in motion, as being a very good step forward for southwest, which really does lack sidewalks. I sympathize on the Sullivan's Gulch trail, and that is something that is supported in the east Portland action plan and we hope that eventually that does get funded. I'm here mostly to talk about east Portland, and the transportation issues that we have and to support the employment opportunity flex funds projects. East Portland is an area that in large part does lack basic infrastructure. Basically to live in east Portland, you have to drive everywhere because there is no -- there are no sidewalks. There are no bikeways. And so, as people age, of course, as just mentioned

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about downtown, it becomes a bigger and bigger issue that you have trouble crossing five to seven lanes on say, Division, or Halsey or Glisan, which is in east Portland, around 122nd, where you have traffic going very fast. So these projects which are in this \$8 to \$9 million package help quite a bit with that. For instance, there is a bikeway on the 150s. It is hard to think that Portland goes out that far, but it actually goes out to the 170s. On the 150s route, it connects the poorest neighborhood in the entire city, the Glenfair neighborhood, over on the light rail near Rockwood, to the Springwater trail, going through the Centennial neighborhood and Pleasant valley neighborhood. A very strategic link that it connects to many schools and allows people living in Glenfair who want to commute by bike get on to the Springwater and head straight into Milwaukie or downtown. Many of the other projects, such as the \$3 million toward Powell Boulevard, again, will help make the pedestrian way throughout east Portland much better and help the city on the long term develop those areas, because roughly 40% of the new growth in the next 20 years will be in east Portland. Just because that's the cheapest land and the cheapest rent. Thank you very much.

Hales: Thank you, David.

Joel Sievers: My name is Joel Sievers. I thank you guys for letting josh walk with me and Joseph, what, two days ago. And we're also invited to something October 4th, which we heard about which, yeah, we'll totally do that. Maybe we will talk about that here later. Also, yeah, there are apartment complexes that do say for rent when there are no vacancies --

Hales: Joel, just talk about transportation.

Sievers: Transportation. I'm totally up for it. I know it's expensive. I know IT needs to expand with windows 7 and windows 8 about to come out in a few years. I do -- I also believe in that, because my dad worked IT, and he said we need the technology. Transportation for MAX and streetcar expansion, that would be great. And, that would be good. Even behind, across the river where bike and hike is, where the St. Francis lays, that is about to be demolished. There needs to be hopefully something goes in there. Low-income apartments as well, and hopefully when Trimet and stuff does expand, hopefully, rent for places will stay low. Not high, but low. The bigger you build the building, the higher you have to pay for rent. Hopefully you can keep building small and minimized and also look nice. Yeah, I'm totally, I'm totally game for that. And that's all I have to say.

Hales: Great. Thank you very much.

Sievers: Yeah, you're welcome. [applause]

Moore-Love: We have two more. Crystal, Charles Johnson.

Hales: Come on up. Hey, crystal.

Crystal Elinski: Hello, again. It looks like everything is resonating with me today. I will see you through the agenda items. I wanted to share with you a vision that I've had for a long time regarding transportation and having a livable city. And also a quick anecdote that luckily my boyfriend won't hear about because he doesn't watch things like this. It's to share with you a disturbing trend. First of all, I would like to commend Commissioner Novick for taking the reins on this and the way he's describing it, makes me feel like it's in good hands. In comparison to Adam's wishy-washy green wash thing and hills' stubbornness. I understand that out in the east, there was a representative, shana -- what is her name -- yes, Fagan. I'm impressed that we're going to concentrate on this. I think that the European center, city center, is always the way to go and I would love to see us have a car free center. It would be wonderful. Car free, car fee.

Hales: Car free.

Elinski: Yes, totally. Yeah. So, it's funny when my parents came out to visit me out in eastern Europe, my mom was insisting on staying in the outside of the arterials of the big things to get services -- I'm like, no, we have to go to the center. It involves walking. But it would also help to make this a center where people want to come to and we need to consider the diversity of the businesses and subsidized housing. We really need to put that first and foremost, along with considering the infrastructure of, like, the east side growing. We are growing so fast it blows my

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mind. But I guess about the anecdote, that's disturbing, I heard on KOPB, I'm embarrassed to say, I listen to Think Out Loud sometimes. But they were talking about the tech companies wanting to come downtown because it was so cool. I was like, oh no. I told it to my boyfriend, and I kid you not, he said that his company was considering doing that. I was like, no, the downtown should be as diverse as possible. People come together, all sorts. And when you are a tech company and you sit in your little office -- that's why, in the '70s -- real quick, almost done. In the '70s, they didn't have corporate parks, they had corporate things in the industrial areas and in the '80s it became corporate parks and now the corporate parks are trying to move more into the city. We've really got to consider that as well. Thank you for your time.

Hales: Thank you, Crystal.

Charles Johnson: Charles Johnson for the record. We are talking about the six projects or the one special different funding thing, anything that we're looking at in the core area of the city where we have the predominance of a problem phenomenon, the one-way street. I think the funding either in each individual project, or overall, needs to look at something we can call citizen satisfaction instead of traffic enforcement. I don't like law enforcement or traffic enforcement as a phrase, but as Commissioner Fritz and probably all of us are well aware, people go the wrong way down the sidewalks. We do have lazy bicyclists, and I think--

Fritz: Now, wait a minute. They're not supposed to be on the sidewalks at all if they're a bicyclist downtown.

Johnson: I can almost tolerate it when they go in the correct direction. But we don't seem to have any investment from the city to improve citizen behavior here. I think some of these projects, or in a combination of PBOT and ppb financing, we need to look at—one of the ways to make downtown more welcoming is be able to walk on a one-way street and not have a bicycle coming at you. And that may be something in future projects—we don't have to put it into these six, and the one special funding. But I hope all of the commissioners will think about the next time they have that incident, about are any city resources being expended to make the majority of the Portland population happier and more comfortable walking around downtown Portland without coming face-to-face with a selfish cyclist on the sidewalk --

Elinks: Or car.

Fritz: Anybody else want to testify on this? Anybody have further questions for staff? Please call the roll.

Item 887 roll.

Saltzman: Well, thank you for a very thorough report. I'm really excited about the some \$22 million that will be invested in green economy freight and regional economic opportunities, and in active motion. And very excited about the southwest in motion study that will begin and no doubt present us with funding opportunities as the east Portland motion study did. This was a great allocation I think of federal money and our match and I think it will result in dramatic on the ground improvements and a more balanced transportation system, and most important, is safety for motorists, pedestrians, and bicyclists. Increased safety. Thank you. Aye.

Novick: I would like to start by thanking the number of the Portland freight, pedestrian, bicycle and safety committee for their outstanding work in helping to identify these important projects, and the work of the associations and businesses associations, and of Dan and Mark and all of the PBOT staff who put a lot of sweat into these efforts identifying these projects. I want to talk about the significance of the active transportation investments as economic investments. I think it is obvious to everybody that the freight improvements are connected to economic development, but the investment in making it easier for people to walk, and bike, and take transit are also economic investments. They're safety investments, which is important, and they're livability investments making it possible for people to pleasantly get around the neighborhoods. But they also are investments in prosperity in several ways. One of which is, when you make it possible for people to

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walk, bike, take transit, it saves them money. Because driving cars is expensive. Last year, people and businesses and governments in Portland spent over \$240 million on car repair and maintenance. If you don't have to use your car as much, you don't wind up spending as much on repair and maintenance. People in government and businesses in Portland spent over \$600 million on gas last year. If you spent more of your time biking, walking, and taking transit, you don't have to spend as much money on gas. There's a couple of ways to improve your family's economic position. One is to make more money and the other is to reduce your expenses. And the active transportation investments make it possible to reduce those expenses. And these investments are also investments in business prosperity, because we are living in a country where most health care costs, or a big chunk of them, are borne by businesses paying for health insurance for their employees. And health insurance pools are big pools where the health of everybody affects the bottom line for everybody. And when you make it possible for people to walk and bike and take transit, then they're healthier and everybody's health insurance premiums go down. I think it is important to -- I think it is obvious to people that when people bike, they're healthier. They're also healthier when they have access to transit. The simple act of walking to or from a transit station means you're walking. In Charlotte, North Carolina, a few years ago, somebody -- they were putting in a light rail line and somebody got the bright idea of weighing people who consented to do this, who lived along the light rail line before and after it was put in. They weighed a bunch of people before the rail went in and then they went back and weighed people who started to using light rail on a regular basis. In the course of six months, they lost an average of six pounds. That is good for them, for their qualities of life, and it also means that people in Charlotte I think were paying lower health care premiums than they otherwise would. So, I'm very proud to bring these projects to council and hope we will have the support of council bringing them to metro and jpac. I couldn't miss that opportunity to explain that the active transportation investments are not just about livability, although that is important, they're not just about global warming, although that's important, they're not just about safety, although that's very important, they're also economic investments. Ate.

Fish: Well, after a speech like that I have enough sense to just say congratulations, commissioner, and well said and thank you for the way you crafted this proposal, the way you consulted with your colleagues and the excellent presentation today. I'm going to vote that as the early contender for your finest speech to date as a member of that council. Aye.

Saltzman: Thank you, Commissioner.

Fritz: The Mayor had to step out but I'm pretty sure he's supportive of this, too. And I appreciate Commissioner Novick, your work on this. Congratulations on a job well done. These are federal funds coming through metro. It's nice to see some of our tax dollars returning to Portland. Thank you to staff for all of your work on this project and to the taxpayers of Portland, and your local property taxes, and income taxes, and business taxes that are helping to fund the staff work that will be necessary to go into these projects. It's still a significant investment of local dollars, at \$2 million plus. It's very clear that we are being asked to choose between projects which we care about and some can get funded and some cannot. I particularly appreciated Commissioner Fish's passionate speech on the gateway green project and the underpass from 205. Just proving that the bureaus may be reassigned but our passions are not. And I appreciate continuing to collaborate with you as the new parks commissioner to work on projects that got started under your leadership. The North Portland greenway is also a great project that we will continue to partner with transportation on through the bureau—through Portland parks and recreation. The Sullivan's Gulch has some issues at the city center part of it, with the rail alignment and some work, but, that doesn't mean that we shouldn't get started on the outer parts that could be done and doing pieces at a time. Something that I've learned over my 20 years in southwest Portland is that if we have been doing the infill development of sidewalks one house at a time, we would now have a lot more connected sidewalks. But, we sometimes wait until we can do the whole enchilada and that doesn't always work out as

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well. So I appreciate it. This takes us a big step forward and does address some significant safety problems in parts of the city that really need them. Thank you to the citizen advocates that worked on the project and for those able to testify today. Aye. We will now move to 888 and 889. Please read them together.

Item 888. Item 889.

Novick: Let me give just a brief introduction, some of the basic facts. In early 2011, the city identified a portion of a retaining wall on the northwesterly side of SW Fairview Boulevard as needing to be replaced due to the unstable slope which the wall at one time was supporting. The city and adjacent property owner entered into a public/private partnership, in which the property owner agreed to replace the entire failing wall with a new engineered structure with the understanding that the property owner would then take ownership and maintain the wall. In exchange, the city would agree to initiate a street vacation proportion of SW Fairview Boulevard in order for the property owners to consolidate the property to cover the cost for the processing of the vacation and to replace the adjoining sidewalk which was severely damaged by involvement of the wall and the slope. And Karl, do you want to take it away and flag some more details?

Karl Arruda, Bureau of Transportation: Sure, thank you. I'm Karl Arruda, a right of way agent with the bureau of transportation. And Commissioner Novick, you did a great job explaining the street vacation project. And I guess that sort of brings us to the second step of our process, which is ordinance 889 on the agenda. Because initial research by Multnomah County informed us that the area to be vacated along Fairview would revert to the adjacent property owners, which is what everyone was expecting, but then later in the street vacation process, additional research by the county showed that the area to be vacated had, a number of years ago, been acquired by the city in fee title, and therefore, the land if it was vacated would revert back to the city's ownership. This became an issue, since PBOT did not want to have ownership of the wall or the property after the new wall was constructed and the responsibility to maintain it. And due to the expense of the wall's replacement by the adjacent owners, it is PBOT's position that the additional contribution to the project of transferring the property through the quit claim is reasonable. If there are any other questions --

Fish: You have received no objections to this, correct?

Arruda: No, we haven't. We had notified --

Fish: I see the documentation --

Arruda: Normal notifications.

Fish: A model of community notification, but there seems to be no objections.

Fritz: Other questions? Does anybody want to testify on this item?

Moore-Love: Yes, two people signed up. They may have left. Mark Hofheins and Joe Walsh.

Fritz: Anybody else want to testify? And thank you very much. This moves to second reading. Item 890, please.

Item 890.

Fritz: Commissioner Fish.

Fish: Thank you, madam president. I have invited Kathleen Butler and her team to come forward and I have brief opening remarks. When you live in a city and you come downtown to your favorite restaurant, theater, or to shop, or visit friends or a loved one, you expect to pay for parking. And we all know what a pay to park lot looks like and what parking meters on a city street look like. Except when you don't. Earlier this year, my office received complaints from people who were confused and upset about tickets they received for parking on the street at southwest hall and southwest moody. I have to confess, I also got a ticket at the same location, and decided to do a little research. As it turns out, there is a private parking facility in this southwest waterfront, excuse me, south waterfront neighborhood, that to a casual observer may look like an ordinary street with parking meters. But the rules and rates and penalties are different. As we looked deeper into this situation,

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we learned that the city authorizes operators of private streets and private parking lots to issue parking tickets. And the city also has the authority to regulate the same operators, including making changes in order to protect the public interest. Changes might include more lighting or more and larger signs to ensure that Portlanders and visitors can recognize that it is a private parking situation, where the rules may be different than what they were expecting and may even be different from the adjacent street. My team and I work with the revenue bureau, which administers this program, and the city attorney, to clarify the city's existing authority and existing practice by making our code language more explicit. Code changes, proposed changes before you, make clear to the public and to the operators of these private parking facilities that the city can require reasonable changes to ensure that private parking facilities are easily recognizable to the public and operated fairly. Now to the credit of the operator of the southwest hall and moody private street, they have already made improvements that we suggested, including bigger signs, and here is the kicker, lit signs, so that you can read them at night. In addition to clarifying our existing authority to require a range of changes from operators, the proposal before you, the proposed changes to our code also includes new reporting requirements and local contact information for operators so that the city can more easily monitor ticketing practices and how complaints are being handled. Over the next six months, staff will monitor ticket data and report back to me on complaint patterns and how they are handled. And that may lead to further proposals in the future coming back to you. Nobody likes to get a ticket, but when the rules are clear and fairly applied, consumers' rights are protected. As I introduce Kathleen Butler, I would like to thank Kathleen and Anne Holm with the revenue bureau for doing a terrific job on this, including robust community outreach. I want to thank Glenn Fullilove, one of my favorite names, with the city attorney's office for his solid work. I would also like to thank Aja Blair and Hannah Kuhn on my staff who have been working diligently on this issue. And finally, I think it is appropriate to give a shout out for KATU's On Your Side for originally shining a light on this unique problem. Kathleen, welcome, and I will turn it over to you.

Kathleen Butler, Revenue Bureau: Thank you, Commissioner. Good morning commissioners. Kathleen Butler, regulatory division manager at the revenue bureau. Anne?

Anne Holm, Revenue Bureau: Anne Holm, revenue bureau.

Butler: I also want to mention Thomas Lannom, the director of the revenue bureau, had planned to be here today and he asked me to apologize to you that he could not make it. As Commissioner Fish has pointed out, there is a lot down on southwest hall and moody, that is what's known as a private street. There are quite a few private streets in the city of Portland. Very few of them have the permit to issue penalties for parking, as this one does. What we've brought before you today came out of our exploration of some of the issues that come up with these private parking facilities, when we worked with commissioner Fish's office on this particular complaint. Pay and park facilities who issue these penalties are currently regulated by city code chapter 7.25, which is the proposed—the ordinance before you today has some proposed amendments to that chapter. The regulations in that chapter provide important consumer protections by describing the notification and signage requirements in order to issue penalties for parking. They provide a company complaint process and city staffed appeal process, and it also indexes the maximum penalty amounts to the city parking tickets, so that there isn't excessive penalties charged beyond what would be in concurrence with city parking tickets. As we administer this program, certain lot configurations or locations require special conditions or restrictions in order to avoid confusion. Sometimes, the shape of a lot means you have to put extra signs in place. Sometimes, if there are two lots together, you have to make sure if somebody buys a ticket for one, they don't get a penalty if they happen to park across the way in the wrong lot. That is an ongoing process that Anne administers very well. She inspects these lots and tries to determine in advance if there is going to be confusion on the part of the consumer about what's required and what the possible penalty is if they don't do it. In the case of the lot down on southwest hall and moody, we had put in some additional signage requirements because of the

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strange configuration of this particular private facility, but as Commissioner Fish noted, it was very difficult to read some of those signs at night because there isn't the same kind of lighting down there that is in some other parts of the city.

Fish: I would just add, my colleagues know that I don't have the world's greatest eyesight. When you are looking for a parking spot at night and driving along the street, what's important is to be able to see a sign. One of the signs was placed in such a way that if you are entering the configuration from a particular direction you would not see the sign. So that's not entirely helpful. And some of the signs not illuminated. So, when it's dark and you're still on the public right of way, it doesn't occur to you that you have gone into a different area, private parking, and the area of confusion that I noticed the most is that people that are familiar with our parking rules adjacent to that area, which typically allow you to park free after 7:00 in the evening, are operating on the same assumption when they come to this place. And even the meters, the machine that you feed looks like a first cousin of what we use. So, what we want to do is make sure that we're not creating unnecessary barriers and problems for people who are otherwise doing what we encourage them to do, which is to come downtown, spend money, enjoy our great city. We don't want them caught in some kind of net that they're unaware that there is a different set of rules. I applaud you for working with the operator to get some common-sense changes. Even things like just illuminating signs makes sure that in the evening, people like me understand what the rules are.

Butler: After we solved the some of the problems that we saw at this particular lot, we met with Commissioner Fish's staff and deputy city attorney Fullilove and we looked at the chapter to determine whether there might be a few things that could be added to make it clear to the operators and to the citizens what was required. One thing that had come up when we first met about the issue was that we didn't really have data about how many tickets were being issued at individual lots. We had the ability to ask for it, but we didn't get regular reports on that. As a part of the public comment process, with the companies we regulate, they requested that we don't require ongoing reports that are very large and cumbersome. But we did come up with a solution that they felt was practical that would allow us to get more data as time goes on about how many tickets are issued at particular lots. That will help us key in quickly as to whether or not there might be a problem at a particular lot. We also made sure to add some additional requirements about the availability of the operator locally for complaints, Monday through Friday, 9:00 to 5:00, someone should be here locally to respond to citizen problems, and we also clarified some of the time requirements, if we get a complaint, how quickly the company has to respond back to us. One of the areas of language that we put in was we explicitly stated that we can add additional requirements, signage, lighting, perhaps restriction of hours, based upon problems at the lot. I want to stress that this is something that we have consulted with the city attorney's office about and it is something that we had the authority to do now. We do it routinely. But we thought it was very important to clarify in the code language itself that that is a part of the process. We're happy to answer any questions.

Fritz: Questions from council? Does anybody want to testify on this?

Moore-Love: Yes, we have three people signed up. Mark, Corinne, and Crystal.

Fritz: Welcome. Please give your name and you have three minutes. One of you. It doesn't matter which.

Corinne Celko: Thank you. Good morning mayor Hales, city commissioners at the law firm of Perkins Coie. I'm here on behalf of city center parking, an operator of over 33,000 pay and park parking spaces in the city of Portland. First, I'd like to thank the mayor's office and Commissioner Fish's office and the revenue bureau for their gracious assistance in shepherding us through this proposed code amendment process as well as allowing us the opportunity to collaborate on the amendments and offer our suggestions and feedback. We were able to agree on most of the amendments to the code in this area. But we do have one issue that remains of concern, which will be the subject of my testimony today. I apologize that my colleague, Dana Krawczuk, who

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collaborated with the revenue bureau, as well as other team members from city center parking, were unable to be here today. They had planned on attending when the hearing was set for last week, but due to the schedule change had conflicts and were unable to be here.

Fish: Before you begin, we all got a copy of the September 10th letter from Dana outlining the concerns. So thank you for getting that to us before the hearing.

Celko: Great, thank you. Thank you for letting me know. I will briefly summarize those concerns. And I'll try to answer any questions that you may have. As Ms. Butler already pointed out, Chapter 7.25 of the Portland city code regulates pay and park parking facilities, and that chapter does contain details requirements for signage, lighting, and lot configuration for the purpose of fairness and protecting the parking public. The--at issue today is the provision that Ms. Butler mentioned which significantly expands the authority of the revenue bureau director to exercise broad discretion in requiring modifications to existing facilities. At the outset, let me just note that we think the system currently has been working well. To our knowledge, there has been no dispute about the city's ability to regulate park and pay facilities or to offer requests for improvements to such facilities when there is a need to avoid confusion for the public. In other words, currently, we're aware of no occasion in which the city has made requests for improvements that have been rebuffed by any parking lot operators. To the contrary, we've had circumstances where the city requests for improvements have been honored. There has been the case, I think Ms. Butler alluded to it, were there were two lots that were adjacent and there was confusion about which parking station to pay at. And city center parking installed a fence or hedge to better identify and separate the lots. And the occasion that Commissioner Fish mentioned in the south waterfront, city center parking went ahead and added additional signage and lighting. So, our --

Fritz: I will give you an additional minute, but if you could get to the crux of the issue.

Butler: Sure. Our four basic concerns relates to the broad discretion. The first is that the director is provided unlimited discretion to require any changes. And we believe that some nexus, it would be help full to have some nexus involved to explain why these changes would be necessary. So we've included language, as a proposal to show that any requests made by the director should be reasonably related to the harm that is to be mitigated. The second concern we have is with the ability of the director to require a change that would reduce the number of existing parking spaces. Parking lot operators have financial performance expectations that are dependent on retaining the number of existing spaces in their lots. The third concern is also related to making sound business decisions, but a lot of operators on the front end, which is that the director may restrict hours during which penalties may be assessed. Again, that goes directly to financial performance expectations of those lots. Lastly, our concern is that the discretion of the director is also not limited by previously approved land use approvals. Such as for central city parking review, or design review, which may have conditions of approval attached to those land use approvals. As well as other code provisions, like in the slang code, that may conflict. And so, we've prepared language in that letter dated September 10 that would make sure that those-any requests by the director does not conflict with those land use approvals or other portions of the code.

Fish: Madam President, if I could just--

Fritz: Actually, I haven't received a copy of that letter. Since this would be moving to second reading if I could suggest that we deal --

Fish: Emailed each of the office with this took it off of an email. Everyone was copied, but we will make sure everyone gets a copy.

Fritz: Okay. Thank you.

Fish: First of all, thank you for your testimony and thank you for the letter. Just three brief comments. One is the concern that has been raised about whether the revenue bureau will somehow exercise its discretion in a way that shows a disregard for the concerns of the operator or business practitioner I think is belied a little bit by the way we worked collaboratively to get to these changes.

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We listened very carefully to operators and concerns they had. We actually modified our proposal quite a bit in response to feedback. So, I would say that to your client that it is something of an insurance policy, the way we conducted this process is consistent with the way the revenue bureau acts. Second thing is, I believe we have a good faith disagreement about whether, in the current code, the revenue bureau already has this authority. But it is the city attorney's view to the extent that you already have the authority, there is no harm about being explicit about that authority so everybody is placed on notice. That I think is the better way of drafting code language so that we're very clear. But the third thing I wanted to note, since you mentioned hours of operation. In fact, when I began this process, my first impulse, and I guess it was an uninformed impulse, maybe just a common sense view was, since people are getting ticketed for parking past 7:00, and since it was an area where most of the parking was free after 7:00, my initial impulse was, well, can we put into law a requirement that you don't get charged after 7:00? And I got one of those good news, bad news answers. The first was, we could probably do that. And the second was but it would allow the operators in lieu of ticketing and fining, to tow your car. Because after all, it is on private property. The reason we have the statutory scheme is to give private property owners a regime in lieu of towing to enforce rules. It seems to me to be counterproductive to regulate hours at this point if the default was that the operator could tow a car rather than issuing a ticket. I think in terms of headaches for people downtown, having your car towed greatly outweighs getting a ticket. And I was also, frankly, guided by the fact that the feedback we got from operators was that they would, if a customer complained that there was some, that they incurred the ticket because of confusion, or they weren't aware of the ground rules, that the operators were willing to wave the fine under a case by case analysis. In that spirit of collaboration, I'm comfortable with these rules because I think they have been enforced reasonably by the revenue bureau, but I appreciate you putting your concerns on the record because I have a hunch if you at a future date believe they have been enforced in some way that is heavy handed or arbitrary, the Council will be reminded of your testimony today. So, I appreciate it.

Fritz: Thank you for that explanation. I know there may be more comments, I'm going to continue passing the gavel down the road here because I have to leave. And so I will appreciate the conversation next week.

Fish: Who gets it next, Steve, when you leave?

Novick: Good question. I don't know.

Saltzman: I just want to clarify, Commissioner Fish, when you said you are comfortable about the changes, are you talking about the changes suggested by city center parking, or the changes that we're making--

Fish: We have compromised on the language and the code changes based on the feedback we got from the operators and I also believe they made a good-faith effort to address problems at this location, which I'm comfortable with now, and will get data over the next six months to see whether there are any unusual spikes in tickets that may suggest that there is further work we can do in consultation with the operator to make sure people clearly understand what the rules are.

Saltzman: And the position of our the city attorney is we already have the authority if we so choose to regulate hours of operation of these private lots, but then the downside could be that if we regulate the hours of operation, the owners could tow rather than--

Fish: Correct, and we're reluctant to do that and for many of the reasons that the witnesses testified to. We don't want to get that deep now into someone's business, but we do want to make sure that people are not inadvertently tripping a wire here and getting tickets, because, it does sour their experience coming downtown. We want to make sure that we are doing everything we can to put them on notice that they are in a unique situation governed by a different set of rules.

Saltzman: And my only other question, maybe it's to you or Kathleen, but how would any of this result in a loss of parking spaces?

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Celko: Well, precisely because there is no boundary, there is no standard by which the director may require any changes. So for example, if the change required is a five foot in width hedge with a five-foot setback from any parking space, that would eat into the existing parking spaces currently allowed at the lot.

Saltzman: So that would be in the case of dividing a confusing lot for customers.

Celko: Sure.

Saltzman: The example you mentioned, where city center did put in the hedge to make clear there were two separate parking lots, is that--

Celko: I'm just throwing out an example. I mean, in that specific actual example, city center did put in a hedge and to my knowledge there was no specific width of the hedge required or setback required from any parking space. But in the hypothetical, the director allowed unlimited discretion to say, for whatever reason, we want a 10-foot setback from any fence or hedge between that and the parking space, it could start to eat into existing parking spaces, which parking lot regulators have relied upon in the initial look. Part of this is based on the fact that the city gets to inspect the facility at the front end before it even becomes operational to make sure that it complies with city standards, and so at that time, those elements of the lot are relied upon by the operators in making their business decisions.

Fish: It did not, to answer your question, it did not arise in the southwest moody situation. These are not problems that we addressed there for which we requested a remedy. But I believe the spirit of the testimony is to make sure that any of the rules are enforced in a collaborative way which is precisely how we drafted these code changes by working with the operator.

Elinksi: Is mark or something coming? Another person? I would like to catch you ladies on the way out about the 9 to 5 input line on this topic. Weren't you talking about, isn't there a way to bring complaints?

Fish: Crystal, could you address your testimony to us?

Crystal Elinksi: Well, I'm glad, actually, Commissioner Fish, that you're comfortable with the collaboration. I guess that doesn't really make me confident. But also, what you had said about need to avoid confusion to the public, definitely. I have been following this with intrigue in the media, these topics, and so I do have a lot of questions and I will pursue the, that route with the revenue bureau, is that right? All right. So, my name is Crystal Elinksi, and I represent 10,000 concerned citizens. Specifically with this area, there are other special areas, and I think it is good to consider what's really working when it comes to parking and lighting and signage, to me, always seem like a second thing -- when you are driving by, you don't see signage. And lighting, let's just say, it is a waste. I mean, we're lighting this room and we don't need to. I would suggest actually painting the area. Ever since they put those outlines for parking, I tend to follow that and I think it would be neat if we could use symbols to refer people and make them realize this is special parking. Read the signage. That's one way. Also, to go out on a larger scale, I wonder why the city doesn't make money on parking. It would be such a groovy deal going back to my car-free comment earlier. If we could help to make the city more livable, have fewer cars. But when the money comes in, the revenues that we have very good contracts. And it seems like the contracts aren't too good. I think it is center city parking that has been laying people off, putting machines in their place. I would like to find out more about that. It sounds like there hasn't been much usage and I'm glad there will be a second reading and I will do similar research before then. Another comment, that the ticket, that basically when you purchase a parking ticket, a lot of that money is going to a holding or hedge fund or something that goes to the Canadian teachers' retirement fund. I just think that is bizarre. As a teacher, I would like it if we could fund our own city, if that money would go to us. Another comment, the handicap parking, I read about that a lot. I think it's funny that we're concentrating on people to get the right I suppose to park all day, and how much time and precious time and precious space it takes. But, what about all of the cop cars out there? They're all over the inner city here. They

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have the most precious parking spots around. So, why do they get that? Don't they have parking galore? These are things to consider. Thank you for your time.

Hales: Thank you very much. Anyone else signed up?

Moore-Love: No, he has left.

Fish: This goes to a second reading. Can I just say that, though, at this stage, Thomas Lannom and Kathleen Butler, Anne Holm, I really just want to single out their creative work here. We might have bit off a little more than intended when this first came up, but it was in response to a concern that we had heard second hand and I personally experienced and we understood there has been some watchdog journalism around it. And, the area is highly complicated. People have strong views on both sides. But, mayor, the OMF team did a very, I think, outstanding job engaging people and balancing a number of interests and it resulted in this work product and it is a pleasure to work with solution-oriented people, and I hope that Council is comfortable with this. This goes to a second reading. I'll make sure that everyone has a copy of the concerns that were raised by one of the operators, which I believe everyone is emailed, but I will make sure that we have it. And if people have additional concerns and comments between now and Thursday, we would welcome them and we hope to bring this back for a vote next week.

Hales: Great. Thank you very much. Good work. Passes to second reading. [gavel pounded]

Hales: One more item.

Item 891 roll call.

Saltzman: Aye. **Novick:** Aye. **Fish:** Aye. **Hales:** Aye. [gavel pounded]

Hales: And we are recessed until this afternoon at 2:00.

At 11:56 a.m., Council recessed.

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Closed Caption File of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

SEPTEMBER 18, 2013 2:00 PM

Hales: Good afternoon, everyone. Karla, will you please call the roll and confirm that we're all here?

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

Hales: Sorry for the delay, everybody. We have a couple of significant things on the calendar this afternoon.

Item 892.

Saltzman: Thank you, Mayor. I think many of you know it's long been a focus of mine to provide services and support to women, children, and families who are affected by abuse and neglect. When the mayor assigned me the Portland Housing Bureau, I was very excited about that, and immediately rolled up my sleeves and have worked together with Portland Housing Bureau staff to come up with a package to immediately fund programs that will help get women off the streets. And the recent point in time, homeless census indicated a 22% rise in homeless women since the two year period when it was last taken. We also know women are on the streets, many of them are fleeing abusive situations, and we also know that being on the street makes them even more vulnerable to abusive situations. So I worked with Traci Manning and other Portland Housing Bureau staff to immediately reprogram \$300,000 in existing funds we have to devote right away to working to get--working with providers who have a proven track record of success so that we didn't have to do an RFP, that we could just go to these procedures and say, with \$300,000 what can we do? And the metric is that with that \$300,000 we can expect to get 92 women off the streets and into some sort of a permanent housing. And we will also be working on freeing up shelter space, working to avoid women having to enter shelters in the first place through things like prevention, eviction prevention, let me get that right. And so these funds are part of immediately reprogrammed money to focus on this most pressing problem of helping women get off the streets. But I also wanted to preview today for my colleagues the fact that I will be coming forward with a request for an additional \$1.7 million in unbudgeted funds that I hope the Council will approve at the fall budget monitoring adjustment process that will expand beyond just the immediate focus on women, but also bring to bear proven successful methods to get all people off the streets. The 1.7 million plus the 300,000 isn't going to do it all, but working with -- on methods we know that work, as I said, rental assistance, eviction prevention, helping to get people through the shelters more quickly to free up shelter space for others who need it, all of these techniques have been proven to be very successful. And in fact, the City Council under Commissioner Fish's leadership when he was Housing Bureau Director two or three years ago devoted an additional one million to doing many of these exact same things, and it had a very significant success. I think there were some 330 people that were placed off the streets and into some sort of a permanent housing, and a year later 73% of them were still in good housing situations. So, I think we've seen this can work if we put the resources in the right places. I wanted to preview that today as well, that will be coming to you soon. And I'm very pleased, we have some very distinguished panelists here, and I wanted to call up Multnomah County Commissioner Deborah Kafoury; our Housing Bureau Director Tracy Manning; Keith Thomajon, the Executive Director of United Way; and Shannon Singleton from JOIN. Yeah, you can move up one more chair. I'm very happy they are all here to speak about that, and the county -- I did want to say before

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you get going, that, in forming this additional \$1.7 million request, I will be convening a small committee of certified smart people like United Way, like JOIN, like commissioner Kafoury. Chief Reese is actually -- I asked Chief Reese, could somebody from the Police Bureau participate in this committee? And he said, I'd like to do it myself. So, we'll have Chief Reese, about 10 people, including the Portland Business Alliance, who will help sort of craft how to make this \$1.7 million request do the job we want it to do, and that is to get people off the streets and get them into some permanent housing. So with that, I will turn it over first to our elected official, County Commissioner Deborah Kafoury.

Deborah Kafoury: Thank you. Deborah Kafoury, Multnomah County. Good afternoon. On behalf of Multnomah County, I'm very happy to be here today to reaffirm our city-county partnership, and to stress our commitment to work together as we help vulnerable men, women, and children get off the streets and into housing. Recently, the board of county commissioners, you, the City Council, and Home Forward unanimously passed an update to our community's plan to address homelessness. This plan, called A Home for Everyone, lays out a renewed commitment to break down the silos among our agencies. Instead, we have pledged to find better and more creative ways to help vulnerable populations. For this plan to be successful, we must look beyond our current way of thinking. For too long, the city has focused primarily on homeless singles while the county has focused primarily on homeless families. With this new plan, we're directed, all of us, the city, the county, faith community, community partners, to prioritize the needs and gaps in our efforts to find permanent solutions to end homelessness. I applaud Commissioner Saltzman for taking that first step today, and I'm excited to be working with you as we challenge and push ourselves to make real changes to our respective systems. I also welcome the support of the Mayor and the rest of the commission in these efforts to respond to the crisis of homelessness in our community. Today I also pledge to work with my colleagues on the board of county commissioners to join with the City in finding additional funding to help those who are currently living without a roof over their heads. Thank you for your leadership, Commissioner Saltzman, and for your commitment to continue the City's long legacy of strong political will around the issue of homelessness. Thank you.

Saltzman: Thank you, Commissioner Kafoury. Next we'll hear from our Bureau Director Traci Manning, as she can maybe spell out in more detail the 300,000 that's hitting the streets literally as we speak today.

Traci Manning, Director, Portland Housing Bureau: Yes. Absolutely. And also would love to provide a little bit more background on A Home for Everyone, which as Commissioner Kafoury mentioned, you all passed this past spring. Right now, the City, through the Portland Housing Bureau, directs public resources as efficiently as possible to keep people moving from homelessness into homes. We join with our partners at Home Forward and Multnomah County to particularly choose in this plan to prioritize people who are most vulnerable on the street. Those include families with children, women, youth, and the approximately 50% of the homeless people with disabilities which include chronic health conditions, those struggling with addiction, and people living with mental illness. The Housing Bureau and the county each fund a spectrum of housing-related services that includes what we're recommending today: street outreach, housing placement, rent assistance. As you know, the City also funds emergency shelter, and we fund two emergency women's shelters that operate year-round. Right now they each have wait lists, one of 130, the other of 190 women. If a woman needed some place tonight it would be weeks or months before she could find a bed in one of these shelters. Unfortunately, it's also true that women of color are overrepresented among female homeless individuals. So, as Commissioner Saltzman described, the Portland Housing Bureau has begun directing funds for women into housing now, with a special allocation of \$300,000 from existing funds that were not allocated to particular programs that were able to be redirected to assist 92 women experiencing homelessness to find permanent homes. We're doing this through our really experienced and effective partners, some of whom are with us here today, and all of whom are

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familiar to you: Human Solutions, Northwest Pilot Project, JOIN, and Transition Projects, to immediately put this money out on the street to permanently house these women. A quick report on some of the things that are coming up to further leverage this program. We're once again getting ready to start up winter shelter beds that will be dedicated exclusively to women. We're looking at 70 beds again this year and we're hoping for an additional 45 at another site, which would be an increase of 30 over last year. We're still working with that owner to see if we can get the space. These winter shelter beds, as you well recall, are made possible because of the City Council's commitment this year to fund this decision package during a budget year where a lot of really difficult decisions had to be made.

Fish: Traci, are you funded for those additional 35, or would that be funded in part by the supplemental appropriations?

Manning: We believe we'll be able to get it primarily out of existing funds, that's part of the -- depending on how many square feet we can get. We do have the ability to use a little bit of these funds if we need to. So, as we all know, scarce economic times, more than ever, it's important that we come together and that's really what I'm excited about to be sitting at this table here today. We want to leverage our resource and we're proud to be working with Multnomah County to carry out the vision that we set up with our community in A Home for Everyone. And I'm particularly energized to be sitting at the table with partners from United Way, and to look for a new way forward. Before any further ado, however, I know it's not news to this City Council that Portland has an incredibly innovative and effective group of nonprofit organizations that are among literally the nation's best to work with and execute your vision. So I'd like to introduce Shannon Singleton, who is with us here today and is a partner from JOIN.

Shannon Singleton: Good afternoon. My name is Shannon Singleton, I'm the director of day space services at JOIN. I've spent many years working with the homeless population in Portland, in particular, women and people diagnosed with mental illnesses. As the director of the safe shelter, I served homeless women in the shelter and in our day space. With Cascadia Behavioral Healthcare, I oversaw the running of the royal palm program, the street outreach team, and the clinical program at Bud Clark Commons. All of those programs were serving folks who were chronically homeless and also had diagnoses of severe and persistent mental illnesses. JOIN's street outreach team works with hundreds of homeless women every year to find permanent housing. Last year we served 746 female-headed households. Every day, there are dozens of women seeking safety and services in our day space, some of them living alone, in couples, or with their children. Last year, 55% of the people that JOIN was able to help find permanent housing were women. As part of Commissioner Saltzman's initiative, JOIN will have rent assistance to help an additional 25 female-headed households get off the streets and into permanent housing. This will include chronically homeless women and those with significant support and financial needs, vulnerable single women, and female-headed households with children. We will leverage our existing housing outreach and retention staff to make sure that these rent assistance dollars are deployed quickly and efficiently on the behalf of homeless women in our community. I'd like to share a story of one of the women who was successfully housed through these programs. Sarah [spelling?] was a young woman who was sleeping outside, very frequently sent to the hospital because of the symptoms of her mental illness, and would be stabilized at the hospital and return to the streets. This went on in her life for over two years. When she came into one of our programs and connected with a JOIN outreach worker, we were able to connect her with Cascadia services as well, and I'm very happy to share that she is not only stabilized, has her medications, her health care, and her income, but she also moved into her permanent housing unit three months ago. On behalf of our director Marc Jolin, JOIN's board of directors, our staff, and the people that we serve, I want to thank Commissioner Saltzman and the City Council for the support of JOIN services. Thank you.

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Saltzman: Thank you, Shannon. Our last speaker is Keith Thomajan, the CEO of the United Way of the Columbia Willamette, who will maybe talk about some of the things we talked about yesterday over lunch about central partnership.

Fish: That's a fancy title, but, we know him as the former chair of the parks board.

Saltzman: That's true.

Keith Thomajan: Commissioner, I don't like to throw my weight around. [laughter] Thank you. It's a great honor to be here. And by way of endorsing what I believe is a really important initiative, what I want to do is tell you about the organizational direction United Way has committed itself to in the years ahead, and increasingly, the kind of commitments we want to make that align directly with this important work the city and county is leading. I have been the president very proudly for the last 18 months and we've spent the majority of that time talking to the community about the kind of community we want to build together and the kind of United Way we need to help us get there. And as we looked inwardly at United Way, we acknowledged a long history of good work, but we had to also be honest that in many ways, the ways we're working aren't working. Despite a legion of good effort, investment, and intention in this community, we continue to leave large swaths of kids and family behind. And the disparities we know are most pervasive in communities of color and in our most impoverished communities. So at United Way, United Way 2.0 is really committed to new ways of work. There's a couple components of that. For us, first of all, we want to be more than an organization that raises a lot of money and writes a bunch of checks in the community. We believe we've got a bigger toolbox we can use on behalf of the community that includes targeted investment, but also our ability to deploy strategic volunteers to play an active role as a convener and a collaborator in this community to help elevate the work of our partners through research, data, and best practices. And at the center of that is really a new collaborative spirit for United Way. A recognition that we can't do it alone, we can't philanthropic our way out of the problems we care most about, and so a willingness to really align and partner and leverage our resources in new ways. At the end of the day, if we can get this work right, we hope United Way can kind of be a hub for regional solutions and strategies. So, I'll tell you specifically about the plan we've laid forward. Then I want to kind of close by telling you about our actions and commitments. First of all, our stake in the sand and our strategic plan is to help break the cycle of childhood poverty in this community. The data kinda blew my hair back when I learned 40% of kids in our community are living in low-income families. I thought I had worked in tough places, South Central, east Oakland, and when I learned in our home, nearly half of our kids are living in families struggling with those terrible choices, that felt like a moment in time for us at United Way. So our strategy really has three focal areas. First, successful kids. It's a commitment to invest in and partner with the highest quality organizations that are building the developmental handrails to get kids successfully through their academic experience. We all know that the long-term ticket out of poverty for kids is a high school diploma and increased earning power and career and college readiness. Our commitment is to build that stronger continuum. But we're not going to stop there. The second ring of our circle is what we call stable families. It's really about building a stronger foundation for the families those kids go home to every night. And it's about getting them the health care, the housing, the economic supports that build short-term stability and long-term economic momentum. And then the third goal area for us is what we call connected communities. And it's really about building partnerships that create community-led solutions. United Way being willing to help set tables, particularly in our most impoverished communities, that bring together nonprofits, small business and corporate, funders, government, and individuals who are really willing to think differently about long-term viability and strengthening the fabrics of those communities. That's the plan. We're proud to commit ourselves to it, our assets, our resources, our investments, and our people for the next decade. In it, as community leaders, I will tell you a couple themes. Again, the first is collaboration. A recognition that maybe if in the 20th century United Way had been a little

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bit isolated, we were in many ways the only game in town for a lot of our partners. It's a recognition that there's a much richer fabric of work in the community that we want to tap into and be a part of. Second, we know it's got to be about more than money. We've got the ability to help in other ways, to deploy volunteers, to be a convener and a collaborator and to help make meaning and data-driven decisions. Third, I think this is important for you as leaders, as an organization serving the four-county metro region including Clark County up in Vancouver, we want to help elevate some of this work to start to create regional solutions and strategies. The truth is, this leadership in this room has made a meaningful commitment to the issue of homelessness, and I'm proud to be a part of that, but homelessness shouldn't be a Portland or a Multnomah County issue. How can United Way help elevate strategies, solutions, and create linkages that cross jurisdictions? In the end, we're willing to put our money where our mouth is in a variety of ways. First of all, a central theme of our strategic plan is to build a stronger safety net. We are committed and eager to be a part of the conversations between the City, the County, Home Forward, about how we might find new ways of work to both house and stabilize low-income kids and families. But along with that, as we go out and work with our 600 corporate partners and 26,000 donors, it's to try and mobilize them in a new way to raise money to invest strategically in this safety net. And at the end of the day, we're eager to think about how we can align those investments we make with those of the City and County. A couple specific examples, in the last year we were very proud to make a small investment in the VASH program coequal with the County and City that I thought had a hugely outsized impact in stabilizing veterans and getting them into housing. This year, as we look at some of our safety net funds, we're very pleased to put \$100,000 into the community straw fund, short-term rent assistance, to be a part of the solution, to get people stabilized and move them down the continuum. And then beyond that, we're proud to make secondary investments in organizations that we think play a critical if slightly less direct role in housing stability in this community, sizable six-figure investments in 2-1-1 Info, Mercy Corps and other organizations that are helping to move kids and families into the system effectively and move them to where we need them to be. So, it's a great pleasure to endorse the initiative, and thanks for the opportunity to be a part of the conversation.

Saltzman: Thank you.

Fritz: I have some questions for Traci. First of all, thank you all for being here, thank you for your partnership, and I totally support this reprioritization of funds. I'm wondering what's not going to be done. We scrubbed the budget really hard during the budget process, and funded the safety net extra, and there wasn't \$300,000 sitting around.

Manning: Yeah, no, there wasn't. It was a little too complicated from the bullets, but I'm glad you asked. Two different things happened. If you will recall, during the budget process we still only had estimates from HUD about how much money they were going to give us. They gave us fewer emergency solutions grant funds, they gave us more community development block grant funds than we thought we were going to get. So we actually, we did a couple of things. We were able to un-shave some of the shaving we were doing of the existing shelter program, and 200,000 of that -- we wanted to be able to use for this program, it was unallocated, it made the final budget process, but it was unallocated because of the restrictions and strings on federal dollars, we can't. So I want -- I'm glad you asked, because I want to call out and thank the Portland Development Commission. They were doing some activities under the economic opportunities initiative that could be funded with these federal dollars, but they were using general fund on it, so they swapped us some dollars so that we could redirect these extra CDBG funds. And then the final \$100,000 we do in our loan portfolio, loans that are cash flow dependent, and we had more this year by the end of the year than we were expecting. Again, it was the wrong kind of money to be able to use. Transition Projects was getting some general fund for some activities that they could use these kind of dollars on. And so they agreed to swap as well.

Fritz: Thank you. I knew you'd have a good answer.

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Manning: Long, detailed, boring, but yes.

Fritz: No, it's important. Because otherwise people are asking, well, why didn't you do it earlier?

Manning: Yeah, it's the right question to ask.

Fritz: And then, so this is one-time money, it's not ongoing money.

Manning: Correct.

Fritz: And is it through the end of the fiscal year?

Manning: That's correct.

Fritz: So these beds, the contracts are for the periods to July, to June 30th.

Manning: Yeah. We're not -- these dollars most likely won't fund any additional beds. It's rent assistance, outreach, and diversion.

Fritz: Okay. And then that money will be asked for again in the safety net or the request for next year's budget.

Manning: To be determined from our commissioner in charge, but I suspect that's probably true.

Fritz: I understand we're using existing contractors and that's why you didn't ask for new requests for proposals. I don't understand why we don't have an -- why this isn't a resolution increasing the amount of money given to those entities.

Manning: I'm going to double-check that I don't do this wrong, I'm looking desperately for folks in the audience who know. The dollar amount in any given contract doesn't -- isn't high enough to require it because we've got four different contractors that are covering the whole city. Is that right? Did I get that right? Are you guys nodding at me? Good. I can definitely ask Claudio or staff to follow up with you.

Fritz: Yeah, I'd like that. I'm just getting used to having a big bureau with big numbers, so –
[laughter]

Manning: We have cute little numbers.

Saltzman: I do the same thing.

Fritz: Thank you.

Hales: Great. Any other questions? Thank you all.

Fish: Actually, I've got one, Mr. Mayor. Keith, I really appreciate your work, your commitment, and your presentation. There's just one thing I'm concerned about. One of the disturbing trends in our society is the turning of nouns and adjectives into verbs. When you said we can't philanthropic our way out of the problem, I was afraid you'd gone to the dark side. So, I'd appreciate your committee tomorrow rejoin the good side on that--

Thomajan: Commissioner, I fall humbly on my sword. As someone from a family of English majors, I've been known to butcher the language in service to the mission.

Fish: Mayor, before we lose the County Commissioner, I'd like to publically thank her for the role she played with our legislative agenda. Yesterday, she and I were in Salem for a bill signing that never occurred, because the governor was tied up apparently trying to get a grand bargain on something. It was the budget, or Syria, or both. But the three priorities we had, Section Eight reform, Fairfield hotel, and limited -- the home buyer limited tax exemption plan, would not have been successful without strong support from the County. We had a unified strategy this year and I say it because Deborah also mentioned reset, and the spirit of collaboration as we look to rethink how we do homeless services. And I would say the way the County and the City approached the legislative agenda reflects that robust spirit of collaboration. So I want to thank you for that.

Hales: And while we're having fun with Keith's verbal faux pas, I have to relay the story. My wife worked in the philanthropic sector for many years and once was introduced at school visit by an earnest young third grader who said, this is Nancy, she works every day with philanderers.
[laughter] So could it have been worse, Keith.

Thomajan: Right, well, sometimes it feels that way. [laughter]

Hales: Thank you very much.

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Saltzman: Yeah, thank you all.

Hales: Do we have another panelist? Or just folks who are signed up to testify? Karla, please.

Moore-Love: We have seven people signed up. Would the first four please come on up. They are Lightning, Mike Withey, Joseph Gordon, and Joel Sievers.

Hales: Come on up. Pull up another chair, since she called four. If you can find a spare chair. Slide that up if you want. Welcome, go ahead.

Lightning: My name is Lightning. I absolutely agree with the direction this is going, providing the money for women in need of housing. One of the concerns I do have is that I know a lot of the women have children, and I really want to make sure that when you're saying permanent housing there's something they actually go into that can allow that also. Because I was involved with the shepherd's door on Halsey with dr. velma hornstein [spelling?] and reverend ronnie morse [spelling?] and basically when we kind of worked together to put that in place for the Portland Rescue Mission, we feel it was a great success to have the women and the children in that facility. And I guess my point is that I really want to start hearing from the Portland Housing Bureau about more development projects happening. We're always talking about this limited supply of permanent housing. We have some great developers in the city, with a great amount of knowledge, creativity, and I feel now is the time that we need to really step it up and get more participation from the developers in developing more permanent housing. Because every time we fund the nonprofits, and I commend them on their efforts, but a lot of studies are saying permanent housing is what we need, we need housing first, we need to get them into permanent housing. That will save the most money. And I just don't hear about any development projects that are happening, that are in place, to really reduce homelessness. I just want to start hearing that, and I've mentioned before, the Wapato, a 175,000-square-foot facility on 18 acres, currently was used for 552 beds for jail. That's sitting empty, and we're always talking about a shortage of housing. We need to begin to focus on these properties and to have a permanent long-term plan, sustainable to where we can offer the mental health services and all the different services we need to provide, and really get these people off the street on a long-term basis, and not have to keep funding the nonprofits every other year. They need long-term permanent sustainable housing. And that's what I want to start hearing more. We have some great developers out there that know how to put these deals together. If they need more incentives to do it, we need to offer it to them and get them developing more of these projects and have the housing for the homeless to go into. Thank you.

Hales: Thank you.

Joseph Gordon: Hello. For the record, my name is Joseph Gordon, aka Tequila. Pretty much I'd just want to say since the City has planned, I mean, been working with me on my level, I'm going to work with them on the level that I know of. There is women out there, the homeless individuals, there is women that's out there that has been abused, and has -- that are on the street. But there are also, what we forget, I mean, I know we hear the stories, and I'm not talking about women that have been abused. I'm talking about women that's abusing the system that's in place today. I know a woman right now who is abused by her boyfriend, been under a bridge for two years, but she was provided an apartment which she still has. She goes over there and makes it look like -- when it comes to inspection, makes it look like someone is living there, but she's still living under the bridge with the boyfriend that caused the apartment. There's a woman I know that is paying \$30 rent for abuse, as well, and she smokes, excuse me, and I'm not trying to be funny or trying to sound mental, but she smokes crack like it ain't no tomorrow. These stories, when you go down there, excuse me, I'm not talking about, of course, not the women who this really-- what I'm saying is, trying to make a protocol for the women who really need this, who really need this to get in, because there is also individuals who is getting in here, who's just using it. This is on common [inaudible], it's the thing on the streets. If you're a woman, oh, you know, you got a black eye or something, whatever, just abuse the boyfriend. This church would give me vouchers for the hotels. A hotel for a

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week. This place can put me in whatever. Just say if you got, I've been abused by my boyfriend. There should be some type of protocol for the women who really needs this to get in, and trying to filter out the ones who are just using it and abusing it. And that's what's not happening. There is no protocol. When you just give someone something, and just give it and there's no protocol, you're welcoming anybody else. And there's the people that's outside who really needs it are being left outside while the ones abusing it are indoors. That's what I'm just saying. There needs to be some type of protocol. Some type of proof. You know, a police report, or something. You just -- you guys got to stop letting anyone in. And like I said, I'm going to work with you, that's how it works on the streets. That's all I have to say.

Hales: Thanks. [applause] Next?

Joel Sievers: My name is Joel Sievers, I do go to Cascadia for mental health. I got a neuropsychologist who works there. I have a subscriber for medication. They pay for my medications to get refilled. It's a really good thing. Also, when you put into play on these apartments, maybe, I mean, in some states they do UA sampling when you live in an apartment. Because so many people need these apartments and people get in there and they start messing with drugs, they start doing things. When we were looking for apartments, I had to get a PO referral to get an apartment. A PO, who wasn't my PO, came out and started questioning me and bringing up things in my past criminal record that I -- that even -- that got dismissed from court. And she was going to use this against me in finding an apartment. And then my -- and then luckily the woman at the apartment, when we gave her the money for the application, started talking to my actual PO, and he said, no, don't talk to her, you gotta talk to me. And so there's these loopholes and there's these uppers and there's these downers. I mean, I'm totally for housing women, and I'm totally for saying yes on this whole thing, but also you gotta go above and beyond the horizon. Hopefully, you aren't just looking at this like oh, we did a good thing. Hopefully it keeps on continuing. And definitely, definitely make sure the money is going to where money is needed most. I hope to see you guys out there managing also how these places are doing, you know, keep up on it. Definitely just don't give them the money and turn the other way. Don't do that. You gotta keep up with their progress. They got to give progress reports. I don't know, I don't also know what else to do. There's, I mean, there's -- that's all I can say.

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

Sievers: Yeah, no problem.

Mike Withey: I'm here to talk about Amanda. Amanda came to us at the protest across the street at Chapman Square before it was fenced off. Amanda had come from up north where she had been raped repeatedly by her stepfather. She showed us the court papers. The next morning, the police came to her and told her that she had to move off the sidewalk or she would be arrested. So, we lost track of Amanda. I was able to see her yesterday way up far in the northwest, where she told me she had been raped repeatedly after she had left us. We had her a place to go. We knew she was going to be okay. She's not okay. She's never going to be okay. So, I think by putting \$300,000 to get 100 people off the street, women off the street, it's great. But what about the other thousands? You know? I've mentioned before about relief camps, like we see after natural disasters during emergencies. It seems to me that everybody up there is unwilling to even talk about an AmeriCorps relief camp. A very professionally run relief camp with all the services you would need to get on your feet. For some reason, it's just not part of your agenda. How are we going to get these thousands of people a safe place to sleep off our sidewalks if we don't discuss this? That's it.

Hales: Thank you. Thanks very much.

Moore-Love: The next three are michael birch [spelling?], shirley burke [spelling?] and Charles Johnson.

Fish: Michael, this is homelessness?

*******:** No.

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*****: Yes.

Hales: It's okay. It happens all the time. Hey, Charles.

Charles Johnson: Good afternoon. It's good to be back in front of you and to see some good news for an unfortunately small segment of our population of unhoused women. One thing that becomes difficult when we have these discussions is to talk about gender equity. And hopefully the way this - - you want to have women in a safe place separated from abusers, but, we also want to make sure no children fall through the cracks because their single parent is a father. Really, we're still stuck a little bit behind when we talk about women's homelessness and men's homelessness. We just need to end homelessness. And as four professional people came up, and unfortunately we had four other homeless people come up and talk. And what you learn is that you're creating a game where you're telling the homeless people to maximize their victimization to get assistance. [applause] And as a fairly capable person who's not sleeping the streets right now, I'm certainly glad to see -- I do want the most troubled people, be they women or men, to get assistance, however if you leave these people on the streets long enough, they're all going to become troubled and victimized, so it is important you listen to Mr. Withey and Lightning so that all 1700 or 1800 people are under cover when it's raining and have access to heat and hygiene. To get more money, we probably have to be attentive about crossing our t's and dotting our I's, so I do want to point out that on the seven pages that were attached to this agenda item, it's an internal city document so I don't think the Feds will stab us in the back for it, but item number 10 on the last page doesn't look good to politicians. Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not. I hope you can look at that and see that the wrong answer is down there. There needs to be continuing public involvement, particularly from the houseless population. Do you have input?

Fritz: Yeah, just to clarify, that's on this particular allocation of funds. So after the Council approved it, we don't expect public input on whether we should continue funding these particular issues -- beds.

Johnson: I guess we obviously know that should be continued. I hope that the presence of four other people in situations being served by houseless services indicates to you there's still an insufficient level of engagement. As a matter of fact, as we look right now, in 13 minutes, the coordinating committee for ending homelessness will be meeting over at First United Methodist. I don't know if there will be any homeless people there. I'll be going to check shortly. Under item number 10, it's probably just an assistant director doing something for a very busy director. I appreciate all of Traci's work, but Leslie Goodlow is not Traci Manning. So, I don't know how it happened to come out. But for people who are citizens involved in trying to help you come up with the most effective solutions, we want to make sure we don't put ourselves in this position where we get less federal funds because the i was shaped like a t or something like that. Thank you very much for rushing this through. We definitely know there are women in crisis out there and hopefully they'll be helped this evening. Thank you.

Hales: Thank you. [applause] Anyone else?

Moore-Love: Unless there was a shirley birke?

Hales: On the next one. That's all? Any further Council discussion? Sorry, go ahead.

Crystal Elinski: I arrived too late to sign in. Commissioners, Mayor Hales, my name is Crystal Elinski, I represent 10,000 concerned citizens. And you know me from about 2008 when I came here to testify on my experience with services in homelessness in the city. I became homeless and I've been coming here for that many years now to give you updates. I knew these services inside-out, and it was harrowing to say the least, but -- demeaning, difficult, complicated. And being a woman on the streets is quite an experience. It definitely changes your life. Yes, this is a good plan. But we continue to think in terms of temporary bandages. We're not thinking through these plans. And I've mentioned over the years the services that I thought were faulty, which ones were good. I was very impressed with places like women's transitional housing at Catholic Services as well as

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Rose Haven. I've also seen in place some really good services for families and homeless women. Personally, my experience -- the one on 82nd, and the MAX, what was that one? Human -- Human Solutions. But in my mind, I always think about these families and their children, and the children not going to school, and the situations. When you are in the shelters they have all these arbitrary rules you have to follow, and if you break a rule, like you bring in a cardboard box to put your belongings in, and your storage, they'll kick you out, on the streets, where you get hit, and hurt by -- by cops, really. But when the kids and the families go out on the streets, I see them in their cars, and there's just -- they don't have the gas to go anywhere, it's so depressing. When we plan these shelters, we need to think holistically of what is needed for -- as the gentleman speaking earlier, we need a whole holistic system of education, hygiene, gardening, cooking, training, parenting, and the feeling that you have a house, you have a home, and you don't have to worry a year from now whether you're going to have it. Also, who are they going to let in? As I told you once when I testified, HAP and HUD refused to give me subsidized housing based on, apparently, an eviction, and I argued with the so-called lawyer who said she was a lawyer and then she wasn't, and then oh my god, it was never resolved. I said to her, you didn't do your homework. You didn't do your research. That was a slumlord that I won a settlement with. And then I took them to BOLI and sued him. Did you have that in your notes? And you're not going to give me subsidized housing? How did they make the decisions? It was hard to get the shelters I got into, to get into them, and as I think Mike was saying, who was it that said you maximize your vulnerability in order to be eligible. To be at that position at all is just inhumane. Thank you.

Hales: Thank you. Well said. Appreciate it. [applause] Anyone else? Unless there's further discussion we need a motion to --

Fish: So moved.

Saltzman: Second.

Hales: Any further discussion? Roll call, please.

Item 893 roll.

Saltzman: Well, I appreciate our invited testimony, and the testimony of those who decided to testify today, too. The \$300,000 that is being reprogrammed immediately to help women who are homeless on the streets is certainly not the end. It's the beginning. And as I mentioned earlier, this will be accompanied by a further request for additional funds of \$1.7 million to invest again in this current fiscal year to address the serious problems of homelessness, but investing in solutions that gets people off the streets, that reduce waiting lists to shelters, that help people be prevented from being evicted, and provide rental assistance. So that's what we're going to be investing in, the things that we know work. The \$300,000 today is going to help 92 women get off the streets. And it's working through programs that we know and trust, and we know that they do a good job. I want to thank --

Elinski: R2D2 and Occupy were two of the --

Hales: No, please, no, no. Okay.

Saltzman: I want to thank the staff at the Portland Housing Bureau for their help in making me come up with this proposal. Traci Manning, the director, Daniel Ledesma, Sally Erickson, Jennifer Chang, Ryan Deibert. I also want to thank Amy Trieu and Shannon Callahan of my office. And as Traci mentioned earlier, we need to thank PDC, Portland Development Commission also for playing ball with us to figure out a way we can use \$200,000 of their general fund in exchange for them being able to use an additional 200,000 of community development block grant money. I think that's how it happened. Anyway. It was a really cooperation on their part that made this \$300,000 immediately available. So thanks to all, and as I said, I will be assembling a committee to help shape the request for \$1.7 million to make sure it is investing in solutions that are effective in getting people off the streets. So thank you. Aye.

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Novick: Very much appreciate everybody's work in this step, and look forward to seeing the \$1.7 million proposal. Aye.

Fritz: Thank you Commissioner Saltzman for prioritizing this very urgent need, and for when there was additional money available, making sure that it's available for women. I do appreciate you putting the additional request in to the budget process so that we can look at it against all of the competing needs, as we did in this previous budget cycle, and have proper public input on all of the requests at once. Thank you, Mayor, also, for your leadership and partnership on these tricky issues. Aye.

Fish: First, I want to thank Dan for both of the initiatives, for what brings us here today and for foreshadowing a \$1.7 million ask. I was thinking as you were telling the history about the million dollar ask a couple years ago, your 1.7, I'm tempted to partner with Amanda and bump that up to 3.5 just to get the bidding going. [laughing] But it is a huge step forward, and I thank you for your leadership, Dan, and your passion around these issues. I'm also pleased that you mentioned Sally, Ryan, and Jennifer. We have the best ending-homelessness team of any city in the country. And they are MVPs and what you will find is every time you ask them to take on mission impossible, they'll come up with a solution. So we're just grateful for their work. And I also appreciate, Dan, in your comments you focused -- you highlighted the fact you're looking for proven strategies, with trusted partners. You emphasized long-term cost-effective approaches, and specifically, with your next budget request, this idea of getting at bottlenecks. And that's important because we don't have to add a lot of bureaucracy and capacity to the system if we remove bottlenecks, because we can move more people through the system and into homes. I want to thank our partner Deborah Kafoury for once again stepping up and for Keith for giving an inspiring speech. Only Keith could mention in passing operation 305 like it was just a trifle, and a small down payment. Because of United Way partnering with all three jurisdictions, we filled 305 vouchers for homeless veterans, which was an amazing accomplishment. And I want to close by acknowledging in 2000, President Obama said in his strategic plan for housing that we would end homelessness among veterans by 2015. And we would end homelessness among families and kids by 2020. Those are audacious goals, and frankly very few people think we're going to hit them. But we will not be successful if Congress keeps cutting CDBG and home funds as they did this last fiscal year in sequestration, and expecting local cities and counties to pick up the slack. Unless we're given permission by The Fed to print money, we simply cannot keep substituting our dollars for what is in the President's own strategic plan -- what he calls a national problem that requires a national solution. So I applaud you, Dan, for using the resources we have creatively, and I will stand shoulder-to-shoulder with you when you come back with your supplemental request. But let us also, in our legislative ask this spring, county and city, let us once again call upon the federal government to honor its commitment to ending homelessness by investing in our programs. Aye.

Hales: Let me take a moment to just make some commendations and some connections of seemingly, perhaps, disconnected issues. One, Commissioner Saltzman, your leadership and Commissioner Fish, your leadership as his predecessor on behalf of the housing agenda of the City is great, and we appreciate it, and this is exactly the kind of innovative work we expect a commissioner in charge and their bureau do: to take the resources we have and try to do more. So I'm very appreciative of that. Secondly, this Council, in a difficult budget, held the safety net harmless and worked in cooperation with Multnomah County to make sure that in a time when we were cutting budgets, that we held the line on these critical services. Then third, this Council also directed our bureaus to try to hold down spending during the last months of the previous fiscal year. That now is producing an ending fund balance for the City of Portland because all of our bureau managers, whether they have anything to do with housing or not, did a great job of following that instruction and held down on spending to the point that we're going to be able to pay down some debt, thereby putting us in a stronger position for the general fund for every year hereafter, and make

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good on some hopes like this one for investment in critically needed services now. So it was a tough budget year. This Council made a lot of difficult decisions. These bureau directors all really over-delivered in terms of following our instructions, and now this is an inflection point from reduction to addition. I'm very happy that we're here, and it took a village of effort to get us here. I appreciate all the good work and look forward to more. Aye. [gavel pounded] **Hales:** Yes, let's take a three-minute break and let people change positions here, and I know we've got a whole bunch of people lined up for the next item.

At 2:59 p.m., Council recessed.

At 3:02 p.m., Council reconvened.

Hales: [gavel pounded] Three-minute breaks are dangerous. We knew that. But we'll try to resume here in a moment. Council will please come back to order and Karla, would you please read both items.

Items 893 and 894.

Hales: Okay, Mr. Graham and Ms. Ames are here with a presentation, and we have a number of invited speakers. So please take it away, CEO Jack Graham.

Jack Graham, Bureau of Financial Services: Thank you, Mayor. Jack Graham, chief administrative officer for the City of Portland. With me today is Betsy Ames, my senior policy analyst who has served as my designated lead for the office of management and finance team that has been engaged in these negotiations. The visitors facilities intergovernmental agreement was adopted by Metro, Multnomah County, and the City of Portland in 2001. Since that time, the agreement and the visitors facility trust account has supported successful efforts to bring visitors and conventions to the region, and has provided critical financial support for the operation of and improvements to regional visitors and spectators facilities. For the last several months, my staff has been working with the County and Metro staff to update the IGA. Betsy will walk through the high level review of this agreement and the proposed changes that are the subject of the ordinance before you today. One of the main goals of the visitors facilities iga amendment is to support the proposed Convention Center hotel. The resolution before you today authorizes the memorandum of understanding with Metro and the County, providing direction on the key elements that will be needed to be included in the hotel deal. I'm going to turn the microphone over to Betsy so that she can give Council an overview regarding these two actions that are before you today. Following the presentation, we have invited testimony from Metro, other elected officials, and Travel Portland. And we will also be available for any questions that you may have. Betsy?

Betsy Ames, Bureau of Financial Services: Thank you. Mayor and Council, my name is Betsy Ames with the office of management and finance. I will not read through the 32 pages of the IGA for you today, but I do have a PowerPoint that hopefully will cover the key points over the next few minutes. Before you today you have an ordinance for the visitor facilities IGA amendment and the consolidation agreement, and a resolution for the OCC hotel project memorandum of understanding. Most of my presentation is going to be talking about the visitor facilities IGA, this was originally approved in 2001 by the City, the County, and Metro. That intergovernmental agreement authorized a 2.5% transient lodging tax surcharge and a 2.5% vehicle rental tax surcharge and established a visitor facilities trust account. Those funds are used to -- for a variety of uses, supporting visitor development and tourism facilities and activities. And part of those allocations are governed by a board that was created as a result, the visitor development funding board in which two City Council members served as well as elected officials from Metro, the County, and a number of representatives from the hospitality industry. Over the past several months, staff representing the City, County, and Metro have been negotiating these amendments. We're trying to update them to meet existing conditions and new priorities, to provide a way to support the Convention Center

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hotel, and building in provisions to ensure the long-term stability of the visitor facilities trust account system, and its -- and the allocations that it supports. The visitor facilities IGA is one part of the overall system. It supports our visitor facilities and the Pac-man chart was created to help illustrate this complicated system. And it's a familiar sight to many of you and many in this room. As part of these negotiations, we've developed a new and improved Pac-man chart, a simplified version of which is on the screens. You have an 11 by 17 version that has a lot more detail on it. I'm going to walk through some of the elements to explain the key provisions that are changing, and are included in the updated agreement. Starting on the left-hand side, we have the various revenues that are collected from people who stay at our hotels, motels, and other lodging establishments, as well as those who rent vehicles here in Multnomah County. The revenues -- occupants in Portland and in Multnomah County pay 12.5% transient lodging taxes. There's several different slices that have been established at different times and under different taxing authorities. The top two blue slices go to the City. Since 1972, the City's collected 5% for general purposes, and since 1978, we've collected 1% for tourism promotion. The 3% goes to the excise tax [inaudible] funds, the OCC operations, as well as other facilities. And it's governed by a separate IGA between Metro and the County. The two red boxes are the taxes that were authorized by the original visitor facilities IGA and fund the visitor facilities trust account. For every hotel, motel, bed and breakfast, etc., other than the proposed Oregon Convention Center hotel project, as well as for motor vehicle rental companies, none of this is changing as a result of your actions today. The one modification to the revenue side for hotels throughout the region is that the visitor facilities transient lodging tax surcharge, which was set to expire along with the IGA when the OCC bonds are repaid in 2030, that is being extended for the life of the hotel project bonds and will be -- will extend through 2045. Coming back to the Pac-man chart, I draw your attention to the right-hand side. The green box at the top is the excise tax fund, and its uses, as I mentioned -- that's not changing at this time. The yellow box on the left-hand side is a new revenue source for the visitor facilities trust account, and reflects the redirection of site-specific transient lodging taxes. When Metro, in coordination with the City and County, released the request for proposal for a Convention Center hotel, one of the public financial tools that was made available to respondents was site-specific transient lodging taxes rebated to the project for a period of a year. Hyatt Mortenson, who was the successful respondent, proposed a rebate of the 11.5% of locally generated transient lodging taxes for a period of 30 years. Metro, the City, and County had several discussions about the best way to achieve this transfer and determined that rather than try to negotiate separate agreements for each of the different slices of transient lodging taxes, the visitor facilities IGA could be the one-stop shopping means to do so. Second chart that we created that has been shared with you and which you have before you shows how the revenues flow through with the existing surcharges coming in from the left-hand side into the allocations and the new yellow box in the middle. That yellow box includes references to the changes in the VFIGA, the sections whereby the City and the County are agreeing to transfer the site-specific taxes collected at the proposed OCC hotel based on the city's 5% and the county's excise tax fund for a period of 30 years. The red box, the visitors facilities trust account, those site-specific transient lodging taxes collected at the hotel are flowing through this and are being recognized in the agreement as being hotel-specific. The City's 1% for tourism promotion is a little more difficult because city charter requires that we provide that to a nonprofit whose primary purpose is promotion of convention business and tourism in Portland. Travel Portland is that agency and has an ongoing contract with the City of Portland. In order to provide an equivalent amount to support bonds and support the hotel, we have created a means in the IGA to reduce the enhanced OCC marketing allocation to provide an equivalent amount of money to support the bonds. The other element of the Pac-man chart that is changing is the allocations that are shown in the red box on the right. The changes to this agreement are providing benefits to Metro, to the County, to the City, to the tourism and hospitality industry, and to the community as a whole. The first set of

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allocations are for debt service for bonds. These are the highest priority for any revenues flowing into the visitor facilities trust account. The first three are for payment on bonds that the city issued, supporting the priorities of the original IGA. Each has a different maturity date, with the OCC bonds being the latest to be scheduled to be repaid in 2030. This OCC hotel project bonds are the fourth allocation and you probably will be hearing a lot about those today. Those will be issued by Metro as a result of this IGA being approved by all three bodies after they have negotiated a development agreement with the hotel developer. And they will be sized to be covered by the site specific transient lodging taxes collected at the hotel.

Fritz: Betsy, before you move on, the stadium bonds, what are those?

Ames: The stadium bonds were bonds issued in 2001 for PGE Park renovation. Those are paid for by a combination of spectator facilities fund revenues and visitors facility trust fund revenues.

Fritz: So, they're still with the--

Ames: With the combination, yes.

Fritz: Yes. So, actually, we have a precedent for having invested in a particular use for a facility and using the taxes for that facility.

Ames: Yes.

Fritz: Thank you.

Novick: And, Betsy, the 5% city chunk that would otherwise go into the general fund, what do we expect based on Metro's possession the amount of that to be year to year?

Ames: It's roughly \$1.5 to \$2.5 million per year over the period. It grows of course based on inflation.

Novick: Thank you.

Ames: The next seven allocations are for operations, program services, capital improvements, and marketing. The first of those is for OCC operating support. This is a modification of existing OCC operating deficit allocation. The next is for county visitor facilities and operations support. This is the new allocation that will go to a variety of services at the county. The enhanced OCC marketing is the seventh allocation in the system. This is a continuing allocation, and this is where we were able to reduce this in, after three years of hotel operation in order to free up the equivalent of the city's 1% tlt. So, basically Travel Portland is held harmless, they're the ones that receive this funding. And we're able to allocate those resources for the hotel project. The next allocation is for convention visitor public transit passes. This is a modification to what was formally fareless square and formalizes the ability for transit passes for conventioners to get from the convention center to downtown and to travel around the city. The visitor development fund inc. allocations, those have been a successful tool used by the board to incentivize conventions to come to Portland. This agreement continues this allocation at the same level and makes it more robust by dedicating an additional 875,000 per year to support these services. That 875 is the equivalent of the savings that were generated by the OCC bond refunding we did a couple years ago. The PCPA operations support number 10 remains at the same level going forward, and the Rose Quarter and city tourism allocation is a new addition to the system. The last two allocations are to reserves, we're establishing a restricted reserve that is sized to grow and provide cushion in the event that revenues fall short of expenditure needs and to ensure that all the allocations can be funded even in an economic downturn. The bond redemption reserve will receive any excess revenues once the restricted reserve is at its -- target minimum level is established by the financial review team and will be used to pay off bonds early.

Fish: Betsy, the restricted reserve is the anticipated eight to 10 million dollars, is that correct?

Ames: It depends on the year. It's around \$10 million, I think to -- yeah. Eight to 10 million to start, and it grows depending on what the allocations are growing, because it's sized to cover one and one half times the maximum amount for any given year.

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Fish: One of the things I want to preview for my colleagues is that we've had some conversations with the parties about just making sure if, in the event of some unforeseen events sort of along the lines of the stress test modeling, what if all the bad things could possibly happen happen, making sure that if those reserves come below a certain amount, there is an adequate trigger for consultation with the various governing bodies. And having been on this Council when we saw some reserves and a bureau go from robust to zero without much of a trigger, I just put a marker down that I want to make sure that my colleagues are satisfied that we get adequate notice and opportunity to weigh in before dollars, before those dollars are used to cover holes caused by unforeseen events which put stress on the whole system. So I'll just preview that.

Ames: There are additional amendments that aren't really shown on the Pac-man chart. We included more recitals to provide history and clarity regarding the purpose and intent of the agreement. We did create a financial review team which is going to be, will be composed of representatives from each of the bodies and it's going to have annual review, but also specific tasks as defined in Attachment A to the agreement, including looking at those reserves, setting the reserve minimum amounts, etc.

Saltzman: When you say each of the bodies, is that the County, the City, and Metro?

Ames: The City, the County, and Metro, yes. There's provisions to facilitate refinancing of the stadium bonds, we refinanced the OCC bonds and the PCPA bonds. These changes will allow us to refinance the stadium bonds. You will notice in the struck-through, underlined version, we also removed some obsolete provisions and references to things that haven't been around for a number of years. And we analyzed all of the changes against various forecast scenarios, including significant shock and revisionary events, and then layered additional shocks on top of those and are very confident of the system's ability to be managed over time and support the changes you're voting on today. Another aspect of your ordinance is some minor amendments to what's known as the consolidation agreement. This is a City-Metro agreement regarding the operations of a variety of facilities and there's some changes that needed to be made to bring it into conformance with the visitor facilities IGA, as well as to address some audit recommendations that have been made by our City Auditor. The second action before you today is a resolution regarding the Oregon Convention Center hotel project. Metro is negotiating the development agreement with Hyatt Mortenson for the convention center hotel. However, they recognize that both the City and the County have an interest in the terms and conditions that will apply to that development agreement as a result of the City and County's support for additional resources via the IGA. The memorandum of understanding will provide clear direction to Metro staff about what your expectations are. It includes provisions related to MWESB goals, union contracting, the labor peace agreement for the hotel operations, green building, and other provisions. It includes expectations for the financing plan, the developer fee, and certain limitations on the use of public resources. And both the resolution itself and the MOU calls for the operator to be a rate leader in Portland and work with Metro and Travel Portland to coordinate marketing plans and ensure that we're minimizing impacts on other hotels in the region.

Fish: Betsy, can I ask you a generic question about the MOU? That is, what recourse do the jurisdictions have in the event any of these provisions are not met? And I say that against the backdrop of the proposed deal that the Mayor is striking with Daimler, where there are very clear performance goals and consequences if job targets aren't met and other kinds of things. To the extent we are expecting these to be binding, what is our recourse if one of the parties, or successor to that party, falls short on what we've negotiated?

Ames: I think that might be a question better asked of Metro.

Fish: Oh, I'll hold it for them.

Ames: That is it for a formal presentation.

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Fritz: May I just ask an overview question? That was an excellent run-through of all the nitty-gritty of the things that the Council is being asked to approve in relation to our participation in the project. Could you just give an overview what's the total cost of the hotel, how much is public, how much is private, how many construction jobs, and how many ongoing jobs?

Ames: And that again might be something that our Metro representatives could better answer. Ballpark it's around 200 million. 120 million private, 60 million from the revenue bonds, 10 from the lottery, 4 million dollar loan from PDC and 4 million dollar grant from Metro.

Fritz: Thank you.

Hales: Great. Other initial questions for Jack and Betsy? Obviously stand by, there will be more. And I want to call on first of all someone to slide up one more chair, and then we have some elected officials I want to call as a group. Metro Council President Tom Hughes, Metro Council member Sam Chase, Hillsboro Mayor Jerry Willey, and Representative Lew Frederick. I believe they're all here and welcome. Very nice to have you all here this afternoon. Mr. Hughes, I believe, is on first.

Tom Hughes: Mr. Mayor, members of the commission, thank you very much for the opportunity to come before you today. For the record, my name is Tom Hughes, and I am the president of Metro. Metro Council, and our address is 600 northeast grand avenue, Portland, Oregon, 97232. I'm here on behalf of myself and my colleagues of the Metro Council who passed the IGA that is before you a week or so ago by unanimous vote, and Councilor Sam Chase is with me today and he'll speak to you shortly. As your staff has said, in 2001, the City of Portland, Multnomah County, Metro and the group that is now called Travel Portland came together to establish a unique and enduring partnership. Our three governments partnered with the private sector industry representatives and devised a creative agreement to strengthen our region's competitiveness and ensure long-term success in the convention and tourist industry. This partnership continues to be a resounding success. We've built and expanded the Convention Center, we renovated PGE Park, which is now JELD-WEN field, we've created an innovative convention marketing system, and we provide incentives for citywide events, large national conventions, sporting events, that have infused millions of dollars into the city business. The IGA before you today is, I think, another milestone in that working relationship between us, and I would like to take the opportunity before we get too much into it to just thank your staff and our staff and the staff of the county have been working together for several months to put together this iga and I think the work that they've done has been truly remarkable. This is an innovative and a very progressive way to fund a public project, public-private partnership that will lead to great public benefit, and at the same time will also benefit a private partner. Convention and tourism is and will continue to be an important part of our economy. About 10% of our economy is made up of tourism. We're currently employing about 30,000 people locally. Generates about \$4 billion in travel related spending for our region each year. I would put that in perspective, that I believe I saw a statistic a number of years ago, a couple years ago, that said the total value of all of avangate sales in the state of Oregon in a given year is \$5 billion. So the amount of money that tourism brings just into this region is about \$1 billion short of the total value of all the agricultural goods sold in the state of Oregon each year. It's not an insignificant amount of money. We've worked very closely together, and I think the interesting partnership that has been created between Metro and the City of Portland and Multnomah County and the industry has really been a model for the rest of the nation to look at as on to how we finance these. It really was the industry themselves that came to us and said, we would be willing to tax ourselves to apply a hotel-motel tax and a car rental tax and have that money spent to promote regional Portland area tourism activities. And it's administered through a committee that Councilor Craddick and I serve on along with Commissioner Saltzman and Fritz, and Commissioners Smith and McKeel from Multnomah County. As well as representatives from the industry itself. Let me talk to you a little bit about this proposal and why I think this is important for what we want to do in the region. We've recognized for a long time, in fact it was recognized before I got to be part of the

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we, so it really predates me. That there was a need in order to make the Convention Center a complete operating functioning convention center, there really needed to be a headquarters hotel. We received that information from virtually every convention planner that comes to town. They don't say we won't bring any conventions to town, they just say, you're missing a lot of conventions that won't come because you don't have a headquarters hotel. The question has been how to go about providing that tool for us to build our tourist industry in a way that protects the public finances, and at the same time gives us exactly -- the kind of hotel we need. You will have heard, and maybe read in the paper today, some of our critics have said the public sector -- that if this was a good thing, the private sector would have done it. Private sector would build hotels, and they have built hotels in the region. It's just they won't build one in the place we want it of the size we want it and they particularly will not provide us with a 500-room block that they basically give over the programming to Travel Portland and let Travel Portland block those rooms 18 months out. That's a valuable key element to booking conventions of that size. The sweet spot for our convention business is the 1500 to 2000 person convention. We block 500 rooms in the headquarters hotel. That means that there is another 1000 to 1500 rooms that get booked somewhere else in town, primarily the downtown area. There's a couple of things about this that I think make it an attractive opportunity. First, is the job creation, initially. Right out of the shoot, we create 2000 construction jobs. Those are temporary jobs but they're good jobs. And they're good jobs at a time when we need more good construction jobs in the area. We also create somewhere between three to six hundred jobs directly at the hotel itself. And I think it's important to note that, partly because of the efforts on your part and our part and Multnomah County's part, Hyatt has agreed to enter into a labor peace agreement with UNITE HERE, which is their hotel workers' union. And this was set to become the first unionized Hyatt in their entire chain until they took the experience from this particular negotiations here and went nation-wide with it, and now they have a national labor peace agreement with the union, and they are in the process of negotiating other union contracts and other hotels. And I know there's representatives of that that can speak to that a lot more knowledgeably than I can. The point is that these are going to be family wage jobs with benefits and dignity and the kind of jobs that we try to create in our community. They are also jobs that have relatively low threshold, you don't have to have a college degree. You don't have to have a professional license to become a hotel worker in a hotel that's going to pay you a decent wage, give you benefits, and let's put food on the table for your family. This is a great opportunity for workers in our community to do that. Is there risk? Of course there's risk. You take a risk when you walked out of your house this morning. But, what we have tried to do with the mechanism for funding this hotel is to reduce that risk, and we do that in a number of ways. We have stressed the so-called bucket system, the Pac-man chart that you saw. The kind of good news contained within the bad news of the last 15 years in this country is that we don't really have to speculate about what worst case scenarios look like. We have seen worst case scenarios. Multiple airplanes flying into buildings pretty well tanked the tourist industry in this country, as well as doing number of other terrible things, and it took it a while to recover. So, we have seen what happens to the bucket system in that kind of a crisis. And what we discovered was, it was fairly resilient. It was bit of a dip. It came back, and it came back with a full funding of the bottom buckets, which are the reserve buckets. We've seen the worst recession since the Great Depression. We know what that did to the tourist industry. We know what it did to the convention industry. And it was not very pretty sight. But what we have also seen through the bucket system is that those revenues survived the downturn and came out the other side and are now more robust than they have ever been before. I think as you heard before, we are at a \$5 million surplus building towards \$10 million, in a couple of those reserve buckets. And so, we have seen the worst, and we know how bad -- how we can survive through that. As we've stressed, adding the revenue bonds into that system, as we stressed that through similar occasions, we have discovered that the system functions fine. So, we don't think that the risk is that significant. The other thing that

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we have done, I think, in the negotiations is that we have a private partner that understands the hotel industry. I mean, we're not talking about, about somebody who made a living in the high-tech business and wants to buy a hotel. We're talking about people who have run hotels for a long time. We can find that we have done significant amount of research -- keep in mind, no experience of Hyatt failing. So the question of what happens if Hyatt fails, part of the answer it would be the first example of that anywhere in the United States. Hyatt knows how to run hotels, and we feel really comfortable with that. They not only know how to run hotels, they have 135 people out there in their salesforce selling their book of business, which is their loyalty customers that want to go places, and now, including Portland, into their list. So, they will not only bring -- allow us to build our convention business, but they will bring additional business with their own book of business that will fill those hotels, those hotel rooms, even in the times when there is no convention without cannibalizing the rest of the industry. So, we feel very comfortable that we've provided for an adequate security of the public, of the public resources in terms of the doing this. This is a unique opportunity for us to build a hotel, paid for by the people who stay in the hotel, and what we're buying with that, with that \$78 million, is the additional facilities that go into a headquarters' hotel, the location of the hotel where we want it, and the size of the hotel, the quality of the hotel, and that all-important room block. So, with that, I'm going to -- thank you again.

Hales: Thanks so much, Tom.

Fish: Mr. President, I want to get a procedural question answered by the Mayor. Should we raise some of our technical questions now with you, or is there going to be staff panel to follow? And/or will the operator be testifying?

Hughes: I think the answer to that is yes, to both. I think that there will be a staff panel, or there is a staff panel available, and I know that the operator and the developer are both planning on testifying later.

Fish: So there's some of technical questions I'll will hold for Andy.

Hughes: That's good. That's very wise.

Fish: But, because you alluded to some of the critics of this plan, I just wanted to also give you a chance to respond to a couple of other criticisms.

Hughes: Sure.

Fish: So you have a chance to put your position on the record. Yesterday at the 11th hour we got a record from the Oregon Restaurant and Lodging Association. And in it, Mr. Perry says that the employment numbers are inflated. He calls 600 to 700 employees completely unrealistic and says that it will be likely closer to 300. I don't know what his methodology is, but, you have a response to that?

Hughes: Nor do I, and I think that the original projections that we had were in the 600 to 900 range. Quite frankly, I think that that would be a good question to ask the operator. They probably know what their employment rate in the hotel this size is. Mr. Perry raised the questions without ever communicating with us that he had a concern about it. So, we were not able to respond to that.

Fish: The second issue we heard from some people about has to do with the potential impact of this hotel on downtown hotels that is don't have the same level of subsidy. And the idea, and it's addressed in the MOU, is about the aspiration for this hotel to be a rate leader. But, what happens if, under some scenario, the decline in the industry, they are forced to discount rooms or do things that put downward pressure? What do -- what would you say to competitors about the potential impact of this deal on their bottom line?

Hughes: You know, the deal as it currently stands calls for Hyatt to put about \$120 million of their own money into the hotel. And if you figure that on a per key basis, that's about the same as if they just went out and bought a hotel. So, they are not getting an advantage for the subsidy. They are getting a 500-room block is one of the things that they are getting, so they are getting some of the -- some of what they are getting, I think, is kind of counter to what they would really like. The other

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thing about that is that the day that Hyatt opens a hotel, they are responsible for the operation of the hotel. They have their own management structure they've gotta answer to. They have their own investment. There is no operational subsidy to this hotel, nor is there any mechanism to provide operational subsidy. So, Hyatt will be responsible for operating a hotel. That means that they will have to respond to all of the market forces that every other hotel has to respond to, without a public subsidy to do that, number one. And number two, they will be doing that with a union scale wage benefits package that makes things probably slightly more expensive than most of the other hotels. So, the idea that they would drop their rate in order to be below what the downtown hotels are going to pay really wouldn't make any sense in a market economy. They would behave just as every other hotel does in this market.

Fish: The third question that I wanted to give you a chance to address has to do with the stress testing that you did. And it was robust. Looking at a 9/11 type event, other changes in industry. None of us here, I will speak for myself, are experts in the hospitality industry and none of us have a crystal ball but we are reminded daily that the smartest people in America make bad bets on things that they anticipate is gonna to pay off but don't. And the last month, the New York Times sold a newspaper that they bought for \$1.2 billion for 30 million and without the pension liabilities. The News Corp spent a half billion acquiring Myspace, and the smartest people said that was the future and they sold it for pennies on the dollar. And I guess one of the concerns that we have had from people is, is what if beyond a 9/11 event, what if there is a systemic change in the travel industry where there is less travel, less conventions, more use of internet and other kinds of tools, and what if that occurs so that long-term it just isn't the same business model? What do you say about that?

Hughes: I have two responses. You and I, I know, both are big fans of libraries, and I spent a lot of time near my home promoting the construction of the new libraries. And every time that we did that, we had people say why are you doing that? They are thing of the past, nobody will use them in the future because there is all this internet. And the thing that's intriguing is that as the internet has gotten more widespread, use of libraries has gotten -- has gone through the roof. The other thing that I would say just sort of flippantly to you is that I happened to notice, I was on Facebook, and noticed that you and I have 1,097 mutual friends. [laughter]

Fish: I'm honored.

Hughes: Which, I think is, is a little unusual, but, I have 2937 friends. I think it is -- but I still run into you at parties, so, I'm thinking that we don't --

Fish: Is that a good or a bad thing, Tom? [laughter]

Hughes: I think it's a good thing.

Fish: I know this job has many burdens, I'm not trying to add to it.

Hughes: But, what I think I'm trying to say is, is I don't think that the phenomenon of contact with other human beings is gonna change based on technology. We can develop all the meetings, you know, the meeting software that we want. People want to get together with other people, and they still want to -- to press the flesh, they still wanna chat with folks face-to-face, and eyeball to eyeball, and no matter how many technology is involved, I don't think that's going to change. We've seen, you know, the other day in the debate, there was reference made to the architects, for example, who like to do that, and their conventions are down significantly. We have gone through a five year period where the architects were 40%, so they are not going to conventions, big surprise. And I thought that the response from the other consultant that there was recently a convention of online gamers that drew 1,000 people to a convention so they could sit in the room and watch each other game online -- is more -- I just don't think that there is that -- any evidence for that systemic change in the convention business, in particular, and certainly not in the travel industry. I think we are traveling more as we come out of the recession, I think that we are traveling more now than we did going into the recession, quite frankly.

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Fish: Thank you, Tom. And thanks to the spirit of collaboration with your colleagues on the other side of the river.

Hughes: Well, thank you.

Hales: Thanks very much.

Sam Chase: Sam Chase, Metro Council, District 5, which represents northwest, north, and northeast Portland, where the convention center and would-be hotel are located. And I want to first thank the Council and the staff at the City for the engagement in this process because I think that it's really made -- it's asked a lot of really tough questions. It's helped to make sure that this is a very solid project proposal moving forward. And I want to also provide a reminder that we are talking about the intergovernmental agreement here for authorizing the use of -- authorizing a loan guarantee for this project. There will still be a process for Metro to look at a development agreement, and what would happen, you know, that would be a later, probably in December, when we would work out the details about how a development would occur. So, I wanted to share my personal perspective about this project. Because I was not a fan of the past proposals for the Convention Center hotel, and I came to Council -- I started nine months ago, and I came very skeptical about the project. And I was ready to ask a lot of tough questions and one of the first questions that I asked was, can't we use these resources for schools or social services. My background is more on social justice, and I have a strong passion for schools and social justice and it was important to me to recognize that, as you could see in the intergovernmental agreement, the original language upfront, these are resources that are intended for tourism, economic development, and the promotion of the kinds of uses that we are talking about here with the hotel. They are not available for those other kinds of uses. I also asked the question, if it's such a great idea why can't the market do it? Why doesn't it just happen on its own? And what I come to realize is that the market is building this. There is not public ownership. There is not operating subsidies long-term. The market is building and owning this, and what we're doing is we are buying some things with our loan guarantee, and some of the resources, other resources that we're putting in. And so, we're making a purchase. And to me, it's less of a subsidy, and more a purchase on behalf of the people in our region. And what are those things? Women minority-owned emerging small business contracts. Metro's first hiring, which is through Metro's first opportunity target area, which means that we would give opportunity first to people in surrounding areas around the Convention Center for employment opportunities. LEED silver construction, prevailing wage, a peace labor agreement that would allow long-term, on-going, well paid jobs in this, whether take the 300 jobs that were projected from the opponent, or take the 900. But we are talking about a significant number of long-term ongoing jobs. We're also talking about a significant number of union construction prevailing wage jobs. There are -- and, in addition to that, there is a ballroom that typically would not be built in a project like this. That's an additional expense. And there is the room block agreement, 500 block rooms, which is a very significant benefit. So, those are the direct things that we are purchasing with this project, in addition to me and others that are focusing on bringing out-of-state resources to the table to support this project. And, so, you know, as somebody who has been a skeptic turned advocate on this project, I wanted to share that perspective with you, and thank you again for working on this project.

Hales: Thank you.

Novick: Councilor, I just want to make one point that the City's perspective on this is a little different from Metro's, in that the City's 5% actually of hotel-motel tax can be used, is used, for general fund purposes. So, from our perspective, if this project would be built anyway, without a public subsidy, it would generate \$1.5 to \$2.5 million a year that we can spend, could have spent on police, fire, parks, and services for homeless people and people at risk of homelessness. So our perspective, financially, is, I think, a little different from the other governments.

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Chase: I think the long-term benefit here, too, is that this is going to be a property tax paying property. So, we are not exempting the property. So this is going to be a revenue generator, not just in actual dollars going to the city, but in creating those additional incomes and resources.

Novick: I was just talking about the hotel-motel tax aspect of it, specifically.

Fish: It will actually generate property taxes and business license fees, right?

Chase: Yes.

Hughes: And you go from a piece of property that's assessed at about \$10.5 million to \$120 million, \$200 million hotel plus apartments around it. So, that's a significant increase in property tax alone.

Hales: Thank you. Mayor Willey, welcome.

Jerry Willey: Thank you, Mayor. Jerry Willey, Mayor of Hillsboro. I will be very brief in my conversation because I only have 12 friends on Facebook so I don't get nearly as much space. [laughter] I'm gonna be thankful.

Fish: Gotta get out more, Mayor.

Willey: They are a really important 12 people, I am sure that they are. From the standpoint the suburbs, and I don't often refer to Hillsboro as a suburb, but I will tell from the perspective of the other cities that are going to benefit from this project, I just want to encourage you to proceed with this. We're pleased about this. I think as Tom said, this is a long overdue idea, and what it does is -- in the travels that I do, I generally stay a few extra days in wherever city convention I am going to be at. I usually take my wife and we get to enjoy the amenities of the region. And I think that that's what this project is going to do as well. We're very excited about the possibility of inviting visitors into our region, and then introducing them to the wineries of Washington and Yamhill counties, of course. And the golf courses, and many of the other attributes that we, as a county and certainly as a region, provide. So, from that standpoint, I want to encourage you to move ahead with this rapidly. One of the things that we invested in, and I understand the investment of general fund dollars in this past year was the Hillsboro Hops, the baseball team, the Single A baseball team, ours was \$15 million. A little smaller debt obligation there, but the impact of it has been really outstanding. And we invite -- for 38 home games, we invite and encourage people from Vancouver and Salem and all over the region to come experience Single A baseball in a very home-like feeling, in a baseball park. I think the same thing will occur when you begin to invest in this region. We need Portland, we need Multnomah County, we need Clackamas County to be successful, as well as Washington County. And so I think that this project will certainly do that. I applaud not only the City of Portland but Multnomah County, and Metro to move ahead on this project. Thank you.

Hales: Thank you. Representative Frederick, welcome.

Lew Frederick: Thank you. Mayor Hales and Commissioners, good to see you. I am Representative Lew Frederick, representing House District 43 in north and northeast Portland. And the project you are discussing this afternoon is planned for my district. I am here to tell how much, frankly, I welcome this project. Like Metro Councilor Sam Chase, I have been a skeptic at various points over the last 20 years. This is something that you cannot just talk about in generalities. The particulars of what is going to be built and how, how it will be operated, mattered a lot. In this case, an agreement settled tells us that the project will not bring -- will bring us not just jobs, but good jobs. We often hear claims made about the right to work. The right to work is always with us, and always has been. Believe me, coming from a family and the ethnic background that I do, I am aware that it is not the right to work that's in question, but it's the right to be paid a decent and sustaining wage for that work. It requires advocacy. [applause] That always needs defense, the right to safe and dignified working conditions, the right to representation when issues arise. And that's why I support this project so wholeheartedly. And I was happy to vote and advocate for dedicating \$10 million in lottery bonds for the purpose of acquiring, developing, and constructing and equipping the Oregon Convention Center hotel project. These will be union construction jobs, and union hotel operation jobs, jobs that represent both parts of the expression an honest day's work for an honest day's pay.

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Now, my district needs economic activity. The prospect that this project will bring people into my district to spend money, hopefully lots and lots money, and that some of that money will go to my constituents so that they can spend it with other local businesses, that coincides perfectly with my goals. It's the kind of thing that I'm always looking for to lift up the community, and this has been a long time coming, and I am really so glad to get it started. I want to just thank you for the opportunity to speak. Thank you.

Hales: Thank you. Questions for any of our --

Fish: Lew, I would be remiss since you are here to not ask you, given the history in your district of urban renewal to the north, and the displacement of historic communities and the ongoing grievance about the lack of opportunity for historical populations in that area, as you review the MWESB goals and the approach to bringing the people from the community into positions and hiring, are you satisfied that we set the bar high enough?

Frederickson: I am very pleased with working on this in the way that we have. We have begun, really, the process of recognizing that we have businesses that have been trying to climb a ladder that, in many cases, the rungs were pulled out before they even got to them. That's not the case with this project. I am very pleased to see what's going on with it. And I want to thank the Metro Council for doing -- for making sure that this is the part of that. But, I am, yes, I am very pleased. I am pleased to see that we're going to finally see small businesses and businesses within my community, and minority and non-minority businesses, but, businesses within the community, able to start the process having the capacity to build even more projects, and be part even more efforts, not only in the city, but in the region. Thank you.

Hales: Other questions? Thank you all very much. I think we have a couple more invited folks to speak, and then we'll start the public testimony. If Randall Eley is here representing Mayor Doyle in Beaverton, and Michael Smith from Travel Portland. Are they here? Yes, at least, one of them is. Welcome. Good afternoon.

Michael Smith: Hi. Mayor Hales, Commissioners, my name Mike Smith, Vice President of convention sales with Travel Portland, 1000 SW Broadway/ I would like to say, for the record, I am thankful that I am not the one asked to explain the Pac-man chart. So, but, my sales team and I, totaling 10, are where the rubber meets the road in terms of why a Convention Center hotel is needed. We're the ones to compete every day with major west coast cities for convention business from Seattle to San Diego to Long Beach, to Phoenix, to Denver, our convention planners are looking at all the cities. And if they knew the day, it is to us that the planners say, yes or no, we'll come to your city. Our key responsibility is to put convention business into the Oregon Convention Center, and we typically run about 40 groups through that building every year. If I can brag just a little bit, last year that number was 46 groups and that meant \$11 million to the building which was the best ever for convention business, and almost \$60 million to the community. And last year, we also booked 52 new Convention Center groups for all future years with an estimated economic impact of \$12 million for the Convention Center, and about \$70 million for the community. Those are excellent numbers, and they line up very well with the recent data that shows that the hospitality industry has come back and come back very strong, and it's growing. Now, a lot of planners said yes to us last year. Unfortunately, a lot of planners said no, as well. And every year, we lose roughly in the range of 30 to 35 convention groups, because of concerns with Portland's hotel package. To convention planners, our hotel package is just inordinately complex, and it's a logistical nightmare for them, and it puts them at financial risk. They don't like it. I can't tell you the times I've been told: we like you, you are a great guy, we like your city, but we cannot, we will not, book Portland with your current hotel package. So, the construction of a Convention Center hotel is about job creation and economic development and, frankly, to help my team stop losing opportunities. This hotel will help create additional group demand for the city and, and conservatively, five to 10 new convention groups, sweet spot of 2000 to 2,500 room nights each, through our efforts. But also new business

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that will be brought to Portland by Hyatt's team of national sales people. With the hotel and with the TID and BDF funding, we will have the tools to be very, very successful. Everybody knows that standing still is not a successful way for any business to operate. And right now, Portland finds itself at a crossroad. If we elect to stand pat with our current convention product, our convention business will decline. Because I guarantee you that our competitors are not standing still. They are growing, they are getting better. If we do nothing, our convention business will decline. We'll get fewer groups, we'll get smaller groups, our revenue will decline. We know that over time there are going to be new conventions, or new hotels, rather, in Portland. In fact, we have got two new ones coming into the Pearl district. But simply having new hotels come onto the horizon does not generate new business for the city. In fact, any hotel it opens, if it does not create new additional business for the community, all it will do is cannibalize the current business that's in the community and everybody will get a smaller slice of business. The Convention Center hotel -- we need it, because it creates a new demand, new business for the city of Portland. I cannot urge you strongly enough to support building this hotel. My team and I would like to win. Thank you.

Hales: Questions? Thanks very much. Ok, Karla has sign-up sheet and there are a few names on it, let's start.

Moore-Love: We have a total of 37 people left to speak. The first four, please come on up.

Hales: Because there is so many people signed up, I wanna urge you to be focused, and brief, and to the point. And if someone else has made the point that you planned to make, then feel free to indicate that, rather than repeating something that somebody else has said. Common sense hopefully will keep us all focused on the points on the table and not have everyone here wait a long time.

Carolyn Wence: Hi, I am Carolyn Wence, I live at 1460 SW 192nd avenue in Aloha, Oregon, 97006. I own company called plans in action, it's a destination management company. If you don't know what that is, it means I do everything to help a convention group, local businesses from setting up conferences, seminars, special events. I do meet and greet at the airports, tours, and all of that. Basically, I do just about anything as long as it's legal. [laughing] Part of my job is that I am a small business. And I work with local groups, as well as the convention groups that come in. My connection is between the meeting planners and the local businesses. For instance, I might do group like, last year, I had the Daughters of the Nile, 1600 women coming into Portland. So between their transportation costs, doing tours and different things, my transportation bill was \$189,000. For a small business, that's a lot of money. We impacted the Portland Spirit, we did restaurants, we did dine-arounds, we did OMSI, we did wine tours. So we impacted the city all over. And the surrounding area. About 75% of my income comes from working with the convention groups. I'm lucky enough to, to employ people that have been retired or whatever in the hospitality industry, and I use them as an on-needed project basis. So, when we talk about building this Convention Center, or the hotel, excuse me, I've been waiting since the very first meeting into the Oregon Convention Center. I've waited a long time. I would like to see it happen in my lifetime. Thank you.

Hales: Thank you. Thanks. Good afternoon.

David Penilton: Hi, my name is David Penilton and I am the co-owner of America's world tours. I live at 7400 southwest Barnes road.

Fish: We don't need your address -- just, for everyone else.

Hales: Just because Jerry used it doesn't mean everybody else does. [laughing] We know where he lives, too.

Penilton: Okay. Well, we're a small tour company here, very small. We started our company about seven years ago. And, we're very fortunate in that several of the largest convention groups come in, the elks, the barbershop and several others we worked with, and our tour guides that work with these groups, they not only show them the downtown Portland area but take them out to the neighborhoods. So whether it be the restaurants, or the local shops, what have you, northeast, northwest Portland, southeast Hawthorne, we take them throughout the entire city. So, I think the

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majority of the city actually feels the impact of the visitors that we connect with and take out. But, a big key is simply the convention visitors that come. That is really the lifeline currently, and so I do a lot of working with Travel Portland, travel Oregon on cabs and fam trips with meeting planners coming in trying to help to convince them to come to Portland and see the surrounding areas as well. It is a challenge because each and every one of them, first thing, it's, well, you don't have a convention center hotel. And it doesn't matter whether we're sitting round table, or we are out to dinner, it always comes up, and that is the number one issue. What I look at it simply is this, and not just the jobs for the people that work with me, but for all the other companies and businesses that we take these guests to, they are impacted. So, when we don't have the conference groups here, my phone is ringing, people are wondering, where are the visitors? And we're talking about, you know, about a lot of people. I think, this past week, I've been gone in Japan but I think that they have had about 400 to 500 visitors that they have taken throughout the city, in different areas. But I guarantee you, in a couple of weeks, that's going to drop off and the phone will ring again. So I have an invested interest not only to my company but to the city, to help to grow tourism. In addition to that is the jobs, it's the ones that, that we just don't see here in this room, but, we try and connect those visitors to every part of the city, which is the key. There is one group, the American society of association that's -- that hopefully in the future, may have a chance to work with them. As well as many others. So, I hope that, you know, work to support.

Hales: Thank you very much. Good afternoon.

Kimo Bertram: Good afternoon. Mr. Mayor, Commissioners, the citizens Portland, my name is Kimo Bertram. I head up development for Hyatt's full-service hotels west of the Mississippi. I'm here today to reaffirm Hyatt's commitment to the development of the Convention Center headquarters hotel, and to the city of Portland. Hyatt began these discussions over four years ago about the possibility of bringing this project to fruition. Over this period, we have extensively studied the hotel market here in Portland. We've eaten at your restaurants, we've stayed at your hotels, we enjoyed your wonderful wine and beer. Basically, what we have done is spent time enjoying the unique and interesting culture that makes Portland an interesting place to go, and it's why people want to come here and visit. And fundamentally, that forms the basis for which Hyatt believes this project will be successful, and it's why Hyatt wants to be here in Portland. Hyatt development looked at hundreds of deals in a given year all over the globe. Only a handful of projects meet the standard in which Hyatt would consider a corporate investment of this magnitude. And really, we see three major reasons why we think this hotel will be successful. First, the Oregon Convention Center is a high quality facility that is currently underutilized, primarily due to the lack of a headquarters hotel. Our experience with the development of the Hyatt regency in Denver, which similarly lacked the headquarters hotel, gives us confidence there will be a significant increase in the attendance of conventions at the Oregon Convention Center upon the completion of the proposed hotel. Hyatt, through our national sales organization, is committed to assisting Metro and Travel Portland with increasing attendance at the Convention Center. As we understand, the success of the Convention Center and the proposed hotel, they go hand in hand. Second, we believe that the building of a headquarters hotel, which is project to attract over 190,000 individuals annually to this hotel, will act as a catalyst for the development of new restaurants, retail outlets and entertainment venues in the areas immediately surrounding the Convention Center. We envision this area will become a Portland neighborhood which locals and visitors will seek out for restaurants and entertainment, and emerge as another reason for people to visit and travel to Portland. Third, Hyatt customers want to visit your city. Portland is a top requested destination by Hyatt's group and transient customers in which Hyatt doesn't have a full service hotel. This project will benefit from Hyatt's robust national sales organization and when completed, will not only be the first full service hotel in Portland, but be the first full service hotel in the state of Oregon. Hyatt is confident that we can bring new Hyatt loyal customers to this hotel and to your city. The development plan crafted by

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Mortenson, Hyatt, in conjunction with Metro and Travel Portland, will result in a high quality hotel that strives to meet the employment and hiring goals set forth by the City, the County, and Metro, the large room block outlined by Metro and Travel Portland required to attract new conventions, and this hotel is project to be the rate leader for large hotels in the city of Portland, all the while incorporating the character of Portland into this hotel. Building a hotel that incorporates local products, and caters to the needs of the local community, as an important part of making a hotel successful, not only here, but throughout our Hyatt chain. Hyatt is committed to building a headquarters hotel in Portland and urges you to vote to approve the amendment to the visitors facilities IGA, and authorize the Mayor to sign the MOU. Thank you for your time, and --

Hales: There are going to be a number of questions, Mr. Bertram, thank you. One, let me take one right off the bat, which is the concern about rates. Although it may or may not be practicable to include a rate floor in the MOU or the other governing documents, you know, that's a primary concern that all of us have heard in the community. Is what about the scenario in which, due to a decline in the convention business or the intervals in between conventions, there is a temptation for you or anyone as an operator to drop rates, thereby undercutting the existing hotel stock in the city. You have heard this concern before, and how do you respond?

Bertram: Sure, Mayor. Well, when I look at the investment of this hotel, there is a significant private investment and a public investment. Now, the private investment outweighs the public investment by a significant amount. The incentive, therefore, for us, is to maximize the revenues at this hotel so we can maximize the profitability of this hotel. You can look at governance and that's one way to look at it but, we feel that, that properly incentivizing the parties to maximize revenue is by far the best way to handle this issue. And, further, we feel that, given what I have just spoken about, and the projection that the area around this Convention Center and the Lloyd district will become an entertainment district from inside Portland, further gives us confidence that we can not be undercutting rates, but, be the exact opposite and be leading the rates for larger hotels in Portland. And that's the way that we have underwritten our investment and how we believe this hotel will perform.

Hales: So, your investment pro-forma does not allow you to drop rates significantly?

Bertram: Well, our investment pro-forma is our best guess of how this hotel will perform given what we know today.

Fish: Can I follow up, Mayor? I appreciate you raising the question. So, my understanding is that when the airline industry he has a plane that's not full, they will often discount fares because they would rather have a body in the chair than run an empty plane. And, it's interesting, and, and I don't want to keep picking on the Oregon Restaurant and Lodging Association but they did put their concerns in writing, and I think that it's only fair that you get a chance to respond. They refer to this as likely to be loss leader. And pose the question, how will we prevent rate decline? So, according to the Oregon Restaurant and Lodging Association, they believe that something inherent in this deal makes it likely that you will be a loss leader, and the concern is if you are a loss leader and bring your prices down, it will impact other hotels. And you know that some of your competitors, perspective competitors, have raised this concern. Your response back to us has been you are making \$180,000 investment on each door that Hyatt has very high standards, that you want to be a rate leader and we obviously want to be successful because it generates more revenue. But, the concern is still there, and there is at least an experience from The Nines, and I don't know whether it's wholly grounded or has become part of the mythology, that when The Nines, a publically subsidized hotel, came online, they did discount their rates and impacted the rate floor for the industry. So this is an area where your assurances to us and in response to the Mayor's office question goes long way towards our confidence that in crafting a deal that does have a public subsidy, we're not in effect picking winners, putting some of the other hotels who have been here a

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long time paying the freight, at a competitive disadvantage. I welcome your, at least your response and the Oregon restaurant association.

Bertram: First, maybe I should clear the record that, you know, The Nines hotel today is leading the hotel market in Portland in rate. It is the clear rate leader among branded hotels in Portland. So, it's doing exactly the opposite of what this group has charged that it has done in the past. Hyatt is a public company. We have shareholders to answer to. And our charter says that we, you know, we are trying to maximize shareholder value. And that requires that we operate our hotels at the very sort of highest end that we can. Our underwriting has our hotel, if it was open and stabilized today, between 30 and 50 higher than the downtown hotels. And that's because of couple of reasons. One is that it's a new product. And we will be -- have great meeting space attached to the Convention Center, and that the Lloyd district will continue to grow and become an entertainment district onto itself.

Fish: One other follow-up, and we have had this conversation privately, as well, and I appreciate how forthcoming you've been. One of the things that we have learned up here, particularly, where we don't have a crystal ball and don't have your expertise, is that we like to trust but verify. And so, one of the proposals we talked about to get at this question of whether there is a competitive advantage that we're giving to one operator over another, was to see whether we could craft a rate floor or some mechanism that addressed the concern. And I am persuaded based on lots conversations about this with staff and you and others, that that's not feasible. But, there is another way that we might be able to get at that without setting floors and other regulatory measures, which is currently, we get aggregate data about occupancy and blended rates for the hotels downtown. And my understanding is, as we speak today, it's something like 75% occupancy, something like \$138 blended. I think one way this Council might have more confidence that we are monitoring this and making sure that there is no unfair competitive advantage, is if we were able to get on some agreed upon frequency, data on occupancy and the rates, the blended rates at the hotel, to kind compare with the market, and if something is really out of whack, that would give us an opportunity to say, hey what's up. Now, I understand that, that some of that data is, you consider proprietary, but without binding you to how we do this, because I'm going to talk to Andy about this in a bit, are you open to the concept of sharing with the regulators here, some of that data so that we can, over time, track whether or not you are above or below the market?

Bertram: Fundamentally, I don't -- Hyatt I don't think has an issue with that concept. We would have to -- there is, since we are a public company, there is certain disclosures that we may or may not be able to do and I think we want to understand the confidentiality agreements that might need to come along with that type of arrangement. Currently I understand that with the collection of the transient lodging tax here for the other hotels, there is some confidentiality that happens with that, I think that we just -- it's an issue that we need to work through. But something that we would be open to discussing.

Fritz: Thank you for being here today and your work on this. Hyatt hasn't always been known as friendly to union labor. I want you to know that but for the advocacy of the UNITE HERE members who came into my office and told me about what you've been doing, are willing to do here, that I wouldn't be considering, and so I appreciate that you are acknowledging that that's a value that we have in Portland. And also, the LEED certification, and the local labor and those kinds of things. So, I just commend you and hope that that is a national pattern.

Bertram: Thank you.

Novick: Following up on that, I appreciate your response to Commissioner Fish's question because I think having that data would be very helpful. I, like Commissioner Fritz, am attracted to this deal in part because of the advocacy of UNITE HERE, and your promise of labor peace if we build this hotel. I am curious about something, though. You've indicated that Portland is a much requested destination for Hyatt customers, which indicates, which suggests to me that even if we were not

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building a Convention Center hotel, Hyatt might consider building a hotel here. And I am wondering is the fact that it's a Convention Center hotel with a public-private partnership, essential to the idea of labor peace in a Hyatt hotel in Portland? And can we assume that if you built a non Convention Center hotel in Portland it would be labor war? [laughing]

Bertram: I sure hope not. [laughing] And I would not imagine that, that it would be -- you know, it's a hypothetical question that I haven't considered. And that, there is nothing that would lead me, sitting here today to believe, to believe that that would happen.

Novick: There was a national agreement between Hyatt and UNITE HERE earlier this year that covered a number of locations, right?

Bertram: That's correct.

Novick: Thank you.

Bertram: You are welcome.

Hales: Further questions? Thank you very much. Next.

David Welch: Hi. My name is David Welch, and I own, rather, co-own, Lincoln restaurant in north Portland. We're really close to the Convention Center. And, Convention Center businesses are a really important part of our business model. I'll digress and say that we are a mom and pop shop. I own the restaurant with my wife and that's it. With that in mind, we're really fortunate to have an organization like Travel Portland, because it allows mom and dad the opportunity to throw our hat in the ring and work with Convention Center business that would normally in other cities, go to large chain restaurants. And so, it's a really, really important relationship that we have seen grow as convention center business grows, and it's something that we're keenly interested in making sure continues. We just know that as Convention Center business grows, us, as a local, locally owned business, we know that our business can grow from that.

Hales: Thank you very much. Questions? Thank you all. Next four please.

Terry Parker: Thank you for the opportunity. My name is Terry Parker, I'm from northeast Portland. And I apologize, I don't have a copy of my testimony today. My computer is down. And in the shop. In the quest for a new Convention Center hotel, Metro is promoting the concept that more people will travel to Portland from Chicago, New York, and other eastern cities to attend conventions at the Oregon Convention Center. Metro also is suggesting that numerous convention-goers will also travel to many of the tourist destinations within a two-hour driving distance Portland such as the Oregon coast, Willamette valley wineries, Columbia gorge, and Mount Hood. This is a reputable objective in that higher rates of personal mobility contribute to greater economic productivity and vibrancy which in turn generates higher wage jobs. However, with the region's anti-car mindset for local residents, it also sets up a double standard. A healthy, sustainable economy cannot be based on service jobs alone. 8% to 10% of the jobs in the U.S. are tied to the auto industry. Many of them family wage, industrial component, and private sector jobs. An environmental challenged, anti-driving, anti-car mindset is undoubtedly a major factor as to why household incomes in Portland and Oregon lag well behind the U.S. average. I say environmentally challenged because per data published as early as in 1999, the new technologically advanced cars coming off the assembly line uses less energy per passenger mile as measured in BTUs and produces less emissions per passenger mile as measured in pounds, as measured in pounds of CO₂, than riding transit, and that includes Portland. Additionally, driving is subsidized at pennies per mile while public transit is subsidized at over 60 cents per passenger mile. With all the push and job speechifying for a new hotel, Metro is side stepping its own implemented limited mobility mindset to promote long distance travel for convention-goers. Each of the 600 rooms, when rented, will increase the vmts, unsustainable transit use, and more than likely, increase individual airline miles to and from PDX that have a similar carbon footprint to driving a reasonably fuel efficient car the same distance. In that no additional rental car taxes are directed to help pay for roads, and that tri-met fares only cover about 25% of the operating costs and nearly zero of the capital costs, and since

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it is likely a significant number of hotel guests will use public transit with a free pass, what is the ongoing burden of cost to local taxpayers for all of this convention travel? In closing, if the project moves forward, and without a direct means that requires convention-goers help pay for local transportation infrastructure, the local stakeholder motorists that fund the majority share need to be viewed as a hierarchy for the first in line to use Portland area streets and roads. Secondly, with the push for a new travel base, 600 room Oregon Convention Center hotel, thereby setting up a double mobility standard that includes various degrees of impacts on both roads and public transit, equity needs to be balanced for the people who live here by eliminating all the drive west programs, road diets, any potential carbon taxes on motorists that are discriminately aimed at Portland metro area residents who drive and want to travel here locally. Thank you.

Hales: Thanks, Terry. Good afternoon.

Ben Marston: Thank you for this opportunity to speak. My name is Ben Marston and I am a member of UNITE HERE. I've been in the service industry for 20 years. I'm also the president of Oregon pride at work, which is a queer labor group. And I have worked at the Portland Center for Performing Arts for ten years as a bartender. And I think that I may have served a couple of you a drink here and there. I am currently on a temporary leave to serve my union as a full-time organizer. It has been my honor to serve the many people who visit our facilities every year. People like me are literally the face our city. We are the ones who do the work that makes all of this money for all these people who own businesses and hotels, and such. We are essential to that. I see the city's investment in this project as an investment in the community and the workers here who, just like me -- just one big convention at OCC makes a huge difference to us. Workers at PCPA have an offsite agreement that allows us to get work at OCC. Thanks to our union contract, those hours go towards our qualifying for health care and other benefits. This agreement is crucial in event-based work because sometimes you have no work for weeks at a time. The Amway convention, for example, comes in the summertime when it's really slow for theater business. This one big convention makes it possible for many of our workers to survive that slow period. Just one. And we're talking about adding five to ten, I can't imagine what impact that's gonna have on us. You are faced with the choice of serving the interests of thousands of hard working, low income people, or the interests of very few rich people. This hotel could really change people's lives. It is the right thing to do for the service workers of this city and I am urging the Council to pass the amended agreement as it stands. Thank you very much.

Hales: Thanks for coming. Thank you.

Melissa Espinoza: Hi, I am Melissa Espinoza and I am a worker from the Hilton hotel, and a member of UNITE HERE. I do room service at the Hilton and I, as an immigrant from South America, I've done all kinds of jobs when I came to this country. And at nonunion places. And I work really, really hard making minimum wage, not being able to have any health care or any kinds of benefits. Finding this job at the Hilton, you know, it really changed the way I live. I was able to, you know, finally see a dentist after many years of living here. Going to the doctor, save money. Move out of the basement where I was living. Be able to support my family in South America. And so I am here as a worker talking to you. I know that these are going to be good jobs. And people like me are going to have the opportunity to have decent wages and better working conditions. So, I support 100% to this hotel to be built and I am asking you to vote yes.

Hales: Thank you, thanks for coming. Good afternoon.

Dave Moore: Good afternoon. My name is Dave Moore. I've been an employee at the Convention Center for approximately 20 years. And I am a food and beverage supervisor. I'm a full-time worker but even as a full-time worker, I don't get a full 2000 hours a year because of the event-based business. This hotel being built would be a huge impact for me personally as well as my fellow co-workers. If this hotel was built. Work is fairly steady but there is significant gaps of time off during the year where I don't get enough hours to support my family. Workers have extended time off in the

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wintertime and the summertime. This past summer, we had full month of work, which was great, followed by about two weeks off. Right now, today, we have a 100 person group in there for a facility that is under a million square feet. You know, in the past, I have known of events, just like in the gentleman with Travel Portland said, the fact that they have people telling them, you know, groups that they cannot come here because the hotel package is not good enough. I have -- I'm in constant contact with clients all the time that tell us how great we are. And in fact, we've had groups come, off-shoot groups from groups like oscon have brought more technological groups to our facility. But then we have other groups that say that we can't come back because of, you know, the hotel. So the impact of this hotel would be great to bring in more business. I'm trying to support a family of a wife and three boys and when we have downtime, it's a big impact on us and I know it's a big impact on all the other employees and whatever their situation is. The building has really tried to be progressive in the years I've been here and they stayed ahead of the curve with what the customers want from technology to sustainability. OCC has had to pull some customer service thanks to staff in all departments. A lot of the reasons why we get repeat business is because of the staff. They come back for the facility, for the city, but it's how we treat them. And so, it's important to us to bring these people back and to get new business. We want to move forward. We had an expansion in 2003, why did we expand if not to bring more people here? So, in conclusion, I want you to strongly consider the hotel because we're ready for it. Thank you.

Hales: Thanks.

Fritz: I go to a lot of events and I just want -- I have been to events at each of your facilities. The service is always excellent. And I also thank UNITE HERE for your partnership on the protected sick leave, another benefit that will be happening, right?

Hales: You know one, I call it a side effect of our job is that we don't have normal hours and we probably eat more at your establishments than we do at home. [laughter] In fact, I was in the Convention Center last Thursday night, as was Commissioner Fish, for the Hispanic Heritage dinner and spent a lot of time at the Hilton and the other PCPA facilities as well. The quality of the food and the quality of the service, for somebody who is there frequently, or for someone who is there occasionally, it's always impressive to me. I have a hard time figuring out at home how to serve four people a hot meal that's good to eat. Your ability to do it to 500 constantly amazes me.

Moore: We hear that comment constantly, and what people don't understand -- people that don't know anything about the food and beverage or the convention business is that it is a real process to serve a high volume of people. And especially when things are going at the same time in different groups, in different locations. So, it's quite a process, and I feel that we do it well.

Hales: You do. It's clearly a very skilled workforce that you are leading and we appreciate it.

Moore: Thank you.

Hales: Next four, please. Good afternoon, welcome.

Andrew Stoltz: Thank you. Mayor Hales, members of the Council, thank you very much for your time. It's good to see you again. Your speech Thursday night at the Hispanic Chamber of Commerce was very nice. Always good to see you, and it's a pleasure to have local members of city government working with myself and my co-workers. And that makes me really happy. That is awesome, that I can be part of something like that. Anyways, my name is Andrew Stoltz. I have lived in Portland for about four and a half years. I've been with Aramark for four of those years. I have worked at PCPA, I work at OCC, I work at the expo center, I work at the zoo. Everything I do has been my livelihood and life blood and connected with the city, and that has made me very happy. So thank you. Anyway, the building of a Convention Center hotel is the next step in Portland becoming the destination city of the Pacific Northwest. I am a union employee at Oregon Convention Center, and knowing that -- the possibility of this hotel assures me that many jobs will be created. My co-workers and I will have an opportunity for more work, and others will, as well. This will improve my life, it will improve other's lives, it will improve the life of this city. We're

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going to have potential visitors, worldwide, coming to Portland. They want to come here. You know that. And don't kid around. It will raise the standard of living for myself and my co-workers, and for the rest of the people sitting at the table, for you. Are we going to be comfortable here? Yes. If something like that happens? Yes. So, why not? Let's do it. My employer, Aramark, yeah, we have an agreement with Hyatt and so, this cooperative process to use our employees at this flagship hotel is going to ease the risk of labor disputes throughout the city, and not only effectively attract businesses that would be scared off by something gross and disgusting and god awful, like labor disputes, do we need that? No, I don't think that we do. So, let's avoid that. We have got it in place. Why not. I am represented by UNITE HERE, local aid, and those people will be, as well. So, those jobs, they are going to be guaranteed to be protected and provide a living wage for people that otherwise don't have an option for something that you can actually live for, I mean, really, come on, I work with hard working people that are struggling. Every day. Every day, it's something. When I go home from work, I have to do work to make sure that these people are going to make it to the next day. And, it's difficult. It's rough. But that's how it is. But, if we can do this, at least we can ease something from that aspect.

Hales: Need to wrap up.

Stoltz: Anyway, potential jobs in the community would help ensure Portland's continuing success, and I believe in that, and thank you very much.

Hales: Thank you and thanks for coming. Appreciate it.

Joe Rastatter: Good afternoon, everyone, I am Joe Rastatter, I'm a co-chair of the Portland Jobs with Justice faith labor committee and a proud member of UNITE HERE Local 8. Much of my life work is as a community organizer, a peace activist, and a supporter of performing arts, and I also have a fun job. I work as a ballpark vendor. I sell beer and peanuts at games and concerts and stuff. And I started in 1966 and sold a 25 cent bag of peanuts at the Portland Beaver game, so I got that going. Now, much of my work is in Seattle, where my union membership promotes contracts for a livable wage, and as a union member I also enjoy being in a relationship with the housekeepers, cooks, and food servers, and many of them women, people of color, and recent immigrants. I've been in front of this city council before, dealing with some justice issues at the PGE Park, Jeld Wen stadium and stuff, and it turned out to be a rather flawed fair wage ordinance, but I still will make the point that there are some people now -- one woman cried when I told her that it was going to kick in again a few years ago. And the difference between \$9 an hour and \$11 an hour, which is there, makes a heck of a lot of difference in our community. So, it's been a real pain to observe certain business owners with their consultants and lawyers, and with the support of some elected officials, conspire to withhold just wages. And so I'm glad that my union is being proactive in this deal with Hyatt and I believe that this is the time we can get it right. I definitely urge you to support it because there is a fair process in place that will facilitate workers to join unions, so, I made a firm believer that the best anti-poverty program is a union contract. Thank you.

Hales: Thank you. Good afternoon.

Laura Williams: Good afternoon. I assure you none of us shared notes but it does all sound the same.

Hales: You are a peanut vendor, too? [laughter]

Williams: Right. But I'm a banquet server at the Convention Center. And I've been-

Hales: Give us your name for the record.

Williams: Laura Williams, thank you. I've been employed there since 2006. I remember about a month at work, because I was low on the totem pole, just being hired, and they would post the work schedules on the board. And there was a lot of times I wasn't on it, and a salesperson, she wouldn't know me from Adam, passed by and could tell the disappointment in my body language, that I wasn't gonna be working. And I remember, even in 2006 she was like, you would be working if we had a Convention Center hotel. And just kept walking by, and I was like wow, really? And since

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then, I've been, you know, thinking about this, and knowing this is a good possibility, this could be happening, so I am super excited. I love my job, I love the opportunity to serve people of Portland, people that come to visit Portland and to see the excitement in their eyes about what they experience in Portland. I get paid well, but we work very hard as you heard. It's seasonal. So, when the work is there we work. I have three children. Because of my union job, and I've been able to save for college. My two oldest children have actually worked at the Convention Center with me. So, they know what a good union paying job means, and I hope that continue in their life, that they can always expect what they deserve in this work field. I know more events will be coming to Portland because of this hotel. I am ecstatic for the fact that Hyatt has agreed that these will be good union paying jobs. It means a lot. I know a lot of workers doing the same jobs I do in nonunion work hotels and they really have to decide on whether to pay their electric bill or put food on their table, doing the same job that I do. I encourage you to support the IGA as it stands, and I really thank you very much.

Hales: Thanks. Good afternoon, Tom.

Tom Chamberlain: Good afternoon. My name is Tom Chamberlain. Is it on? Good afternoon, my name is Tom Chamberlin, and I am the president of the Oregon AFL-CIO and the best part my job is, I love to be upstaged by workers because no one tells the story better than a worker. The only thing that I will add is the City of Portland, Metro and the County did an excellent job to ensure that the jobs created by this project are high road jobs, high wage jobs that will add to the community. I just came back from a convention in Los Angeles. 2000 people. Los Angeles is nice, but, it's not Portland. That convention could be in Portland in the next four years. So, I recommend that you support the IGA as written. Thank you very much for working with us on this project. Thank you.

Hales: Thank you. Thank you all. Appreciate you being here. Good afternoon, welcome. You can take it away while they get settled.

Ron Hebron: Good afternoon mayor and councilors. My name is Ron Hebron, and I submitted a comment for the record, so I'm going to say that I support the project going forward.

Hales: Great, thank you. Thanks very much. Mr. Hering.

Clayton Hering: Mr. Mayor, members of the City Council, it is my pleasure. I am Clayton Hering, chairman of the board of Norris Beggs & Simpson Companies, owner of a small restaurant called Trader Vics, and I am pleased to be here to support the Oregon Convention Center hotel. As I sit here, as a taxpayer, and listen to the elephants, I feel a little bit like an ant in this process. But I sincerely believe that watching public investment by our elected officials in things like energy, alternative energy, which is well received politically, but not well received from a business standpoint, and yet we debate to the bitter end on an opportunity that takes an underutilized convention center that creates future development opportunities in the surrounding Lloyd center. I think the new owners of the Lloyd center are licking their chops. American asset already has committed on the super blocks. I, as a business owner, look upon this opportunity, if you can bring 100 to 120,000 people into Portland, I am going to figure out how to get my share. I think those who are competitors are short sighted and not thinking that as these people come to this great city, and it is, and our brand is high, thanks to the Oregon Ducks, and others, really, I think that people want to come to Oregon, I think that this will enhance. And we have this opportunity in an interest rate environment that couldn't be more attractive to fund bonds, b, you got one of the most respect and recognized hotel brands in the Hyatt. You've got a piece of privately owned property that is virtually paying no property taxes, it would create a \$200 million addition to the tax rolls. And here we are, a state, one of five in the union, that does not have a sales tax. It's a no-brainer. Let's build this Convention Center and let's all in Oregon, because I believe it will, as said earlier, have a ripple effect across our entire state. People will migrate out and say this is a great place, and I believe that high percentage them will bring their families back and stay in those other guys' hotels.

Fish: Can I ask a question?

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Hering: Yes, sir.

Fish: You're related to former ambassador, is that correct? Well, here's my question.

Hering: I can only say that there are a few, only a few things that I can claim as, as successes and, and those are my children. One of them is a former ambassador.

Fish: So, Mr. Hering, the Oregonian editorial board on two or three occasions has admonished local government to scrub the deal, and make sure that it's a good deal for taxpayers. You are someone who regularly challenges us to be very scrupulous in using public resources, so your voice matters in this debate. And do you believe, sir, as this deal is structured, that we have built in another protections for regional taxpayers if, in the unlikely event, this deal does not pan out the way that it is forecasted?

Hering: I commend the players who participated in this transaction. I think Metro executive Hughes said it correctly, of course there is risk, but, I believe this is a very manageable risk that's been mitigated by the way that have structured this. You have over 60% private funds invested, you have a modest amount of public funds, and you have a new revenue stream to pay off the bonds, which is probably the one risk that I think is a palatable risk based on the players, based on Portland, which I believe in, and based on the scrutiny that has gone on by all you. I commend you for that.

Fish: And I'm glad, Clayton, that you focused on the 60% investment by the operator because, one of the things that gave me a heartburn about the Oregon sustainability center when we had that debate is that we had a lot of players in the community coming and saying, do the deal, it's a great deal, we applaud you, but they had no skin in the game. And 60% to me says that they have some confidence in this.

Hering: Skin in the game. A lot.

Fish: So, I appreciate your comments.

Hales: Thank you.

Chris Oxley: And thank you, Mayor Hales, and members, my name is Chris Oxley, vice president and general manager of the Rose Quarter, good to see you again. On behalf of the Rose Quarter and the Portland Trail Blazers, I'm here to speak in support of Council action to adopt the IGA that is before you today regarding the OCC hotel project. As neighbors of the Convention Center and industry partners, the trail blazers and the rose quarter have a strong working relationship with OCC. We've partnered together on event projects over the years and share a commitment to improving the Lloyd district neighborhood. As stakeholders in the Lloyd business improvement district, the convention center hotel has long been a priority for us. It stands to build upon the convention center success and will enhance its competitiveness. The hotel project led by Metro will benefit local businesses, and improve the environment for development in the district. As you can imagine, we are strong believers in the economic impact of sports, entertainment, and events. The proposed 600 room Hyatt regency could also benefit the rose quarter as an events district. While ancillary to the direct benefit to the Oregon Convention Center, convenient hotels and available room blocks are critical to many of the major sporting events that we bid for on behalf of Portland every year. Lastly, we support the city's new allocation and its potential to enhance our collective investment back into the rose quarter. We appreciate you all recognizing the value of public assembly facilities in our city. These amazing venues allow us to provide the stage to showcase our city throughout the world. Thank you for allowing me to testify.

Hales: Thank you. Mr. Pollin, welcome.

Harold Pollin: Thank you, Mr. Mayor and members of the commission, my name is Harold Poland. I'm the owner of three hotels at the Portland airport, totaling almost 500 rooms. I've been in the hotel business for over 50 years. And it probably looks it. The idea of having the headquarters hotel at the Convention Center has been on the table for more than I can tell you, probably about 25 years. It was always a known that the convention center without a headquarters hotel would be operating on fewer than all of its cylinders, and it has. The opportunities during the last 25 years to get a

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headquarters hotel development had been many, but they have not been ones that have proved successful. My belief is that the measure before you will create a successful development of the headquarters' hotel. And I would like to comment on a couple things that you have already heard, and I don't want to be, to take too much time. Number one, the fact is that the convention center will benefit tremendously from the headquarters hotel. Number two, those of us in the lodging industry will benefit very, very much from the headquarters hotel, even though 600 rooms added to the supply in the city Portland will be a possibility of some dislocation in all the rest of the hotels. But, that, I believe, will be very temporary. The ultimate benefit will accrue to all of us in the lodging industry and all who benefit from tourism generally. Primarily, the retail businesses, the restaurants, the attractions, and as well as the lodging industry. And that benefits all kinds of labor, all kinds of input it takes to run a hotel, that it takes to run any business. The idea is that it will make a great engine even greater, and it will maximize the public benefit from its investment in the Convention Center in the first place. It was, \$65 million was originally the amount that was sold in bonds to finance the Convention Center. Over 100 million was invested to expand the Convention Center. There is a substantial public investment that we don't want to let go fallow. The point was made earlier that if we do not increase the attractiveness of our product, by doing this hotel, then we are going to lose business and not stand still. So the idea is let's move forward, let's not go back to a time when the competitiveness Portland was not good. Let's make Portland competitive with any city in our region and any city in our tier, and I urge you to support the project.

Hales: Thank you, any questions for any of these gentlemen? Thank you all. Appreciate you being here. Good afternoon.

Fish: Gale, have we given you enough plugs for your dinner last Thursday?

Gale Castillo: No, it was nice, very nice, very nice, thank you.

Fish: The Mayor and I were honored to sit at your table.

Castillo: Just for the record, there were over 600 people there.

Fish: You could hardly have chosen a better speaker, too. Very inspirational.

Castillo: Thank you very much.

Hales: Take it away, please.

Castillo: Thank you, Mayor, commissioners. My name again, for the record, is Gale Castillo. I'm president of the Hispanic Metropolitan Chamber. I am here to testify in support of the Oregon Convention hotel. The Hispanic Chamber, our board of directors, strongly supports the building of this convention hotel. This project leverages private development that's already been mentioned here with low-cost financing to create jobs, boost the state's tourism industry, and enhance the regional economy. Nearly 3,000 jobs are expected to be created in the construction and hospitality industries, and an estimated 11 million in state and local taxes will be generated each year. I want to point out that Latinos are highly represented as workers in both the construction industry that will build hotel, and also the hospitality industry that will continue to be present for the operation of the facility. Therefore, we see this as a very important project for our community. In addition, this project will stimulate other investments in the area that you have already heard about. And I want to point out that the Hispanic Chamber knows from personal experience how important the role of this hotel is for our community. We, for example, tried to recruit our own national U.S. Hispanic Chamber of Commerce to come to Portland to bring their convention here, and we got laughed at. And they said, the president, the national president said, Gale, how can you expect me to bring our convention here when you don't even have a convention hotel? We would be spread all over the city, and we're not bussing people around. So, although we were hurt, disappointed, etc., it was a personal experience that we had, and it just strengthened our resolve to be here today and help you support this important project. Again, the convention hotel will protect our past investments, improve our livability and create good jobs. We urge you to support this important project. Thank you very much.

Hales: Thank you. Mr. Burch, welcome.

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Michael A. Burch: Mayor and commissioners, thank you for having me. I would like to say thank you to the Metro Council and their staff for bringing this hotel back to life. We've been around for quite a while. I would like to go on record saying that the carpenters support this hotel, the way you guys have laid it out. We'd really appreciate the IGA going forward. There are thousands of carpenters that are working in this city right now. Hundreds that would go to work on this job. I would also like to say that I'm represented by Representative Frederick and Commissioner Chase. I live in this neighborhood. There is nothing more rewarding than giving someone a job that pays good money, that has benefits that will take care of their families. In giving them a job like there, which is a career for us, there is nothing more rewarding than seeing that person go home at the end of the day, end of the week, with a paycheck in their pocket that they don't have to have two or three jobs to work to make their ends meet. We have done quite a bit of work on the Community Benefits Agreement in other areas of the city. We're working with Mortenson now and some the staff to see if we can't have this agreement on this project, as well. Which, you know, means lots and lots of people in this community going to work on this hotel. So, thank you for your time.

Hales: Thank you.

Fish: Can I follow-up on something you said? You mentioned the Community Benefits Agreement, and this city has partnered with you and others to actually implement a Community Benefits Agreement on some capital projects that we're involved with. So, you said you are in the process of discussing that with Mortenson, so, are you making progress? Are you optimistic?

Burch: I'm optimistic. We have not our first meeting yet. But, at the open house, for metro's first open house on this project, and we spoke with the equity officer. She was interested in hearing more about the CBA and I'm optimistic.

Fish: Would it be helpful if this Council reaffirmed the desire to see the kinds of policies in place that include apprenticeship opportunities and other training programs for particularly underserved communities, through one of these processes?

Burch: It would, definitely. We would love to be able to use you as a reference. Without question.

Fish: Well, we can't be at the table bargaining with you, but we can be a reference to the extent we partnered on a similar agreement at the city level and, and seeing positive outcomes.

Burch: It's very successful, I might add. Thank you for that.

Fish: Thank you, sir.

Burch: Yes, sir.

Hales: Great. Ms. Guetzloe Parker, welcome.

Jodi Guetzloe Parker: Guetzloe Parker, congratulations on the name. Jodi Guetzloe Parker, Columbia Pacific Building Trades, thanks for having us in today to talk about this important proposition. Columbia Pacific Building Trades rises in support of the resolution, and the memorandum of understanding, the IGA, the hotel, the agreements. When read through those documents, you will find strong language to employ apprentices, women, minorities, small businesses, the whole gambit. It's very good. Suffice it to say, I don't have a page full of notes. I hope you can appreciate this. I have a lot of hearts and some xs. So, you know, I really love this, the idea of this project. It puts a lot of construction people to work. You know that we have survived through the great recession, and we have seen an uptick in building. We love the commitment to build. I think we are going to build our way out of this. Let's move forward on this and continue down that path. It creates opportunities within our communities. And we just continue to work towards that. A little side note, I appreciate, sir, your pointing out that the funds will come out of the Portland budget. And I donate wherever possible. So, thank you.

Hales: Thank you, Jodi. Mr. Ramis.

Tim Ramis: Thank you, Mr. Mayor. For your record, my name is Tim Ramis, I'm here on behalf of the Coalition of Portland Hoteliers. Early in this process with the RFP, many hotel operators in the city supported the concept. In those days, the project was subsidized at a rate of about 5% of the

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total project. As you know, that subsidy has ballooned out to 40%, which, in the view of the industry, changes substantially the risk-reward proposition involved between the public and the private operator. At this point, the developer obtains a 200 million dollar asset at a 40% discount. That discount is covered by the public responsible for the bond payments, and in effect, stands as the guarantor of the performance projections provided by Hyatt, even though those projections are secret. In order to be held secret, according to Metro's secrecy pledge, in the proposed deal points. That type of secrecy is exactly the sort of thing that would lead most prudent people to have pause about an investment on their own account, and yet you're asked to jump over that point and ignore it. The question we have been asking is, are there other paths forward that might lead to a more balanced approach to the project? And there are two I have been asked to suggest to you. One is to use the rfp process to revisit the market. The market at this point has only seen a 5% subsidy proposal. So no one else out there, other than Hyatt has seen a proposal that would allow subsidy up to 40%. We don't know if there's someone would do a 20% or 15% subsidy project, and we should know that. It's easy to obtain that information by simply revisiting the market with a different rfp. Alternatively, the approach would be that we would suggest would be that you use the MOU before you to push for some amendments to the fundamental agreement. And there are four provisions I'll bring to your attention and ask you to consider. One, is to reject this idea that if the pro forma isn't met, and the tax revenues are not there, that the budgets of entities like the Center for Performing Arts will be put at risk. Instead, asked Hyatt to step into that. It's their pro forma. If it's not met, ask them to stand behind it. Second amendment would be to reject Metro's secrecy pledge. In other words, if Hyatt wants \$60 million of public money, be transparent. Tell us what the projections of performance, in terms of occupancy and rate, really are. And let the public review those. What does Metro have to hide? They believe in those projections, let us see what they are. Third, tie Hyatt's high management contract to performance benchmarks. At this point, there's no one negotiating at the table on the management contract for the public. But, if Hyatt wants that much money, then ask for that sort of performance measure. Finally, take on the challenge that Commissioner Fish has posed about how to how do we go about preventing cannibalizing the market. How do we prevent a Nines-type situation from happening. We'd be happy to work on that. We think your concept may have some viability. Clearly, any rate floor should be variable with the market. In the end, if that pro forma is one Hyatt stands behind, then they should be willing to live with the rate floor. Thank you.

Hales: Thank you. Questions?

Fish: Mr. Ramis, thank you. We heard earlier from Harold Pollin, who is one of the most successful hoteliers in our community, long standing. And he said, in effect, a rising tide lifts all boats. And he further said that he anticipates to do better in a couple years than he would without this. So, why do you think Mr. Pollin's view of this deal is wrong?

Ramis: Well, the experience of The Nines is telling. We have real experience of what happens to hotels in the downtown when a competitor drops prices to numbers in the 90s. That was a subsidized hotel. PDC increased its subsidy of the hotel to \$17 million. The performance was not satisfied. The hotel couldn't make the payments. They have not made a payment, as near I can tell from a public records request, since 2009. To order to compete, in order to maximize revenue, they decided to fill rooms. They did that by cutting rates. That's a real world example and it's a grave concern.

Fish: Let me also tackle the question, philosophical question, raised about the structure of the deal. A deal that was proposed maybe two or three ago would have had the city owning a hotel. You heard from Sam Chase that that was not a deal he would have supported and I don't think he would have gotten support here. Two or three generations later, we have a hotel largely financed off user fees, which is a tax on the people who use it, which was the model we used successfully in JELD-WEN when a number of us said we wanted to limit the amount of public investment. It's also the

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model at the rose quarter to great success. If we have had success at JELD-WEN and at the rose quarter why can't we use the same model here and anticipate some success?

Ramis: I think it's impossible to really answer that question about degree of risk unless you know the actual projections. Until we have that data, and examine what the projections are with respect to rate and occupancy, it's really not possible to rationally analyze what the risk is. That's what it comes down to. The question is, what's the risk that the public would have to step up and put more money in through taxes raised on other hotels? So that's why we say, give us the numbers. Let the industry experts that are local review that data and determine whether or not these are realistic rates in light of our performance in this market.

Fish: Mr. Ramis, last question. Just to be fair to you, council member Chase also said he rejected the idea that we're actually subsidizing this. He said we're using this tool to buy a block of rooms. And that that's the public benefit. We have chosen this mechanism. So, why isn't he right on that?

Ramis: The way you characterize it. That's a description. The real concern of the industry is whether or not the performance will be there. If the performance is there, then we would agree with Mr. Chase's characterization. But the performance fails, and the hotel is full during conventions, but becomes Portland's favorite \$60 a night hotel during other times the year, then the whole thing is likely to be a failure from our industry's point of view.

Fish: From the industry members that you represent.

Ramis: Yes.

Fish: Okay. Thank you.

Hales: Further questions? Thank you all very much. Ok, Shirley, go ahead. Just give us your name for the record.

Shirley Burke: Hi, my name is Shirley Burke and I'm sure most of you guys know me from the Hilton Hotel. I'm here in support of the convention center hotel because we need a hotel that is close to downtown because there is customers at our hotel that stay clear out in Clackamas because there are no hotel rooms in downtown Portland area. This week, I know of two people who couldn't find a hotel in Portland this week alone. But the reason I support the hotel is that we need good paying wage and health care for workers in Portland so they don't have to work two or more jobs to make it and still get food stamps and Oregon health care for their children. I know personally how that affects families because I used to do that. I went to work for the Hilton Hotel 26 years plus as a banquet bartender. And I have a living wage job thanks to my union and a lot of hard work that we do. So that when a client pays a service charge of 22% of the bill that is supposed to go to the workers, it doesn't go to the workers at nonunion hotels, it goes in the corporations' pockets and they get a \$12, \$15 straight wage. This is not fair. They need to be treated same as a union worker, with dignity and respect. As far as the Oregon Restaurant Association, they will be against anything that pays as decent wage. I have been fighting those people for 30 years. [applause]

Hales: Thank you very much. Miss Richardson, welcome.

Paige Richardson: Thank you all. Mr. Mayor, members, I will do my best to be brief. I am here today on behalf of the Coalition for Fair Budget Priorities. I just want to read a letter from one of our members, Mr. Jatin Patel, a hotel owner not able to be here, but had some thoughts I thought you all would appreciate. I did want to add a little something for President Hughes. He stated earlier they could find no record of a Hyatt ever failing, and 30 seconds on the internet I found, state will not be downgraded if Hyatt Regency Chesapeake Bay fails to make bond payments. That's sort of indicative of the way the discussion has been. There's this great promise. We, our coalition, convention center, loves Portland, would like to see a hotel. We're concerned about the risk. The risk is out there. And we would like you -- we appreciate your considering the risk and how to mitigate that for taxpayers. So on behalf of Mr. Patel: Dear members of the Portland city council and the Multnomah County commission. As a resident of Metro Portland and a local hotel owner and operator, I have been following the developments in the proposed convention center hotel deal

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with keen interest. The more I learn the more I'm concerned. If hotel revenue projections aren't met, the bonds will still have to be paid. As the deal is currently structured, neither Hyatt nor the developer or builder will have any responsibility for those payments. Only us, the local taxpayers. For the moment, let's set aside my sense of injustice and unfairness at the fact that the lodging taxes from my business will go directly to subsidize a wealthy out of state hotel corporation, paying 40% of their costs for a new hotel. For the moment, let's not think of me as a local minority business owner who employs other local residents and would jump at the chance to expand my business, and employ more folks by using my logic tax renew as a repayment source for my expansion. For the moment, let's just consider the deal before us. We're giving a developer ten times as much public money as metro indicated would be available for the project in their original RFP process, \$78 million so far. And we're giving the developers all the money up front. Unlike the Daimler deal just announced where public subsidy has to be earned by meeting performance goals like number of jobs actually created. \$80 million is way too much to pay up front, especially for what we're getting in return. According to Metro Councilor Sam Chase, what taxpayers are really buying is access to room blocks to book convention business. I'm betting we can get that for a lot less than \$80 million. And how about the hotel design itself? If the hotel is supposed to be a partner for the convention center, then they should not have any significant meeting space in the hotel and the convention center should get all the meeting business. Certainly the convention center could use the business. They were half empty last year and that qualified as their best year yet. The current design is 35,000 square feet of meeting space which will put it into direct competition with the OCC for much of the year. Again, Hyatt makes money, taxpayers foot the bill. Even the site selection looks to have been an insider deal. The PDC owns land adjacent to the convention center already but in this deal, Metro is agreeing to pay top dollar for that land, private land owned by a member of the hotel development team. Successful convention centers have shopping and restaurants right outside their doors. We don't. And OCC occupancy rates reflect that reality. Metro tells us that building the hotel will spur revitalization of the area around the OCC. We have been promised this before. You're Metro's partner in this deal, what are you, the PDC or metro doing to bring restaurants to the Oregon convention center neighborhood and are you including the downtown merchants in the planning process?

Hales: I'm going to ask you to wrap up. I know you have a letter, but you can also make it available to us.

Richardson: I would be happy to do that. So wrapping up, let's go back to the small business owners here. If the money doesn't come through, if the projections don't come through, we still have to pay the bond. That money is first going to be taken from pool taxes paid from other hotels. So Hyatt not only doesn't have to worry about the bond repayment, but their income from the new hotel will come off the top of the hotel's revenue stream in the form of licensing and management fees. If they run short, metro has to get the money from somewhere. We understand that ultimately, this is metro's deal, not yours, but we would like you to aggressively pursue safeguards to the taxpayers and public money is not on the hook if the hotel underperforms. And I will submit that to the record. Thank you very much, sir.

Hales: Questions for either of these folks? Thank you both. Appreciate it. More folks? Welcome.

Fish: Karla, what's--how many names on the list left?

Hales: We'll find out after this. Eight more. Okay. Good. Good afternoon. Welcome.

Mike Kennedy: My name is Mike Kennedy. I support this project going on. It's going to bring revenue to the city, bring new jobs and again, people coming in from out of town to see what Portland is like and come back more.

Hales: Thanks very much.

Tim Maddox: I'm Tim Maddox. Just want to say I'm supporting this hotel project.

Hales: Thanks very much.

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Samuel Murillo: Soy Sam Murillo. My name is Sam Murillo, I'm one of the carpenter representatives for the union, for the carpenters union. I'm proud, I'm a minority, and if it wasn't for the family wages jobs the union has to hire for the whole way across the board for this project, I mean – these are taxpayers at the end of the day, right? You can't not support this project. It's helping everybody across the board. It's bringing jobs. And as far as the restaurant association letter that you talked about, I think they are scared if anything, because they are going to have to raise their standards to the union standard or the area standard. And I support this project. Thank you.

Hales: Thank you.

Max Murphy: Thank you for having us here. I'm Max Murphy, also a representative of the carpenters union. Obviously, this project will put a lot of our carpenters to work. These are jobs that we are always looking forward to doing. It seems to me we have been looking at a hotel project like this for a very long time. Just like the Columbia River Crossing. It seems like we tend to sit on our hands and time just passes by. I feel like we're not just standing still, we're actually falling behind other cities in this country that are able to provide this type of venue. We also represent carpenters that work in the trade show industry. They have indicated to me that there's a lot of these trade shows that will not come to Portland because we do not have the hotel capacity. So we're missing out on opportunities. We're missing out on revenue. That affects everybody. The other hotels and the other restaurants. Just speak in favor of this project. Thank you for your time.

Hales: Thank you. Any questions? Thank you all. Appreciate it. Good afternoon.

Gwenn Baldwin: Thank you. With respect to your request, my testimony now looks like something screened by the NSA. It's been scribbled and scratched through. I'll try to keep this brief. Good afternoon Mayor Hales and Council members, my name is Gwenn Baldwin. I'm here today on behalf of the Lloyd Executive Partnership, or LEP. The LEP represents some of the largest property owners in the Lloyd district including Kaiser Permanente, PacifiCorps, the Trail Blazers, and Liberty Mutual. The LEP supports project as a critical catalyst for economic development and encourages you strongly to move forward by supporting the iga ordinance and the MOU resolution. In keeping with a privately owned and operated hotel, the investment of public funds has been kept to a minimum. The risk is on visitors, is on transient lodging taxpayers. It is not on the general taxpayer. And that point sometimes gets played with a bit. The OCC is a significant economic driver. And yet it's been hampered since the very beginning. I mean, this has been around since 1988. It's always intended on having a convention center hotel. And by having a Class A convention hotel adjacent to the convention center with a 500 room block, and that is huge, that's really what you are buying. I know it's been said before but it can't be emphasized enough. You are buying something that is required to land these conventions. You also get an experienced, high quality operator capable of bringing in convention and nonconvention business. That's what this package needs. It's what this package delivers. The Lloyd district is in fact experiencing its next new chapter as underdeveloped property is developed into housing, office, and retail. I cannot say how exciting the Hassalo on 8th project is, and it just had its ground-breaking yesterday. I appreciate, Mayor, your being there. So, private sector is doing development that is going to support this project. This project integrates well with the private sector development going on. But unless we buy the 500 room block, it won't happen. With this project we all win, all boats do rise. We appreciate your leadership in moving this convention hotel project forward and look forward to working with you in the future.

Hales: Thanks very much. Good afternoon. Welcome.

Fernando Gapasin: My name is Dr. Fernando Gapasin, and I work with Portland Jobs with Justice. In another life, I was a county commissioner in Santa Clara County. And we negotiated project labor agreements of a similar type that you are, we put in the Fairmont Hotel in the center of San Jose. Many of the same concerns of the local hotels came up. And what we were assured of, and it actually came true, is that the economy expanded. There's something else that expanded as well. I

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was leafletting downtown encouraging people to support the agreement that the City Council is now negotiating. I spoke to probably a dozen hotel workers. One of them came up enthusiastically, he said, wow, is it possible that this is going to help us too? I told him damn right. The thing is that my experience as a commissioner and as a union leader has been that these subsidies are well spent if they lead to living wage jobs and the actual expansion of the economy. I have been in plenty of cases where I have opposed things like Wal-Mart because of the lack of guarantees around living wage jobs. This is one of the few agreements that I have seen in this area that will truly expand the economy. And so we encourage it wholeheartedly. Thank you.

Hales: Thank you. Ms. Ansary, welcome.

Raihana Ansary: Good afternoon Mayor Hales and Commissioners. I'm Raihana Ansary, government relations manager for the Portland Business Alliance. The Alliance represents nearly 1600 small, medium, and large employers and our mission is to promote an environment that attracts, supports, and retains private sector jobs. The Alliance is a longtime supporter of a fiscally viable and privately-owned Oregon convention center hotel, and we endorse this project under the following conditions. The project must produce a valid business plan that demonstrates it will be able to sustain its debt load and operating costs with revenues generated by the hotel. Visitor development initiative funds should be used to backstop the hotel's operating costs only in times of severe economic stress. And only for a limited period of time, an existing bdi program should be held harmless. The City of Portland, Metro and County should commit that under no circumstances will they impose new taxes or fees on others in the hotel industry to support this project. An Oregon convention center hotel that meets these conditions is a sound investment and we urge you to move forward with this important regional project. Thank you.

Saltzman: Raihana, I guess I need to sort of call you on this. Does that mean that PBA supports this? That's the same letter that PBA wrote like two months ago. There's been a lot of new information out. So yes or no?

Ansary: We support it but we are looking for confirmation or reassurance from the three different governments. We did receive written confirmation from President Tom Hughes earlier this week.

Saltzman: You have the written confirmation of --

Ansary: Of those three conditions.

Saltzman: So therefore your conditions have been met and PBA supports it.

Ansary: I guess we would like confirmation from the city and county as well. Then we would support it.

Fish: Just piggybacking off that, other than the side boards you're asking for, do you have any concerns about the deal as constructed?

Ansary: No.

Fish: And what I understand you raising are concerns about contingencies. So you want assurances that certain things won't happen. But, in terms of the way this deal is structured, Portland Business Alliance and its members are satisfied that this is in the public interest?

Ansary: That's correct. We're happy that Hyatt is assuming most of the operating risk and costs. So, those are our conditions. Thank you.

Hales: Welcome back.

Crystal Elinski: \$80 million --

Hales: Put your name in the record again.

Elinski: Crystal Elinski. I'm representing 10,000 concerned citizens. I just keep getting that number rolling around in my head as well as the returning concepts of priorities and standards compared to what we were talking about earlier and a couple weeks ago with the homelessness initiatives. Recently there's been a few to extend the subsidized housing, to move R2D2, to sweep the homeless. I just think about that money and the investment in our future. Talking about women that need shelter and care and counseling, and that whole infrastructure I was speaking about earlier, that

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money would be such a better investment in the long run than anything we could do for tourism. This is actually an issue with the convention center hotel that has been going on for quite some time. What I have listened to from people speaking here, we're still not clear on it, but it seems like it's already in motion, it's being done sort of like the reservoirs. Once it gets to city hall and we're testifying it's already a done deal. This is not a good investment. This is basically another tax break. We can have our state legislature have a special session for Nike and another one for Intel, and where does it money go to hire 400 people? I do the math in my head and it's like if, if, we need to get our people, our citizens giving back to the community, living in homes, paying property taxes, getting real income. This is sort of just this pipe dream. [microphone bumps]

Hales: That's alright, it just comes and goes, sorry.

Elinski: Yeah. This is a pipe dream. I'll use the example of, sadly, Merritt Paulson, Hank Paulson's son, who has been so privileged to get all of our money and we don't get anything back from these sports facilities. It's also a pity for me to see so many people that I really admire from the union work. Since UNITE HERE started I have been supporting them, I've been telling people about them, I love what they do and I do believe in living wage jobs. It's wonderful they got to this point, but where is the money going? Hank Paulson's son, Merritt Paulson, or the Hyatt conglomeration of Penny Pritzker? These people don't need our money. I don't understand why we don't invest in something that is more real, tangible, and long term. Like helping the homeless. Thank you.

Hales: Thank you. Few more?

Moore-Love: Yes. Last four.

Hales: Come on up. And then that's it?

Moore-Love: That's all who signed up.

Hales: You get to take it home, the four of you. Welcome.

Fish: Thank you for hanging in there.

Jennifer Graham: Thank you. I'm Jennifer Graham. For 11 years I have been waiting tables at the Hilton Hotel downtown. I have stayed at this job for 11 years because it's a good job. I have affordable health insurance, job security, and most importantly I have respect and a voice on the job. It really means a lot to me, though, that the dishwashers and the housekeepers I work with also have those things. When I found out my hotel was opposing the building of the convention center hotel I was confused. I work for tips and my income is directly tied to Portland's convention center business. And I've been told many times over the years our hotel has missed out on business because the city can't accommodate larger conventions. I'm here because I want more good service jobs like mine in the city which I love so much. I urge you to support the intergovernmental agreement as it stands. Thank you.

Hales: Good afternoon.

Jeff Madden: Well, good evening, I would say, everyone. It's been a long afternoon so thank you. My name is Jeff Madden and I'm the general manager of Mortenson's Portland office. Once this project is under construction and design I will be the executive in charge of ensuring its success and turnover. So, I appreciate the opportunity this afternoon. I will be brief. I just like to quickly highlight some information about our Mortenson organization as well as the development opportunity. Mortenson is a family owned national builder. We're based in Minneapolis, Minnesota, with regional offices spread throughout the country including right here in Portland and the Pacific Northwest. We have a 59-year history. We do about \$2.5 billion worth of new construction annually. We have been providing full service development services similar to what we're doing here for 38 of those 59 years. We do it quite successfully. On that note, we have a track record of successful public-private partnerships, and a track record of success delivering complex convention center and conference center hotels just like the Oregon convention center hotel. We have built and/or developed 80 hotels across this country and currently we have either recently completed or currently in progress with nine projects around the country. They are very similar to the convention

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center hotel here in Portland. Mortenson has tremendous financial strength, which is important in this equation. We have a \$3 billion bonding capacity. That means we can provide development cost and completion guarantees that facilitate competitive financing to make this project happen. The private and public investment proposed for this hotel allows our design team led locally by Ankrom Moisan architects to fully meet all the architectural and program requirements that were lined out in the original request for proposal. The program for the 600 [inaudible] full service hotel has been developed and the structured with input from Metro, Portland Development Commission, and Travel Portland to assure that the end product that is built maximizes the benefit to the convention center itself as well as the Portland community. And that's very important. Mortenson is a leader in sustainable design and construction and, as mentioned previously, our goal is to easily meet, and hopefully exceed, silver certification for this project, which is important. This has been mentioned many times today and I will say I very much appreciate the union participation in the meeting today. It's incredible to see that. Along with Hyatt's commit for the peace labor agreement we are a signatory union contractor. We are committed to using union subcontractors and union labor to develop this project and make it a reality. We take seriously the commitment to work force equity in terms of minorities, small business, and women participation. We share the community's commitment with regard to Metro's first opportunity target area hiring. Very important. Not only as general manager but as a participant and residents in Oregon I'm both professionally and personally very excited to make this happen and I obviously am in full support of the modifications of the iga, and to this project. Thank you.

Hales: Thank you.

Bob Carroll: I think he timed that one. [laughter]

Hales: Yeah, he did. You did well.

Bob Carroll: I'm Bob Carroll, a 35-year member of IBEW, the International Brotherhood of Electrical Workers, Local 48. I'm proud to be sitting here with my union brothers and sisters. I believe that this project is going to help not only our union members but also the community. And this is about community. This is going to raise any work, good work, is going to help the community. Every dollar that's spent is going to resound through the community several times. We all know that. I'll keep it brief because actually my daughter is in labor right now, so -- [laughter] my first grand kid.

*******:** Congratulations.

Fish: We're not surprised your daughter is part of the labor movement. [laughter]

Carroll: Very good. The IBEW is in support of this hotel and we urge you to also support the hotel. Thank you very much.

Hales: Thank you. And congratulations in advance. But not much in advance.

Carroll: No, it doesn't seem like it. Thank you.

Tia Sells: Hello. My name is Tia. I'm an on-call banquet server and shop steward at the Vancouver convention center hotel. That's my union job. Until recently, as many in my field, we had a second job. Mine was at a nonunion job. I was also an on call banquet server. Both were jobs at hotels of similar quality. They're right neck and neck. They are competitors. Knowing that, you figure that working environment would be similar, right? No. Not even close. At my union job I work really hard, but at my non-union job I was required to work harder with more responsibility and half the pay. And my pay is based on tips. And, they were keeping them. Well, it's gratuity, but. Another difference between the two was in regards to breaks. Something that's regulated by law, right? At my union job, our breaks almost always happen when they should. At my non-union job, I was expected to work 12 to 18 hours a day. And I would get one 30-minute break and one 10-minute break. If I asked for anything else I was looked at like I'm growing a third eye. At the union job, our hours are assigned by seniority. Our managers can't play favorites because they are friends with this one outside of work. At my nonunion job, the supervisors' favorites were always being scheduled

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for more hours with the better events. And the bad thing about that was the nonfavorites had to work twice as hard because the favorites were required to do less work at those things. So we had to pick up a lot of slack. What happened when I spoke to upper management about the lack of breaks and the favoritism in the workplace: I was fired for being a troublemaker. These reasons are why building this hotel is so important. Because these workers will have good, healthy jobs, which will help grow Portland's economy and make Portland an even better place to live and grow. And work. Workers in this Hyatt will have the chance to speak up for themselves, unlike workers in the non-union hotels around here who have to swallow whatever management throws at them. Give them that voice. [applause]

Hales: Thank you very much. Thanks. Any questions for these four? Thank you all. So, we're going to close the public hearing but bring up some staff to answer questions. I want to say that part of the privileges that we have in this job is listening to testimony. I haven't heard such eloquent and thoughtful testimony on an issue so consistently for so long. So we really had an amazing lineup of people with good ideas and good statements today. It's just been a pleasure to sit here and hear this discussion. So I know there are some questions for staff. Mr. Shaw, Ms. Ames, you are on. And Mr. Hughes. Bringing up the big guns.

Tom Hughes: It's always scary when I'm referred to as a big gun.

Hales: Okay. Commissioner Fish?

Fish: Thank you. We've had a lot of conversations the past couple weeks about how we might address the concern that some have raised about unfair competition. We've talked about whether we could structure a rate floor, or whether there was some other mechanism. And I appreciate Andy Shaw, the dialogue back and forth. We have put some things in writing to provoke a response. And my team is persuaded that there's no clean way to get at this, or even a consensus about what the problem is. But one idea that we floated is to require more robust reporting of data so that we can track the question of whether this hotel is undercutting the market during the ramp-up period. And I handed out to my colleagues a proposed amendment to the MOU. This would not amend the IGA, which I think about half the witnesses have said, please don't do that. But it would amend the MOU and it would, it is a concept that would allow us, would allow the decision-makers to get some data to test the question of whether the blended rate is undercutting the market over the first five years. Andy, you have had a chance to see this language, which I intend to offer as an amendment, and I wanted to give you a chance to say whether it's acceptable to you and the operator.

Hales: Why don't you go ahead and read it, Commissioner Fish, into the record.

Fish: Okay. Proposed amendment to the MOU language: Metro will obtain a waiver to Portland City Code 604.130.d, from the OCC hotel project operator, including the agreement to periodic updates of such waiver to allow sharing of the site-specific transient lodging tax information with the financial review team who shall sign a confidentiality agreement. In addition, Metro will seek to obtain an agreement from the OCC hotel project operator to provide quarterly pro forma variance reports, a quarterly pro forma variance report, to the financial review team during the first two years of hotel operation subject to the confidentiality agreement, to enable the financial review team to monitor hotel performance during the important initial stabilization period. It's a mouthful, but, that would be the proposal.

Hughes: Commissioner Fish, having looked over the proposal, it seems to me--the idea of creating the performance team, which is composed of three top finance officers for each jurisdiction to look at how the hotel is performing, is pretty much necessary in order to know some of the details about how much is going into the bucket and how much is -- whether Metro is in debit or credit in terms of how much is going to go in. I think the idea they would report more frequently rather than less frequently is a good idea and I thank you for that suggestion. I think that's exactly the appropriate committee or group to go to in terms of measuring the perform advocates hotel.

Fish: Thank you.

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Andy Shaw: Just to put it in context, in the IGA, the financial review team is going to be looking at the data from Hyatt, their total revenues. This would add the ability to get a report from Hyatt about the initial pro forma, which is what we would use to set our revenues bonds off of, and reporting back how are they performing compared to that pro forma over the first, I think this is the first two years, which is sort of that critical stabilization period. So we believe we could negotiate this with Hyatt in the development agreement process.

Fish: I gave a copy to the gentleman from Hyatt and he said he reviewed it and in concept agreed to it. The idea here would be to evaluate that data so that we could see whether or not the numbers are, in effect, undercutting the market. We've heard today some concerns about The Nines. I'm not sure whether there's data behind it, or it's beginning to veer into urban myth, but there's a concern among hotel operators that for a period of time that hotel, publically subsidized, unfairly competed. The intent here is to have the review team provided with sufficient information to find whether it in fact is having that impact. It's not a perfect solution but we frankly couldn't come up with a mechanism in the nature of a rate floor or some other tool so this is the alternative. I would offer it an amendment.

Hughes: I think it really does get at the issue in about the best way possible. My understanding, and Andy can correct me if I'm wrong, the pro forma itself that was originally that we have been working off of, has been a matter of public record since the beginning, quite frankly. I'm a little mystified about the charge that kept it secret. We know that it has been viewed by the folks on the other side because they misrepresented it at one point in time. So, we know they had plucked numbers out of it to look at it. So neither Andy nor I nor anybody else we know has taken a blood oath to secrecy. Once they start the operation of the hotel, then the performance becomes somewhat more proprietary, and then it's subject to limited disclosure. Already hotels disclose to the county finance director in order to--

Fish: We get in the aggregate.

Hughes: Yeah, which we get in the aggregate, he gets it in the disaggregate. And what we're saying, essentially, is that we added an official from each of the other two jurisdictions for this hotel to get that information. I think that that makes a lot of sense and gives us a lot of data to look at in terms of identifying when we have a problem.

Fish: Well, thank you, Tom. The Hyatt representative told us very clearly he wanted to be a rate leader. Their goal is to be a rate leader. Of course, we're all banking on them being a rate leader. But this gives us a chance to verify the data and determine whether in fact that's happening.

Hughes: And to offer whatever assistance, limited assistance, any of us can be to helping them reach that goal.

Hales: Other questions or issues to raise with the team here?

Fritz: Do I need to second that amendment?

Hales: Well, we've if we've got the amendment, and the seconded, and actually, let me move the ordinance to second read [gavel pounding] because that is not up for Council vote today but the resolution is, right? So, the ordinance will come back on second reading next week and we will take action on the resolution. And that's, your amendment modifies the resolution. Other questions, concerns to raise with the team? Maybe not. Then I believe we're ready for roll call and resolution.

Moore-Love: On the amendment?

Hales: First on the amendment, on substituting the amendment. Thank you.

Roll on amendment to resolution.

Saltzman: Aye.

Novick: Aye.

Fritz: Thank you, Commissioner Fish. I think this does improve it. Aye.

Fish: Thanks to Hannah Kuhn and my team and Andy Shaw for working this out. I appreciate the spirit in which we're doing this amendment. Aye.

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Hales: It's a reasonable additional safeguard, thank you. Aye. [gavel pounding] Okay, the amendment is approved. Now, a vote on the resolution as amended.

Item 894 Roll As Amended.

Saltzman: Well, I think as the mayor said, this was a good hearing. I think everybody had some great points. I have been honored to represent the city on the Travel Portland board for at least the last five years and along with Commissioner Fritz I do serve on the visitor development fund board. It's been very interesting for me to do that. I find the hotel and hospitality industry really fascinating. There's so much about it that one from sort of a political background doesn't know. So it's really insightful for me to learn about this. Things like room nights, par, and tap reports, but it also -- put aside the acronyms, the fundamental truth that has emerged to me is that we need to do a better job of filling our convention center. And the Achilles' heel is a lack of convention center hotel. That's the inalienable truth of the situation. While we can sort of say, what's the ideal outcome here? Well, certainly the ideal outcome would be a private entity stepping forward saying we're going to build this hotel and no public subsidy whatsoever needed. But, we're not in the world of the perfect. Portland is not a San Francisco, or, I think we talk about ourselves as being a first year convention center market, but, you know, we're not there yet. We're not San Francisco, New York, New Orleans, San Diego. You name it. So we have to work harder. It means we have to take some risk and there's going to have to be some sort of a public subsidy for a convention center hotel to occur. I feel pretty comfortable with the nature of the public risk that we're being asked to take. And I do feel we have--although the development agreement still is yet to be negotiated with Hyatt, but it sounds like it's going to be Hyatt that will emerge as the hotel operator, and Mortenson as the contractor. I feel pretty lucky that we have quality companies like that who are interested in Portland. I don't think they come here to play to lose and walk away with some sort of a guaranteed revenue stream but a failure of a project. That's not nature of Hyatt or, and I don't know Mortenson as well, but as I have come to know them I don't think that's their nature as well. Nobody is looking to come into this to walk out with a bucketful of taxpayer money and a project that doesn't succeed. Although there's always that risk. But I am prepared to take that risk. And I do think that the fact there is a labor peace agreement. So, I thank Metro for being so insistent on that at the outset, and Hyatt for agreeing to that and in fact making it part of their national practice now. The testimony of the last woman, Tia, probably if I were to say, it didn't take me much more than that to say yes, we need a hotel that's going to honor labor unions and going to use union labor in its construction and look at community benefit agreements. That would probably be sufficient right there. But for all the other reasons, Portland can't sit still as was said. All the cities of our tier in the convention business are doing things. And we're all competing, we're all throwing money at conventions, and that's part of the business, that's part of what Travel Portland, as a convention visitors bureau does. We throw money at associations to have their conventions here because it creates jobs, it employs people, and it produces a lot of secondary employment too, as we heard from many of the travel and tour operators who spoke earlier today too. This is why we need to take this risk that I think the dividends and the rewards are going to be there and this is something that I feel this is a good proposal, not perfect proposal, but it's one that I'm very comfortable with at this time. And feel that it will reap dividends not only for the city of Portland but for this entire region, if not the entire state of Oregon. Because when tourists come here--or when conventioners come here, they often do become tourists and visit elsewhere in the state. I'm very pleased to support this proposal and pleased to vote Aye.

Novick: This is a difficult issue for me because I have some general guiding principles which lead me to oppose this proposal. I have some project specific -- I wouldn't call them concerns, project specific -- project specific enticements which would lead me to support it and I wind up kind of splitting the baby. One general principle I have is it's dangerous for governments to get into the business of picking and choosing which private businesses to invest in. One of the things this

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hearing has done is reinforced my belief that I'm not an expert in the hotel industry. Because we have some people in the hotel industry who say this is a great project for the whole industry, a rising tide lifts all boats, this will result in more business for everybody. Other people in the hotel industry say all this will do is cannibalize existing business. The answer -- what the answer to that question is matters to the city because if a rising tide lifts all boats then we will get more general fund revenue from the hotel tax, even though we're not getting any from this specific hotel. On the other hand, if the naysayers are correct and this will just cannibalize business resisting hotels that means we're replacing tax-paying hotel rooms with nontax-paying hotel rooms and the city general fund loses. I do need to worry about the city general fund, which pays for good, important union jobs. So, based on the general idea that government shouldn't be picking and using which businesses to invest in that leads me to vote no. I'm also concerned about the idea that you should take the tax revenue generated by a business and reinvest it in that business. That strikes me as a real slippery slope. Anybody planning to build a new business or expand a business can come to us and say, you wouldn't have the tax revenue if not for us, so why don't you give it back to us? I want to be very sure I'm not setting a precedent I find it difficult to wriggle out of. Maybe that comes from my background as a lawyer, I worry about precedent. But, there are some factors that lead me to applaud this project. I care very much what UNITE HERE thinks, and I care very much about getting good jobs, good union jobs, into this city and specifically in an industry which doesn't have enough of them. I care about the construction jobs from simply building the hotel. So when I take those factors together, I wind up with a position which leads me to a no vote today but with a recommendation to Metro to go back and try to renegotiate. To me, what's special about this deal is the fact, I mean, what makes this different from any other hotel is that it's a Convention Center hotel. It will bring convention business. Well, why not tie the subsidy to the specialists and tell Hyatt to the extent that you get tax revenue from your convention business, then we'll let you keep that and help pay off the bonds. But to the extent that you're getting regular old hotel business like any other hotel, I say pay taxes on that to support public services like any other hotel would. That's -- so my request to Metro would be to go back and offer Hyatt that proposal. Another thing I would like to say is that I think that the risk is mitigated by what I heard from Hyatt today. Which is that their customers say they would like Hyatt to have a hotel in Portland. Portland is a destination in demand by Hyatt customers. That suggest to me even if they are not going to build this hotel, which I still hope they would, under the terms I proposed, they're going to build a hotel in Portland. And given the concessions that UNITE HERE has won from Hyatt nationally, I hope that there would be labor peace in that hotel as well and there would be good union jobs. So, I don't think that it's a matter of this hotel under these terms or no hotel at all. That's way I vote Nay, with the recommendation that Metro try to negotiate a different deal from Hyatt.

Fritz: I'm happy to be on the Council this year for many reasons and grateful to the voters who reelected me. One of them is to be here to vote in support of this resolution. And this has been a long time coming. And previous iterations were not such that I could support them. I very much appreciate Betsy Ames and Jack Graham in the Office of Management and Finance, working with Metro, Metro's willingness to work with us, and with the County, to look at a lot of different issues. Somebody testified that it's a done deal because we have all had these conversations ahead of time. That's what we do. We look through all of the details ahead of time, and then we take public testimony. And I thought the public testimony today was compelling in many names. Most urgently, that these are great union jobs. This is \$120 million in construction costs, which is private investment. \$120 million of private investment for good union jobs to build this hotel, finally, build this hotel. If I have one regret was that I was not able to get an earlier start date. I know that Metro is going to be trying to get an earlier start date, I really want to be on hand with a golden shovel. So the first testifiers, the first panel, talked about the visitors--about some conventions that came to Portland, the Daughters of the Nile and the barbershop convention. And those delighted me because

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those were two of the projects that Commissioner Saltzman and Mayor Hughes and I voted to give money to several years ago as part of the business development fund. And serving on that board has helped me understand the importance the hospitality industry to Portland's economy, and the amount of money that comes into our society because of the conventions. And we have a very rigorous method of looking, under Travel Portland's guidance, which money from the visitor development fund, the trust, the bucket, what, which projects are we going to, which conventions are going to support and which ones not. If they don't bring at least 25 to 1 return on investment, we don't support them. But, then we're bringing some interesting folks to Portland who then come back. They are patronizing businesses. They are not only staying at the hotels. Most of these hotels, these conventions, are really big conventions, and now we'll be getting even bigger ones. So, we are buying the room block of 500 opposite the convention center, which to me as a parent whose teenage daughter used to go to conventions, it was really important to me that she was going to be right in proximity. We have a commitment to minority and women in emerging small businesses in the contracting. We're getting LEED silver status, a financing plan that does protect taxpayers' dollars, and minimizes risks to the city's general fund. We have adequate parking using private resources, which is again, there's so many facets to this which haven't been discussed in this hearing that make it good overall package. And President Hughes, I laud you and your team for looking at it. It's not very often that we get the Portland Business Alliance, a carpenter's UNITE HERE, the Metro president, and the other folks who have come in today to say that we all think this is a good project. And I think it's good project. I am very excited that we're able to get it, and as I said earlier, the turning point for me was when UNITE HERE members came in and told me about the discussions that they had had, being treated with respect at the bargaining table which now has changed, perhaps, Hyatt's entire national model, and I think will change the hotel and hospitality industry throughout Portland. The Hilton is a great example union hotel right now. And we hear what happens when there aren't those guarantees. Thank you for all of your work. Aye.

Moore-Love: Fritz. I'm sorry, Fish.

Fish: We're often confused, thank you. [laughter] You know, there is something poignant about these kinds of hearings that we have because I often go home after a long day like this and I say to my wife I felt it was a privilege to have a front row seat watching the public testify at these things. And this debate has been no different than other big issues we've had, and it's an honor to have this seat and to be on the receiving end. And I always regret that when we get around to explaining our thinking, it's often to an empty room, and almost feels like we're not honoring the folks who came before us, but it's usually because it's the end of a long day and people have to go home, and cook dinner and spend time with their family. But I want to begin by saying what an honor it is to be in this position, to have to make this decision, and to have to make this decision with so many thoughtful colleagues. And these big debates bring out the best, I believe, in our body, and the first three speeches I've heard, I thought, were memorable. So, I, too, bring some history and philosophy to this, to quote Steve. And I guess that I'm, -- wouldn't take a back seat to anyone here in terms of healthy skepticism about government acting as a private actor, or intervening in the marketplace in areas that may be somewhat edgy. And I think that you know that historically I am willing to spend whatever it takes to address things like homelessness, or to invest in public safety or other kinds of things, which, if we didn't, the market doesn't provide. But this issue, this issue raises another set of philosophical concerns, which is what is the role of government, to stimulate something which on the face of it, we often look to the private sector to deliver. That's why I asked couple of tough questions of my friend, Clayton Hering, because he's often the biggest critic of government spending in areas he doesn't think are mission critical. Unlike Steve, I have history of issues coming before Council, where I got to take a modified view of his philosophy of the role government and put it to a test. And are were two that come to mind. One were the sustainability center and one was the two stadium deal. Without going through the whole history, I caught a little hell on both because I had a

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respectful, and I think, principled disagreement with the way those deals were structured. On the sustainability center, I did not think it was prudent for the city to own the building, and I was also, frankly, put off a little bit that so many private actors that stood to gain from that project were so unwilling to put skin in the game. And it caused me to reflect that maybe the risk-reward ratio was a little out whack. And no amount of branding and no amount of convincing testimony got me over my concerns to the risk to the taxpayers. And on the two stadium deal, frankly, that was the hardest one I dealt with because like Commissioner Fritz I am passionate about soccer. But when I got the final briefing from OMF, even our senior team felt that the risk was too great as that deal was structured, and I followed the advice I got from people who I thought had a better understanding of the numbers than I did. And as luck would happen, the deal came back to us as a single stadium deal more reliant on user fees, and I think more prudent from a taxpayer risk reward ratio. So, that's my philosophical bias, and I appreciate the way that Steve framed his concern because I share the concern. And I think, I hope, came to this job with a certain amount of humility, but having done this for five years, I have even a greater appreciation of my own limitations. And there's just things that I think that I'm supposed to be focused on and other things the private sector should do, and I try to be clear about boundaries. As Commissioner Sam Chase said, so eloquently, the earlier versions of this were non-starters for him, and he was a skeptic, and I shared that view. In fact, Sam and I worked together, and probably had the same view for a time. But things change and things evolve, and I think what's before us today is qualitatively different. We're not proposing that the city or the metro or the county own and operate this building. It will be owned and operated by a private actor. Which I think is terribly important. The subsidy and the kind of subsidy has been changed dramatically so that we're now focused mostly on a user fee system. If you will. And in my mind, that system has worked very well at the rose quarter, now called something else. But I'm going to be resistant. [laughter] And it's worked exceptionally well at JELD-WEN. While I share Steve's concern about structuring deals where we capture all the taxes and the potential slippery slope, for me, that line is crossed, for example, when we say we'll take the income taxes off ballplayers and put them into deal. Because I think you are going too far afield. But, I think that we have to draw distinctions in taking user fees that would not otherwise be generated but for the enterprise, I think, is a different matter. So, philosophically, I've reached the point where this deal does not offend a basic value or principle. But then the question for me is, is there enough in here that benefits the public, that in good conscience, I can balance out the risk-reward and cast my vote accordingly. So, when I look at the benefits to the public, I start with the fact that we're going to be creating good family wage jobs. And I believe this city is turning a corner, our data shows it, Mayor, our most recent report, with an uptick in revenues but you feel it on the street of the city. You feel it when you can't get into a restaurant or a sports venue, you feel it when downtown is crowded on the weekend. You feel it when there is just a buzz in the air. And our city is digging out of recession and turning a corner, and that's exciting. But, it is still our primary responsibility to see if we can create and promote good family wage jobs. A second concern I have is that virtual dead zone that exists today between the convention center and the rose quarter. And most cities have put some real attention into developing those areas and turn them into vital areas. I have my own preference. I would like it to be stores that I can shop in and not just the elite wealthy. But, perhaps, we can do it the Portland way. But I think that whole area is ripe for development. And I am persuaded that a convention center hotel could be the catalyst which helps us to develop that area and create more jobs. I had a very frank conversation with the Hyatt people when they came to see me, and I said, I want to be very clear about Portland values in this deal. When we talk about labor peace, there is not an incidental part of the deal. This is fundamental to our values as a community, and this Council's view social justice. And I appreciate the very eloquent comments of my colleagues about that piece. And when we talk about sustainability, that's also not a discretionary thing, we have to build buildings to the highest levels of sustainable standards, and Dan Saltzman set a marker that the city

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follows around green building and energy efficiency. And we also want a project in the retail side that reflects our values, as well. This is a city where my wife and kids get on the MAX and go to the airport because they like to shop and eat there, and in part because it's affordable, but because the stores that are there are very much Oregon flavored. And I think that we have an opportunity with this convention center and the retail strategy to make it very flavored in the local and not some kind of one size fits all that's dropped on us and has happened in other cities. And finally, one of our brands, as a city and as a region, is tourism. It's why a lot of my friends are clamoring to come here and visit, and I have learned they are not coming to see me, they're coming to see Portland. And there is a reason they are coming here, because this is a beautiful city and a beautiful region, and who would not want to come to a place where on your day off you could choose to go to the coast, or the mountains, and enjoy everything we have to offer. Finally, this convention center hotel has been a bit of a white -- excuse me, this convention center, has been a bit of a white elephant. And when it was first launched by Bud Clark, Bud Clark had vision how for how this hotel would grow and develop. And I love Mayor Clark. And I named the most important building I have ever worked on after him. But, that building did not meet the goals that we set for it, and so, we came back and said that we have to expand it, and double down, in order for it to be a success. And despite our best intentions, that building is not being used to the proper optimization, and it is in need of being jump started. And so here, a third time, we come before the public and say, this hotel will be the linchpin. And for me, this is the final chapter in the story. This hotel is either the final linchpin or I'm not sure what, Tom. But, I don't think that we can go back to the public after this and say, we forgot there was something else we needed. This needs to be the catalyst. I have been going back and forth on this because I want to get it right. And because I care deeply about things like fair competition and taxpayer risk. But I got a call the other day which virtually sealed it for me, and it was when former governor Barbara Roberts called me. And she is no stranger to this debate and has strong views. And she said to me in sum and substance that she felt this was one of the most important votes I would cast, and she said vote for Portland's future. And she said, she believes that the work that Metro has done, a body that she previously served on, adequately protected the taxpayers and had potential big upside for our community. Well, she knows it's very difficult for me to say no to my favorite governor, and perhaps, one of Oregon's most distinguished public servants. But for me that was the tipping point. And as I look at this deal, and I review all of the various factors that we have to struggle with as we come to a conclusion, I will vote for Oregon's future, and a bet on this hotel is being another piece in the unfolding success story that is Portland. And I thank you, Tom, and your team for all the time that you spent with us educating us on this deal and working with us. I thank my colleagues who honor these positions every day with the way they serve, and today I proudly cast my vote as Aye.

Hales: Well, first, Tom, Andy, Jack, Betsy, thank you for all the very intense and detailed technical work you have done to develop this proposal. This inaccurately named briefing book contains some of that analysis. Where all the details and numbers are relieved by things like a Pac-man chart and a spongebob chart. So that was your attempt, I guess, to make this less dry. But, thank you for all of that work. There is a long history to this conversation. As a 23-year-old recent arrival in Oregon I got my first job here working for the predecessor, what is now the Oregon Restaurant and Lodging Association. And there was some talk getting underway about whether public investment in tourism could create some kind of virtuous circle where things got better for the hotel industry. At that time, the tourism promotion effort of the State of Oregon was a handful of staff in the Department of Transportation because the theory was some people might drive into Oregon, buy gas and pay a little more gas tax before they went back home. That was as sophisticated as the understanding got in those. And my members in the hotel and motel association were debating the question of whether we should have a room tax dedicated to tourism promotions. And, just as now, not all the hoteliers agreed. Later, when Mayor Clark began to build the momentum for the convention center, same

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thing happened, some said that we should invest this public money and start that virtuous circle and others said, no the government shouldn't go that far. And obviously, those decisions were good ones, and there is always that question, and I share the skepticism expressed here about the government picking winners. But in this case, there is a synergy between what we do in the public sector and what happens in the hotel and restaurant industry and the others that we've heard from here. And we have a roll in that synergy. So, there is a lot to analyze. You have to make a decision like this with your head but also with your heart. And I want to share and support some of the comments that my colleagues have eloquently made here. First, with our heads there are a lot of safeguards here. There is a reasonable level of risk. And that risk has been carefully mitigated. Then, there are synergies with other agendas that matter. Ms. Baldwin raised there, what we're trying to do with the Lloyd district. What's happening there now. The other private investments supporting the plans that we have all worked on for a long time in the rose quarter and in the Lloyd district. So, you put all that together and why do you invest? Because the risk is reasonable, because the opportunity is considerable, and because that investment supports our values. And I think this decision passes those tests, and you got to get the timing right. And Portland is on the rise. There is that buzz and that energy, there is that that growth and growth of confidence among people who invest in our future. So, we have all heard the expression about throwing good money after bad. That's not what we're about here. And in fact, we have invested a lot in this idea of the convention center. In fact, if you count it all up, if you include say the transit system, that we, with some expense, and creativity, connected to the airport, and to Hillsboro, and to a lot of other places, and if you add the investment that we made in the rose quarter and the streetcar system, and the convention center, itself, the community has invested about \$3 billion in connecting this convention center to the world and making it viable and building the thing, not -- no small thing in that. So, \$80 million against that \$3 billion is less than 3% additional investment. You can look at this deal that way. But again, I think that we use both our heads and our hearts, and my heart says Portland is a great destination, no matter how big the convention industry will be, this is going to be a great place to go. This is a handsome convention center that shows us well, and we have done a great job of connecting that place to other great places and other great venues in our community, and this is a wise and responsible investment. Thank you all for great work. Thank the community, again, for an excellent public hearing. Very pleased and proud to support this and vote Aye. [gavel pounded]

Hales: We are adjourned until next week. Thank you all.

At 6:14 p.m., Council adjourned.