



CITY OF
PORTLAND, OREGON

OFFICIAL
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 13TH DAY OF NOVEMBER, 2013 AT 9:30 A.M.

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

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

Item No. 1072 was pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

COMMUNICATIONS	Disposition:
1053 Request of Mary Eng to address Council regarding things she cares about (Communication)	PLACED ON FILE
1054 Request of Benjamin Pickering to address Council regarding negative of abuse and time to make time (Communication)	PLACED ON FILE
1055 Request of Jeremy Solomon to address Council regarding Water Bureau's sale of the Freeman Facility (Communication)	PLACED ON FILE
1056 Request of Michael Krupp to address Council regarding his two cents worth (Communication)	PLACED ON FILE
1057 Request of Shedrick Jay Wilkins to address Council regarding SoloPower, money and no covered reservoirs (Communication)	PLACED ON FILE
TIMES CERTAIN	
*1058 TIME CERTAIN: 9:30 AM – Adopt the FY 2013-14 Fall Supplemental Budget and make other budget-related changes (Ordinance introduced by Mayor Hales) 30 minutes requested for items 1058 and 1059 Motion to increase bureau expenses in the Office of Neighborhood Involvement by \$20,000 to fund elder and disability programming and amend exhibits 1 through 4 as appropriate. The additional funding will result in a decrease in General Fund contingency: Moved by Fritz and seconded by Fish. (Y-5)	

<p>[1058 continued.]</p> <p>Motion to increase the cash between the Bureau of Development Services from the General Fund by \$55,404 to fund the Tree Program Coordinator position and amend exhibits 1 through 5 as appropriate. The additional cost of the cash transfer will result in a decrease in General Fund contingency: Moved by Fritz and seconded by Fish. (Y-5)</p> <p>Motion to increase the interagency between the Bureau of Emergency Communications and the Office of Management & Finance by \$30,000 to restore janitorial services and amend exhibits 1 through 4 as appropriate. The additional cost of the interagency will be absorbed within the existing budget of the Bureau of Emergency Communications: Moved by Novick and seconded by Fritz. (Y-5)</p> <p>Motion to remove the Portland Development Commission’s proposed appropriation increase of \$84,918 for encumbrance carryover. Remove the Office of Management and Finance’s proposed appropriation increase of \$214,500 for storm planter boxes. Facilities Services Operating Fund contingency is increased by \$204,097 and external revenue is decreased by \$10,403 to balance the transaction. Amend exhibits 1 through 4 as appropriate: Moved by Saltzman and seconded by Fritz. (Y-5)</p> <p>(Y-5)</p>	<p>186330 AS AMENDED</p>
<p>1059 Amend the Business License Law to increase the Owners Compensation Deduction maximum for the 2014 tax year (Ordinance introduced by Mayor Hales; Previous Agenda 1051; amend Code Section 7.02.600)</p> <p>(Y-5)</p>	<p>186331</p>
<p style="text-align: center;">CONSENT AGENDA – NO DISCUSSION</p> <p style="text-align: center;">Mayor Charlie Hales</p> <p style="text-align: center;">Bureau of Planning & Sustainability</p> <p>1060 Consent to transfer of residential solid waste, recycling and composting franchise for American Sanitary Service, Inc. to Waste Connections of Oregon, Inc. (Ordinance)</p>	<p style="text-align: center;">PASSED TO SECOND READING NOVEMBER 20, 2013 AT 9:30 AM</p>
<p style="text-align: center;">Office of Management and Finance</p> <p>1061 Accept bid of Landis & Landis Construction, Inc. for the Vernon-Sabin-Alameda Phase 2 Sewer Rehabilitation Project for \$3,162,069 (Report–Bid No. 115937)</p> <p>(Y-5)</p>	<p style="text-align: center;">ACCEPTED PREPARE CONTRACT</p>
<p>*1062 Pay claim of Tinh Phan in the sum of \$7,048 involving the Bureau of Transportation (Ordinance)</p> <p>(Y-5)</p>	<p style="text-align: center;">186322</p>
<p>*1063 Pay claim of Maria Sosa in the sum of \$35,000 involving the Water Bureau (Ordinance)</p> <p>(Y-5)</p>	<p style="text-align: center;">186323</p>

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<p>1064 Extend term of a temporary, revocable permit granted to Portland State University for electric vehicle supply equipment services (Ordinance; amend Ordinance No. 184805)</p>	<p>PASSED TO SECOND READING NOVEMBER 20, 2013 AT 9:30 AM</p>
<p>1065 Grant a franchise to Oregon Health and Sciences University for telecommunications services for a period of ten years (Ordinance)</p>	<p>PASSED TO SECOND READING DECEMBER 18, 2013 AT 9:30 AM</p>
<p style="text-align: center;">Commissioner Steve Novick Position No. 4 Bureau of Emergency Management</p> <p>*1066 Accept and appropriate an amendment to grant agreement with Oregon Military Department, Office of Emergency Management in the additional amount of \$10,253 from the Federal Emergency Management Agency to administer an integrated all hazard emergency management program for the City (Ordinance; amend Agreement No. 12-529) (Y-5)</p>	
<p>*1067 Accept and appropriate a grant in the amount of \$50,281 from the Oregon Military Department, Office of Emergency Management for the implementation of state and local homeland security strategies (Ordinance) (Y-5)</p>	<p style="text-align: center;">186324</p>
<p style="text-align: center;">Bureau of Transportation</p> <p>*1068 Authorize a contract with the lowest responsible bidder for the 102nd Avenue: NE Glisan Street to SE Washington Street Phase II project (Ordinance) (Y-5)</p>	
<p>*1069 Accept a grant from Portland Development Commission for \$140,000 and authorize an Intergovernmental Agreement for the construction of the 102nd Ave: NE Glisan St - SE Washington St Phase II project (Ordinance) (Y-5)</p>	<p style="text-align: center;">186325</p>
<p>1070 Authorize a competitive solicitation for installation of Automatic Train Stop equipment on Portland Streetcar vehicles (Ordinance)</p>	<p>PASSED TO SECOND READING NOVEMBER 20, 2013 AT 9:30 AM</p>
<p>1071 Authorize application to Oregon Department of Transportation for a 3-year Safe Community Grant in the amount of \$85,000 per year to systematically apply specific engineering, enforcement, education strategies and proven traffic safety countermeasures on identified arterials in Portland (Second Reading Agenda 1047) (Y-5)</p>	<p style="text-align: center;">186326</p>
<p style="text-align: center;">Commissioner Nick Fish Position No. 2 Bureau of Environmental Services</p>	

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<p>1072 Update Bureau of Environmental Services Sewer and Drainage Rates and Charges fee schedule to establish application and appeal fees for evaluation of manufactured stormwater treatment technologies (Ordinance)</p>	<p>PASSED TO SECOND READING NOVEMBER 20, 2013 AT 9:30 AM</p>
<p>1073 Move existing Bureau of Environmental Services fees from the Stormwater Management Manual to the Sewer and Drainage Rates and Charges fee schedule (Ordinance)</p>	<p>PASSED TO SECOND READING NOVEMBER 20, 2013 AT 9:30 AM</p>
<p>1074 Authorize a master Intergovernmental Agreement with Portland State University to partner on sewer system needs and watershed health-related research and analysis projects, not to exceed \$500,000 (Ordinance)</p>	<p>PASSED TO SECOND READING NOVEMBER 20, 2013 AT 9:30 AM</p>
<p>1075 Authorize the Bureau of Environmental Services to amend legal descriptions for temporary easements and to acquire said easements for the construction of the Luther Road Habitat Restoration Project No. E06947 through the exercise of the City's Eminent Domain Authority (Ordinance; amend Ordinance No. 185082 and Ordinance No. 185241)</p>	<p>PASSED TO SECOND READING NOVEMBER 20, 2013 AT 9:30 AM</p>
<p>1076 Authorize the contract and provide for payment for construction of Luther Road Habitat Restoration Project for Project No. E06947 \$3.63 million (Ordinance)</p>	<p>PASSED TO SECOND READING NOVEMBER 20, 2013 AT 9:30 AM</p>
<p>1077 Authorize a contract and provide payment for construction of the Interstate 5 at SW 26th Water Quality Facility Project No. E08679 for \$2,600,000 (Ordinance)</p>	<p>PASSED TO SECOND READING NOVEMBER 20, 2013 AT 9:30 AM</p>
<p style="text-align: center;">Commissioner Dan Saltzman Position No. 3 Portland Fire & Rescue</p> <p>1078 Authorize agreement with the State of Oregon, Office of the State Fire Marshal for Regional Hazardous Materials Emergency Response Team Services (Ordinance; Contract No. 30003647)</p>	
<p style="text-align: center;">Portland Housing Bureau</p> <p>*1079 Authorize Intergovernmental Agreement between the City, Multnomah County and the City of Gresham to receive payment in the amount of \$3,400 and \$10,000 respectively for the production of the annual Action Plan FY 2014-2015, updates and other plans and performance reports as requested of the Consortium by HUD (Ordinance) (Y-5)</p>	<p style="text-align: center;">PASSED TO SECOND READING NOVEMBER 20, 2013 AT 9:30 AM</p> <p style="text-align: center;">186329</p>
<p style="text-align: center;">REGULAR AGENDA</p>	

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<p style="text-align: center;">Mayor Charlie Hales Bureau of Police</p> <p>*1080 Amend Evidence Property procedures for the return of undisputed claims for money (Ordinance; amend Code Section 14C.20.040)</p>	<p style="text-align: center;">CONTINUED TO NOVEMBER 27, 2013 AT 9:30 AM</p>
<p>1081 Revise Ordinance for a contract with Cascadia Behavioral Healthcare, Inc. to correct contract amount and include sole source language (Second Reading Agenda 1048; amend Ordinance No. 186088) (Y-5)</p>	<p style="text-align: center;">186332</p>
<p style="text-align: center;">Commissioner Steve Novick Position No. 4 Bureau of Transportation</p> <p>1082 Assess benefited properties for street, sidewalk and stormwater improvements in the NE Alberta St Phase I Local Improvement District (Hearing; Ordinance; C-10037) 10 minutes requested</p>	<p style="text-align: center;">PASSED TO SECOND READING NOVEMBER 20, 2013 AT 9:30 AM</p>
<p style="text-align: center;">Commissioner Nick Fish Position No. 2 Bureau of Environmental Services</p> <p>1083 Authorize sole source award of land application services contract to Madison Biosolids, Inc. estimated amount \$675,000 (Ordinance) 10 minutes requested</p>	<p style="text-align: center;">PASSED TO SECOND READING NOVEMBER 20, 2013 AT 9:30 AM</p>

At 11:44 a.m., Council recessed.

<p style="text-align: center;"><u>WEDNESDAY, 2:00 PM, NOVEMBER 13, 2013</u> DUE TO LACK OF AN AGENDA THERE WAS NO MEETING</p>	
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November 14, 2013

RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 14TH DAY OF NOVEMBER, 2013 AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fish, Fritz, Novick and Saltzman, 5. Commissioner Fish left at 3:00 p.m., 4.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Katherine Beaumont, Chief Deputy City Attorney and at 3:00 p.m. Ian Leitheiser, Deputy City Attorney; John Chandler, Sergeant at Arms and at 2:11 p.m. Mike Cohen, Sergeant at Arms.

The meeting recessed at 2:24 p.m. and reconvened at 3:03 p.m.

	Disposition:
<p>1084 TIME CERTAIN: 2:00 PM – Consider the proposal of Casey Murry, Castaway Bronze LLC and the recommendation from the Hearings Officer for approval to change the Comprehensive Plan Map designation from Industrial Sanctuary and the Zoning Map designation from IG1 General Industrial 1 to Central Employment and EXd, Central Employment with design overlay for the property located at 1900 NW 18th Ave (Hearing: LU 13-182710 CP ZC) 1 hour requested for items 1084 and 1085</p> <p>Motion to tentatively adopt Hearings Officer’s recommendation: Moved by Fritz and seconded by Fish. (Y-5)</p>	<p>TENTATIVELY ADOPT HEARINGS OFFICER’S RECOMMENDATION; CONTINUE TO NOVEMBER 21, 2013 AT 2:00 PM</p>
<p>1085 Amend the Comprehensive Plan map designation and change zoning of property located at 1900 NW 18th Ave at the request of the property owner Casey Murry, Castaway Bronze LLC (Ordinance introduced by Commissioner Fritz; LU 13-182710 CP ZC)</p>	<p>PASSED TO SECOND READING NOVEMBER 21, 2013 AT 2:00 PM</p>
<p>1086 TIME CERTAIN: 3:00 PM – Accept report from Portland Ulsan Sister City Association on the recent trip to Ulsan, South Korea (Report introduced by Mayor Hales) 1 hour requested</p>	<p>PLACED ON FILE</p>

At 3:47 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.

NOVEMBER 13, 2013 9:30 AM

Hales: Good morning, everyone, and welcome to the November 13th meeting of the Portland City Council. Karla, would you please call the roll.

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

Hales: The first order of business this morning is a proclamation, and Commissioner Fish is ready. **Fish:** Thank you, Mayor. This morning, we are going to celebrate Small Business Saturday, and I want to ask our three honored guests to come forward. Heather Hoell, executive director of Venture Portland; Betsey Cross, owner of betsy & iya jewelry and also the founder of the local Little Boxes campaign; and Nicole Prevost, owner of Union Rose, a woman's clothing store in the Montavilla neighborhood. Welcome all. As the council liaison to Venture Portland, it is my honor this morning to read the following proclamation that the Mayor has issued. Whereas small businesses are the backbone of our local economy, whereas over 94% of all businesses in Multnomah County employ 50 or fewer people, whereas Portland ranks in the top 20 of large American cities for small business vitality, whereas for every \$100 spent at local businesses, at least \$68 returns to our local economy - - and that may be a conservative number. Whereas small and new businesses have been responsible for creating two out of every three net new jobs over the last two decades in the United States of America. Whereas Portland's small businesses create family wage jobs, boost our local economy, and strengthen our neighborhoods. Whereas the City of Portland, Oregon, celebrates the leadership of our champions for local small businesses, including Venture Portland, our business district association, the city's small business advisory council, voice for Oregon innovation and sustainability, our local chambers of commerce, the Portland development commission, little boxes, the Portland business alliance, and the main street alliance of Oregon. Whereas the holiday retail season is a critical period for Portland's small businesses, and whereas local business districts will host more than 50 public events -- public holiday events -- in the next six weeks featuring retail sales and festive lights to help Portlanders stretch their holiday dollars and ensure the season is merry and bright. Whereas President Barack Obama has encouraged all Americans to consider Small Business Saturday as a local alternative to Black Friday and Cyber Monday. Now, therefore, I, Charlie Hales, Mayor of the City of Portland, Oregon, the city of roses, do hereby proclaim November 30, 2013 as Portland celebrates Small Business Saturday and urge the residents of our community to support small businesses and merchants on Small Business Saturday, during the holidays, and throughout the year. Let's give them a round of applause. [applause] It is now my pleasure to turn the podium over to Heather Hoell.

Heather Hoell: Thank you, Commissioner Fish, Mayor Hales, and city council. Good morning. My name is Heather Hoell, and I am the executive director of Venture Portland. We are the support system for the city's neighborhood business district. And for almost 30 years, we've been investing in their strategic growth. Supporting these commercial corridors is especially important during the critical holiday retail season, and today's proclamation is a key part of encouraging Portlanders to shop local and to support the city's small businesses. For the last two years, I have pledged, along with the entire Venture Portland board, to do all of my holiday shopping in Portland's 19,000 neighborhood businesses. I found unique and affordable gifts that have wowed their recipients and made me feel good, while I've taken advantage of the holiday retail sales and events that our

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neighborhood business districts have put on. Last year, I purchased gifts in 23 different neighborhood businesses. It was awesome. I urge you to join me in the following pledge. I pledge to venture out and do all of my holiday shopping in Portland's neighborhood business districts. I will find thoughtful and unique gifts for family and friends, stretching my gift-giving dollars with neighborhood business districts' holiday sales. I will make the season merry and bright by attending festive neighborhood business district events, and I will add growing Portland's economy to my list of holiday traditions. Venture Portland is proud once again to sponsor Little Boxes, a local neighborhood business district shopping program. And as Commissioner Fish said, for every \$100 spent locally, 68 of it returns to our economy. So whether you choose to shop on gray Thursday, black Friday, small business Saturday, cyber Monday, or do one of the 30 additional neighborhood business district holiday retail events like Multnomah Village's golden ticket, northeast Broadway's ladies' night out, Parkrose's holiday market, or Kenton's winter wonderland, I encourage to you keep your dollars local and shop in Portland's small businesses. Thank you.

Betsy Cross: Hi, I am Betsy Cross, and I just want to say first of all, thank you very much for having me. I co-founded Little Boxes, and I am the co-owner betsy & iya. We make jewelry which is sold at our shop, as well as shops all around the country. I started my business in 2008 from the tiniest of little boxes, a 125 square foot studio. We grew into a 300 square foot little box, then into our current 800 square foot little box, and soon to be a 1600 square foot little box. Portland has been a key contributor to our success every step of the way. From retail customers to fellow little box owners, Portland supports its local economy ferociously. When I started Little Boxes with my husband, it was from a place of deep gratitude for everything the city has done for me. In November 2011, just months after opening our brick and mortar on Thurman, it occurred to me that on a day that's somewhat of a shopping day, very little focus was put on shops like ours. We started Little Boxes as a response to that. Within two weeks, we were able to rally 90 Portland shops to be part of the event, and it was a huge success. Little Boxes is a city-wide shopping event and prize raffle. This year we're giving away anything from a trip to Hawaii, an i-pad, a \$50 gift certificate to Ristretto Roasters, pies from Portland-specific pie companies, and tickets to Living Room Theaters. It's free to enter, just come into any of our little boxes on Black Friday and Small Business Saturday, and you can increase your chances by making a purchase in the shops. The more little boxes you visit, the better chance you have to win. It's about exploring our amazing city. I would like to thank you guys, the city council, Venture Portland, our staff of nine hard working Portlanders and the 170 shops that are already signed up for this year's Little Boxes for Black Friday and Small Business Saturday. Thank you very much.

Fish: Thank you, Betsy. Nicole, welcome.

Nicole Prevost: Thank you for inviting me today. My name is Nicole Prevost, I own Union Rose in the great neighborhood of Montavilla, and I design a line clothing called Big Brown Eyes. Everything in my shop is made locally. I've got about 40 artists and designers, and all making things in Portland. One of the mottos I use is, know the people who make the clothes on your back. And Mayor Hales' wife is one of those people, because she knows me, I make some of the clothes that she wears. I am, in essence, creating those 40 jobs for those designers in town, so I have a strong, strong commitment to small businesses and artists in this town. I don't think a shop like mine could exist anywhere else besides Portland. And that goes into all the small businesses in my neighborhood, and in Portland. We keep this money in town as much as we can. We all have this -- all these artists in my shop have the same idea. If we can choose to buy something locally, we can. It's very important on weekend like the weekend after Thanksgiving for Little Boxes and shop small Saturday, those days of that weekend are vital for our businesses. But every day, you can make the conscious choice from your morning coffee to your later evening cocktail, to the clothes wear -- shop small, support small businesses, it's what's going to keep our cities vital. Shop at the stores in your neighborhood. Because that's where why you moved to that neighborhood, presumably,

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because you liked it, because it was interesting, because it was hip, because it was cool. Whatever it was, if you don't shop in those businesses, support those business, they won't stay vital. I really, really strongly believe in my neighborhood, it's where I live, it's where I work. And shop small Saturday is a great opportunity for more and more people in my neighborhood, and across the city, to come out and support.

Fish: Thank you very much for joining us. Mayor Hales, today we're going to take up a resolution to increase the business owner's compensation deduction from \$90,000 to \$100,000 a year. That disproportionately benefits our neighborhood small businesses and is helpful, particularly in a year of regulatory uncertainty. Tomorrow night, Heather is hosting celebrate the city, Venture Portland's annual celebration of our neighborhood businesses. And a number of us will be joining her in that celebration. Today, we celebrate the proclamation. They have asked if they could get a picture with the council, Mayor.

Hales: Let's do it, please. [applause] That's great. Thank you, Commissioner Fish. Okay. Let's begin with communications items and move on from there.

Item 1053.

Hales: Mary, are you here this morning? Okay. Let's move onto the next one and see if she comes in.

Item 1054

Hales: Benjamin? Okay. Same thing goes there.

Item 1055.

Hales: Good morning. Come on up.

Jeremy Solomon: Good morning, thank you. Is it possible to stand?

Hales: Whatever you would like.

Solomon: Okay. Thank you very much. I have got this down to three minutes and 30 seconds so I am going to go fast. Hi, everybody, thanks for having me. My name is Jeremy Solomon. For years, residents have hoped that Freeman -- the Freeman water bureau property in Multnomah Village would become a park. In September, the neighborhood was stunned to learn that the water bureau had agreed to sell Freeman. There had been no for sale sign, and no ad in the Oregonian, and no mls listing. A group of residents contacted the city, trying to find out how this happened. Here's what we know. In 2010, city council passed an ordinance stating that the water bureau offered to sell eight surplus properties to other bureau, but, quote, there was no interest in purchasing the properties. In that ordinance, the city council voted that the "public interest would be best served by selling each property at the fair market value on the open market for the best price, terms, and conditions". Almost two years later in March of 2012, the water bureau posted a cryptic ad on Craigslist, offering "a tank site for sale," asking \$187,000. Six months later in September 2012, the water bureau signed an agreement to sell Freeman for \$140,000. Portlandmaps.com valued Freeman in 2012 at \$416,630. In an independent analysis, a big one, of comps sold within a six-block radius within six months of September 2012, conservatively assessed their value -- we took out outliers -- between 600,000 on the low end and 1.4 million on the high end. After requesting the city halt this virtual give-away of public land, the city attorney said the water bureau, quote, followed all relevant policies and the sale of Freeman must go forward. We respectfully disagree. Research suggests that in 1964, Freeman may have originally been purchased with taxpayer money. Not rate-payer money. Thus, it should have been offered to city bureaus at book value which, pro-rated and inflation adjusted, would have been just \$19.41. We believe that the Parks bureau would have purchased it for this price had they been offered the property at its book value. Furthermore, Oregon statute 221.727 requires that the City sell real property under "a single program established within the city for the sale of that class of properties". The city has provided, and we have done a public records request, no documentation or evidence to show that it established any type of program, and without such a documented program in place, the proposed Freeman sale could only be executed according

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to the alternative, which is Oregon statute 221.725, and that requires extensive prior public notification, I'm almost done, which the city clearly did not follow. Finally --

Fish: Mayor, can he have an extra?

Hales: Yes, please, go ahead.

Solomon: I've got 30 seconds here. Thank you very much, Nick. Today we are submitting a letter on behalf of hundreds of concerned Portlanders, and I'm not exaggerating, who have joined our group. This letter is signed by Moses Ross, chair of the Multnomah Neighborhood Association; John Prouty, president of the Crestwood Neighborhood Association; Dean Smith, chair of the Ashcreek Neighborhood Association; Jessie Johnson, chair of friends at wood park and myself requesting that the city immediately rescind, stop this deeply flawed sale. Thank you very much.

Hales: Thank you for coming. [applause]

Fish: Mayor, I just want to thank Mr. Solomon for testifying today. And we have, as he knows, as the new commissioner in charge, we have had some exchanges of correspondence. And I don't want to take up the time now to discuss the specific issues because there are some -- reasonable people can disagree about some of the things in dispute. But what I do agree with is that the public notification process that was in effect as 2008 was inadequate. And one of the things that I want the neighborhood to know, and my colleagues to know, is that the water bureau is in the process of developing a new set of guidelines which will require and mandate in the sale of any property that the water bureau has declared surplus, notification to the effect of community. Posting at the site, and some other safe guards. We'll be discussing those with the neighbors to make sure that they are robust enough. We have certainly learned some lessons from this, and I appreciate the time and care that you have taken to bring that to our attention.

Solomon: Thank you. Now on behalf of the hundreds people who have gotten me here and the nature there, I say that that policy start now because if Freeman goes forward, it will violate the state statute. It will not be in conjunction with the Oregon statute, which says that there has to be a policy, a planned program. And there isn't any. This is ad hoc, this violates state law.

Fish: So you have a lawyer and we're going to review all the legal arguments that you've made. Thank you for your advocacy.

Hales: Thank you very much. Appreciate it. [applause] All right, next one, please.

Item 1056.

Hales: Good morning.

Michael Krupp: I told you that a brighter future as a cartoon awaited you, but it was as goonie of a flip-flop and a rubber and as toothless three-day dog the Ore-goon-ian I had envisioned you. As you personify the archetype of your cabal, Satan's sock puppets, we the people are marionettes of God, our levitating strings relentlessly cut asunder and tied into androclean knots by the patriarchal low-archy. War, death, gravity, money, politics, and media. Our personal relationship, which smacks of a marriage arranged by demons, is a sad fact. Though bound in unholy matrimony, we must work together. I suggest we work on a twofold strategy to raise the esteem of your bureau, the police, and begin to expose the foul media wizard of lies, the dog behind the curtain, to slowly shut the spigoted spew that slobbers down on us daily. The six lead stories by the six remaining outlets who speak for the big six energy corporations. Six, six, six, it makes me sick. First, let's make it clear that the agenda of the police bureau is dictated by you, apparently by and out of your seats. These policies are the dark demands of property issued to you, their boy in city hall behind closed doors. They reflect disdain and intolerance of the people, the 99%. Therefore, the actions of the police are solely the demands of the soulless 1%. The police act as a body, you are their head. The individual officers do not choose which orders to follow. Though, with your head pickled in a jar of money mash, it can appear as headless horsemen who protect us. To bring the media community monologue up to the present, let's occupy the 21st century. Are you willing to let the vague feelings of hate and fear of the police to be stirred up by the press that holes up in your lobby, albeit only three days a week.

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Some people take them seriously. It is really you and the dirty fox dozen that should inspire our loathing, not the police bureau. The very few truly egregious actions of a minuscule number of officers, the worthy of scrutiny do not define our police. Can anyone really believe that out of thousands of doctors, there aren't a few scoundrels? Of judges, of mayors, any group of this size has the certainty of bad apples. The work of the police is critical and highly visible. The ease with which the line dogs of media mislead, exaggerate, omit, and twist facts leaves the public ill at ease and sometimes hate-filled. For the 1% in their cyclopean media, the better to pick our bones and sell us sausage. Among your many duties and unholy predilections as Mayor is commissioner of the police bureau. Though not perfect, they are the best one in the country. The fact that no doubt will surprise you. Fate leaves us with you as their leader, a position achieved neither through experience or merit. In today's comic section we see you as Little Lord Fauntleroy in his cub scout knickers, saluting his box of toy soldiers, late to sup at the city club.

Hales: Thanks.

Novick: Mr. Mayor, I just have to note that I once saw Satan's sock puppets open for Nirvana at the Meadowlands in New Jersey, and they were awesome.

Hales: I knew you would have. All right. Next one, please.

Item 1057.

Hales: Wilkins? Okay. Not here, and then have Mary or Benjamin arrived? So, let's move onto the consent calendar. We have, I think, one request to pull an item from the consent calendar, right, number 1072.

Moore-Love: Correct.

Hales: Any other requests? So let's take a vote on the balance of the consent calendar, please.

Consent calendar roll.

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

[gavel pounded]

Fish: Can I clarify who pulled 1072?

Moore-Love: That's Mr. Sean Darcy.

Fish: And that, by tradition, goes to the end of our agenda, just so you know, in terms of the agenda.

Hales: We'll have to cover everything first, so bear with us. Okay, time certain.

Item 1058.

Hales: Andrew and his team are here to present this. Just want to make a couple of remarks at the outset. Mentioned this in informal session but I want to mention it here, as well. We are in a better place as a city with this surplus that we are now about to allocate and put before the council this morning. That's because this city council did careful and difficult work on one of the most difficult budgets that the city has ever faced earlier this year. And because our bureau managers responded to call from me as their Mayor, and from all of us as their commissioners in charge to hold down on expenses during the second part of last fiscal year. That helped produce a rather substantial surplus, a one-time surplus that's now before the council. And I want to thank and praise the excellent public administrators that run our bureaus for having managed our money well under difficult circumstances. That literally is paying dividends to the citizens of our city today and the proposal before us will put the city in an even stronger position, since the majority of the money on the table is proposed to be allocated to paying off debt, thus raising the balance of our general fund for every year here-after. So, I just want to thank and commend the good work that's been done by our budget staff, and by our bureau managers in following the council's direction in navigating some very choppy waters over the course of this year. So, with that I will turn it over to Andrew Scott to take it from there.

Andrew Scott, Director, City Budget Office: Thank you, Mayor. So I'm going to go through the fall supplemental budget this morning, and there are a number of pieces and items moving so I will try to quickly go through and feel free to ask questions as we go, and I think that, well, I know there

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will be time after that for amendments, which I know there are at least a couple that we'll be bringing forward. So, I'm going to start with the general fund, as we often do in the city budget. The fall supplemental budget increases the general fund by almost \$21 million. Almost all of that comes from additional beginning fund balance, and that balance, again, is about \$20 million higher. However, the excess beginning fund balance is 14 million. The difference between those numbers, as you go through the bump, after we calculate what the excess balance is, we fund bureau encumbrance carryovers. These are contracts the bureaus had at the end of the year that are carried over to the new year. We fund advances, which is an accounting issue in terms of the whether the funds were advanced and expensed out of our system. And finally, any revenue carryovers, which by city policy, excess revenue brought in by the bureaus can be carried over to the next year. After taking all those into account, again, that left \$14.1 million of what we will here refer to as excess balance. Excess balance under city policy, at least 25% of it, needs to be allocated to infrastructure maintenance and replacement projects. This fall bump includes over \$4.5 million for capital projects, which exceed that minimum required in policy. Of that \$4.5 million, the bulk of it, \$3.2 million, is to pay off the Parks line of credit. And that Parks line of credit is being used for capital projects in parks. Buying down that line of credit will save about \$530,000 in interest over the life of the loan, and it will free up roughly \$370,000 annually in Parks budget for infrastructure and maintenance spending in the future years. An additional \$230,000 of capital funding is being allocated at the jasmine blocks streetcar car realignment. Finally, there is about \$1.1 million of other capital projects, the bulk of which, \$834,000 is going for police car video cameras. After spending again, a minimum of 25%, again, we're exceeding that in this supplemental budget, the remaining \$9.6 million is being set aside for the 14-15 budget process per city financial policy. Out of that \$9.6 million, council in this action is setting aside \$8.1 million to pay off the remaining debt for the city hall building and the computer aided dispatch system. And again, using those one-time resources, as the Mayor mentioned, for those remaining debt payments will free up \$3.5 million in ongoing resources in 14-15. And finally, the remainder is being unspent -- about \$1.5 million, is unspent, and being carried over for the 14-15 budget. The other side of the ledger outside of the balances are unrestricted general fund contingency. Currently, that fund has just under \$3.1 million in it. And this supplemental budget will use about \$2.3 million for new requests, which again, we have \$740,000 in that contingency fund. The largest of that \$2.3 million is \$1.7 million for housing programs. Exhibit 4 in the budget, I'm sorry, in the supplemental budget that you should have in front of you, which again is, this general fund reconciliation sheet, walks through the details, again, that I just covered at a high level. Again, it will, it will walk through the capital set aside request, a total of \$4.5 million, it refers and walks through the carryover request from the bureaus, again, these area areas where bureaus had excess revenue that carried over, the encumbrances that have been requested and are being approved, and finally, detail on the new request, both what was requested and that is what being funded, as part of the supplemental budget, as well as the technical adjustments.

Fish: Andrew, because you've talked about paying off some debt and generating ongoing money, and we're going talking about the difference between one-time and ongoing. For the benefit of people that are not insiders in our budget process, could you give us a quick primer for the public's sake?

Scott: Absolutely. So one-time resources are those resources that, such as the balance that the Mayor referred to from the end of the fiscal year, and about half of that balance was generated from bureaus who underspent their prior year budgets. Again, the materials and services budget. Some of the rest was reflective of additional revenues that we had, as well as lower personnel spending, since the bureaus knew that they would be losing positions, they didn't fill positions as we got to the end of the year, so there was some savings there, as well. That's one-time. It's like the money in the bank account on expectedly at the end of the year, but, or at the end of the month. But maybe you are not

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going to get it in the future necessarily. So, we treat that as one-time money, and for financial policy allocated for one-time projects like capital projects or carryover for next year. However, some of the factors that contributed to that ending fund balance, such as the additional revenues that we got last year, may in fact come in again in the future, and that's what the city economist does, and will do when he releases the forecast in a couple weeks, is sort of look at throws and say, actually, this will be ongoing revenue, and it's like a pay raise that you get. You know it will be there month after month or year after year going forward. That money can be spent on ongoing personnel programs, etc. Switching from the general fund request I want to touch, briefly, on two other important issues around the general fund in this bump. One has to do with the general fund overhead changes, and you could see in the memo we brought forward, we walked through and there is an exhibited 7, which walks us through the details. The general fund advisory committee met and has recommended to council for a couple of updates to the general fund overhead model. The first, is not a change to model, it's a change to the process. Is that the overhead model be updated throughout the budget process. This is, actually, a return to what the city used to do before 2005. What that means is that as we go through and make changes to general fund overhead bureaus, so, whether those be cuts or adds, we'll be adjusting the overhead we're collecting from the overhead-paying bureaus. Again, this is the way the city used to do things, we had some recommended changes in 2005 from a consultant at that time, and we ended up not doing that. And it does get true up at the end of a three-year process but the advantage true up during the budget process is that is that it's more real-time, and it's reflective of the decisions being made, so it will change the way that overhead bureaus, again, in terms of the proposing their budget. And instead of everything being counted as general fund discretionary, we will be able to show that mix for both cuts and for adds. The other changes that the overhead committee is recommending are changes to how the model is calculated. And these are technical changes in nature, but I do want to point them out because they shift the allocation of overhead costs in terms of the payers. Three major changes there. When a new fund is added to the model, the metrics for that fund will be rolled back three years, as though it had been in existence. This helps with our three-year true up process. Same thing when a fund goes away, the metrics for the last three years will be removed. This will prevent charges being assigned to funds no longer in existence, which we have had a problem with in the past. In terms of the pass-throughs, you may remember from last budget process, council asked us to take a look at pass-through funds and how much they are being charged for the overhead and whether they were appropriate. And so the overhead committee is recommend that go the children's investment fund, property management license fund, convention and tourism fund, the arts education and access fund, and finally the Mt. Hood cable regulatory commission all be charged an flat overhead amount of \$25,000 each. This is significantly less than most of them would have been charged under the model, but again the committee felt like it was fair since these are pass-through costs, that we're handling the funds so in some cases, large funds, there is not a lot of city cost involved with those pass-throughs. And finally, vacant regular limited term, double fill job share and recurring positions will now be included in the model. Again this was believed to more accurately capture the cost of these positions, and as we allocate out overhead through positions. It does have a -- it does shift cost to the general fund. And again, that's already being accounted for in our forecast moving forward, assuming council makes that change today. Again, we felt this was more reflective of the actual cost. And finally, the other thing to point out is just current appropriation level changes. Again, we do this in the fall budget supplemental process, when there are changes. And the change here is going to be for the Parks bureau. In addition to \$590,000 that was scheduled to be included, additionally, included the parks target a further \$55,570 was added based on the phase one improvements on the south waterfront greenway. Again this is part of the policy around o and m when council approves new park or an asset in any bureau, the operations and maintenance costs are automatically included. When I say automatic, they have to be approved by council, which is what

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we're doing here. The actual amounts. Outside of the general fund, there are a number of non-general fund changes. And they are summarized in a table. But nothing of note there. And I'm happy to take any questions you have on the bump.

Saltzman: So under the update on budget notes, council passed a budget note asking for police and fire bureau to prepare monthly overtime reports? And, your report says -- I mean, the fire bureau started that in July of 2013, and we're doing monthly reports, but your report also says the police bureau is providing monthly reports, and I have not seen any. I saw one monthly report. But, I have not seen any reports from the police bureau.

Scott: Okay, police is preparing those monthly reports, and we may need to talk about the distribution of those.

Saltzman: Because your budget note says they are being distributed to council.

Hales: You haven't gotten them?

Saltzman: I only received one.

Hales: All right. Let's make sure that they are getting distributed. Chief Crebs is here so he can make sure that that happens. I know you are doing the reports but let's make sure that they are going to all the council offices. And put out for the public to see. Other questions for staff? And then I know before we begin the hearing, we have some amendment proposals. So, we want to take those up before we take public testimony. Commissioner Fritz.

Fritz: Thank you, Mayor. These have been discussed with council offices. So, my first amendment is to add \$10,000 -- \$20,000 to the office of neighborhood involvement, and 10,000 for elders in action and 10,000 for the disability program. Both of these were part of the 300,000 request from the office of neighborhood involvement. Most of which -- I think there is concurrence that we can't fund the grant program at this time. Although, it's much beloved and I know that's a priority for you, and your future budget. The elders grant is for updating the website and increasing the volunteer capacity, and the disability grant -- disability money is for emergency preparedness. I move that amendment.

Fish: Second that.

Hales: Any further discussion? So, let's take a roll call on add that go amendment to the package.

Scott: I just want to be clear, that was \$40,000 total?

Fritz: No, 20,000 total.

Scott: Oh, okay.

Hales: What council is doing is putting these amendments on the table, and then we'll take public testimony on both the original package and the amendments that have been proposed and put on the table by the motion. So, roll call please.

Roll call on amendment.

Novick: Aye.

Fritz: Thank you for supporting this. It does speak to our equity agenda, and providing additional funding for those who most need it. Aye.

Fish: Aye.

Saltzman: Aye.

Hales: Aye. [gavel pounded]

Hales: Okay. Thank you.

Fritz: Thank you, and my second amendment is to add \$55,404 for the bureau of development services to fund the tree project coordinator for the second six months of this year.

Fish: Pleased to second that.

Hales: Further discussion? Roll call.

Roll call on amendment.

Novick: Aye.

Fritz: Very much appreciate the council's commitment to getting the tree project done. Aye.

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Fish: Thank you for bringing this forward, Amanda. And thanks to Hannah Kuhn for all of her service and working on the tree code. Aye.

Saltzman: Aye.

Hales: Aye. [gavel pounded]

*****: [inaudible]

Hales: That too. Additional amendment proposals?

Novick: Mr. Mayor, I have one. And who do I give the copies to? This is a rather technical amendment which is intended to address the issue of overflowing garbage cans at BOEC. We reduced janitorial service at BOEC at 9-1-1, and that has resulted in a less pleasant workplace, and it's a \$30,000 item, and it's something that we're going to absorb within BOEC, but it turns out for technical reasons that I don't understand, in order to spend that \$30,000, we have to increase the -- and this is amendment -- increase the interagency between the bureau of emergency communications and the office of management and finance by \$30,000, to restore janitorial services and amend exhibits 1 through 4 as appropriate. And the additional cost of this agency will be absorbed within the existing budget of the bureau of emergency communications. And in order for OMS -- although, in fact, we're absorbing this in the BOEC budget, technically we're authorizing OMS facilities division to provide additional janitorial services, thus this amendment.

Fritz: Second.

Hales: Earlier discussion? You are looking a little troubled, but.

Scott: No, I was going to explain, if council was curious, it's part of the city's double count when we have inter-agencies back and forth. It is using an existing BOEC resources but there are new resources for OMF, so BOEC's appropriation stays the same, OMF's appropriation goes up by \$30,000.

Hales: Roll call.

Roll call on amendment.

Novick: I very much appreciate council's support of this amendment. In a recent employee survey, the issue of just how clean and livable the facilities are at BOEC came up again and again. So, if the people very much appreciate this. Aye.

Fritz: I've been on the operation floor for the bureau of emergency communications, and it's hermetically sealed, there's no windows, there's no air. I can believe that that would be a significant change. Commissioner Novick, I appreciate you bringing this as an amendment. In part because it shows that there have been some significant impacts to employees and as well as to citizens of Portland through the cuts of the past five years, and this is one of the more practical examples. Aye.

Fish: Aye.

Saltzman: Aye.

Hales: Aye. [gavel pounded]

Hales: And any further amendment requests from council? So, the two of these three that, actually, have a financial impact, because the inner agency doesn't, are contingency draws, right?

Scott: That's correct. Yes.

Hales: All right.

Scott: And then we have --

Hales: We have a technical amendment.

Scott: We have two more amendments, yeah. One of these is related to the Portland Development Commission, and actually, Karla is passing that out. This is technical amendment, again, PDC had an encumbrance carryover of \$84,918. As we closed the books, that fund was accrued back to the last fiscal year and so we don't want to carry that over because that would be a double count, and PDC is fully onboard as well. So a very technical amendment to remove that carry-over is the first amendment. And then the other one, and I apologize because I think the title on here may have gotten cut and pasted incorrectly. It's amendment number 3, not a BOEC inner agency of the office

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of management and finance, but instead, it has to do with the planter boxes in front of city hall, and we're removing that proposed appropriation increase of \$214,000 for the storm planter boxes. Again, that project is being delayed.

Hales: So the title doesn't matter, right. Or do need to change that?

Scott: I think, again, what you have on the paper is not correct. The amendment, Mayor, you will need to put forward. The title would be, I would say decrease the appropriation in OMF for planter boxes.

Hales: Thank you, Commissioner Saltzman. Thank you. And --

Fritz: Just a clarification, when it says delayed, delayed until when?

Hales: It will be proposed in the next fiscal year budget.

Fritz: Thank you.

Fish: Are you asking us to take up amendments one and three as a package?

Hales: Can we do that as one motion? Take Commissioner Saltzman's motion and Fritz's second? Unless there's objection.

Novick: I think the amendment 2 was, and frankly, I didn't realize that Andrew was bringing it forward, I think amendment 2 was the BOEC issue.

Hales: Yes, we've already adopted that. So we are now acting on number one and number three, so we are removing the PDC request for encumbrance carryover and we're decreasing the appropriation to OMS for the storm planter boxes. Further council discussion then roll call, including those amendments.

Roll call on amendments.

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

[gavel pounded]

Hales: Ok. I think that that's it for amendments. So that whole package is now in front of the council and we'll open the public hearing. Thank you. Anyone signed up to testify?

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

Fish: I believe this is the first time that Commissioner Wendt has appeared before us in her new capacity, so we should give her a round of applause. [applause]

Hales: Good morning. And I think that we should let her go first since she's a public official.

Liesl Wendt: Thank you. Good morning Mayor Hales and city commissioners and thanks for having me here today, particularly Commissioner Saltzman for the invitation. I am here to talk to you about the 1.7 proposed investment in housing. And one of the things that I wanted to talk about was certainly from my former perspective at 211, every winter the need for housing exceeds capacity in this community, and I think we all know that. And I am commending you for considering this proposal at this time of the winter. We often have these conversations in December or January and February when winter weather makes it a more visible issue. And today, you are looking at an investment for this winter, and ensuring families and individuals have access to not just shelter, but homes. And I think that that's what is unique about this proposal, particularly from the county perspective, it's really investing not just in homes but in the support that families need to stay housed. One of the things that is in this proposal, is proposed leverage with the department of human services. One of the things that the department of human services knows is that a temporary assistance to needy families grant, \$506 for single mom with two kids, doesn't cover rent. And what we know on the housing side, is that housing is important, but if people don't have an income or supports to continue to pay the housing, then the families and individuals risk being back on the streets. So, I think what you see in this proposal is really an opportunity to leverage the capacity in the community through the nonprofit networks that exist through the partnerships with the city and the county, and with other jurisdictions that bring more to the table to help families stay, hopefully, stay housed past the investment in this particular proposal. And we can talk more about the department of human services investment later but I think that that's a really unique piece that helps

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leverage the dollars that city council is considering making in this investment. I think the other timely piece of this is Commissioner Saltzman convened a stakeholder group to look at where would the priorities be for these dollars. And it was a great opportunity to have Home Forward, the city, the county, and nonprofit partners, sitting at the table saying, housing is an important investment and how we work together both this winter, but also over time to create a governing structure between the partners that are looking at these dollars. So, I applaud your leadership. Thank you for having the county at the table, and we look forward, hopefully, with your support in carrying out this investment this winter.

Saltzman: I would like to thank Commissioner Wendt for participating in the stakeholder group, but more importantly, I think that due to your previous role at the department of human services at the state, is responsible for the \$130,000 leverage that we are getting from the state. So thank you for that.

Hales: Nice having you as a partner. Thank you.

Wendt: Thank you.

Hales: Lightning, good morning.

Lightning: Good morning. My name is Lightning. And first all, pertaining to the budget, when you do create a surplus, you are doing good job. Buying down the debt. I think, that's a reasonable thing to do and again, pertaining to the \$1.7 million towards housing, again, my emphasis is reducing homelessness, plain and simple. When we do that, I believe the money is being used properly. We need to keep dropping the numbers of the people down that are currently out on the sidewalks, and getting them into some form housing. Again, either shelters or permanent housing, so I'm -- there needs to be a balance created, and I agree on that. Now, another issue that I do have is really pertaining to the water bureau. And one of the concerns that I have is that when I see funds in the past, and this is in the past, not reflecting upon currently, of funds being misappropriated. I have a concern about that because we hear that yes, we're just going to replace those funds in a certain account, and that's okay. But, I have a problem on that in understanding that, we need to know why this is happening, why it happened, and who is responsible for that. Because it's not right, it's taking money from other areas that the money should be going to. And it's also putting the water bureau in a position of being looked at, though -- this is not being managed properly and this is what we're focusing on right now. And I want to have an understanding from my position that, you know, obviously, these things are being corrected. But, who is responsible in the past for this occurring? And I think that the public needs to know that. One of the other issues that I have pertaining to the budget, obviously, it's been mentioned, is on the overtime. Overtime in general across the board. I want to see more -- maybe an overtime, oversight committee in certain areas that really study this information, and look at it and get an understanding on, can we cut the cost, is it better to have somebody working all these hours and making all this money, or should we think about job creation and maybe having additional people working and also able to pay their car payments and their rent. So, I want to look at that from that angle of job creation, and public safety, and look at overtime from that angle, thank you.

Hales: Thank you. Andy, welcome, and good morning.

Andy Fraizer: Thank you. Mayor Hales, members of council, I am Andy Frazier. I have -- to your excitement, probably -- I'm here to testify on two different things, and if you would like, I can just do them both. The first one, I am representing the small business advisory council. I want to thank Commissioner Saltzman for including us back in the recent task force on homelessness, and to discuss the potential opportunities we may have with this \$1.7 million. As all know, there isn't ever enough money for most things we're trying to do and especially for an important issue like this. The need is always greater than the resources that we have. But I think that our task force did a good job identifying and taking a position to use this money to target an impact where we can accomplish something now without increasing ongoing expenses too much into the future. We thought it was

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most productive to focus the funds in basically two areas. One that would result in the highest number of people, the opportunity to get off the streets for at least a year, and assist areas of the city and county where hot spots have been popping up. First, the vulnerable homeless adults, those vulnerable men and women who are affected by mental illness, health illness or violence. This would be implemented through a targeted geographic approach to deal with the city-wide hot spots. And we're thinking approximately 235 individuals would be able to move into housing with support services. Second, families experiencing homelessness, those families with children currently homeless in shelter, or in shelter away from this, etc. This was a particular interest to the task force, it was great interest to me and others and hopefully we can get more county support if possible, to get these families off the streets. As you know, getting the children into warm houses, secure living, being able to shower and bathe, getting back to school and educated is the first thing that has to occur to break the cycle. So, you may not know that you usually you see me here as a small business representative, but my past includes working with the homeless and those with mental illness. Spent a couple years in crisis intervention, and a lot of that work down in Salem, so I'm really coming at this with two hats on, the experiences that I have had in the past, after helping this area of our city, as well as the benefits to our small business owners here in Portland. And I believe this task force was one of the steps needed to coordinate the many organizations together to really get a longer term solution. And I think that everyone in that room wants to see these types of meetings continue. Now, the second one, now, I'm here representing the small business alliance, as chair of the small business committee, and --

Hales: And I might get Karla to read that item so you can testify on the second one, as well. Go ahead and read the second one, please.

Item 1059.

Frazier: Thank you. I'm still Andy Frazier, mall business owner, and now representing the Portland Business Alliance as the small business chair. And I really want to thank you for considering the proposal to provide some tax relief to the backbone of the local economy, which are small business owners. As you know, this has been one of those issues that we've been talking about for a number of years, I think that way back to 2007. As a small business owner, I can tell you that Portland is a great place to start a business and to grow an enterprise, but we have a problem that hinders small business vitality and that is our local tax structure. In Portland and Multnomah County, we face a unique tax based on business income that is experienced nowhere else in the state. That means our cost structure is higher than our counterparts in Washington and Clackamas counties and puts us at a competitive disadvantage. For a long time, owners of small, locally-owned businesses have been asking the city and county leaders for some relief from this tax. In 2007, the city council made a commitment to increase the owner's compensation deduction to 125,000. Today marks a significant milestone in working towards achieving that goal. Small firms often have a harder time managing the costs and county business income taxes and regulations that add to the costs. Meanwhile, it's just a short drive to the city boundary where these taxes don't apply. We need to level the playing field so that we can encourage small business owners to grow and stay here. Most job growth in our area comes from small business. And providing tax relief will make it possible for business owners to invest more in their businesses, potentially putting more home grown jobs to fuel our local economies. We look forward to continuing to work with you to bring the deduction to the full 125,000 level over the next few years. Thank you again for your commitment for our small business and family owned businesses, I strongly support this change.

Hales: Thanks very much. Thanks all of you.

Saltzman: I would like to thank Andy for participating in the stakeholder group to shape the homeless proposal, thank you.

Joe Walsh: I'm Joe Walsh, I represent individuals for justice. Let me say straight out, Commissioner Saltzman, your committee was a fraud. And the reason it was a fraud is you had no

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homeless people on the committee. You did the traditional crap. By going to stakeholders -- I'm beginning to hate that word -- and asking for their advice. And we have been doing that for hundreds of years. Hasn't worked yet. Ask the people that say you represent what they need. I begged you before to do that, and you had 15 people at that table, and not one person knew what it was like to be cold at 2:00 in the morning. Nobody at that table knows that, I don't know that. I have never been homeless. I've never had a cop kick me in the ribs at 3:00 in the morning when it was raining and telling me to move, but not telling me where. Because there is no place to go. You did a disservice, you're going to spend \$1.7 million and it's going to be wasted, it's going to fail, and I'm telling you right now, I will be back and remind you every day. When you do these amendments on the budget, we have no way of knowing what the hell you're talking about. You either put them on the screen or you give us copies so we know what you are talking about. These amendments are a way of getting your way and rubber stamping stuff, and we sit there and say, what are they talking about? I was doing really good with you, Commissioner Fritz, because what you are asking for made sense. What you were asking for, Commissioner Novick, made no sense to me at all because I had no opportunity to read it. We are the public. And we have a right to know. It's called transparency. That's why you get a D minus, almost an F, in transparency. Because you do crap like that. And once again, your committee was a fraud. I told them that, I will tell them again tomorrow that they participated in a fraud. Thank you.

Hales: Anyone else?

Moore-Love: That's all who signed up. There was a request for someone else to speak who did not sign up.

Hales: Okay. And did anyone else sign up on 1059?

Moore-Love: I do, I have a have a Debie Kitchin.

Hales: Okay, since we opened the hearing --

Fish: We have a panel on that--

Hales: Oh, I'm sorry. Okay let's take action on 1058, and then we'll reopen the hearing on 1059.

Roll on Item 1058 as amended.

Novick: I think that everything we're doing today is good. I'm going to support it. I do have some concerns I want to raise. One is that in the future, when we have one-time money, I think we need to dedicate some of it to emergency preparedness. I actually asked the budget office if we could take some of the money and spend it on turning the Sears facility into a functional west side emergency operation center, and Andrea said that for technical reasons that would not qualify as a capital expense. But, in the future, I think that we need to be cognizant of the fact that we are an earthquake country, we need a west side emergency operation center, the Portland building will not survive an earthquake intact. I think that the price tag is at least 50 million for the seismic upgrade. And we're not going to be very functioning city government without it. Much of our telecommunications infrastructure is housed in the Pittock building, which is not seismically sound, the price tag on that I believe is about \$20 million, which hopefully will be shared by other entities that have communications infrastructure there, too. And that's my point. In the future, when we have one-time money, I think we need to spend a chunk of it preparing for that hopefully one-time event of an earthquake. On the homeless appropriation, I think it's wonderful that we are spending a chunk of money on homeless services. But I do want to note that there will be a need for homeless services next year, and we were told by the city economist last week that ongoing general fund money -- the increase from will you say year to next year, could be as low as \$2 million. And, if we spend 1.7 -- if we decided to spend the same 1.7 million in homeless services next year, that would be 85% of 2 million. So, I think that we need to make it clear that we're not committing today that this is going to be an ongoing appropriation. Finally, I want to note that I appreciate the fact that council is approving 230,000 for the jasmine block work for the streetcar. And this work is critically important to ensuring that the streetcar will become more a reliable and speedy method of transportation.

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Right now along 10th and 11th, you can wait up to 14 minutes for the next streetcar. After we close the loop, we hope we are going to get to a reliable every seven-minute service. If we don't do the work of the jasmine block, that could add 1.5 to 3 minutes of delay for each trip. So, the difference between waiting for seven minutes to 8-10 is pretty significant. So I think it's an important investment. Some questions have been raised in the media as to why we should invest any general fund into the streetcar and I think there is a good answer, which is that it has always been understood that the streetcar is not just a transportation vehicle, it's also a method of attracting investment, which ultimately increases the revenues from both the business license tax and the property tax. And we do see a lot of business activity, and we generate business license revenue from the pearl district, which the streetcar is instrumental in creating. I do think that it's fair to ask, though, when we will see increased property tax revenues from the river district. And I would note that the last members I saw were that if we shut down the river district as early as possible, it would be 2018, and that would generate \$43 million a year in additional property taxes. The city general fund share if that would be about 20%, which would be 8.5 million. And I think -- and then the county, of course, we get a chunk as well. So, I'm not saying that we should, you know, shut everything down as quickly as possible. 2018, that's the deadline, but I think that we should be moving towards that. And I think that that would address some of the concerns that were raised about why are we spending general fund in the streetcar, but more importantly, it would generate more general fund revenue for everything that we need to do. And again, I think that these are important investments, and I am pleased to see investing in the cameras for the police. In Rialto, California they have seen results from having body cameras on the police, and it has resulted in a dramatic reduction in both use of force and complaints from the public about police conduct, and I think that's because when cameras are on people, both the police and the people they are interacting with behave differently, and they know it's recorded. So I think that all these are important investments, but I do want to recognize that although times are better, we still are operating overall in a constrained revenue environment, and I think these are some of the issues I hope that we address in the future. Please to vote. Aye.

Fritz: Thank you to the Mayor and my colleagues for working with me on these amendments and on the budget as a whole for this budget monitoring process. Particularly, I appreciate the repayment of the Parks line of credit. This allows Parks to spend the entire \$1 million that we have in our budget for major maintenance on major maintenance rather than spending \$300,000 on debt repayment. So, that's \$1 million a year for major maintenance, with backlog of \$400 million. And so, that's certainly a step in the right direction but by no means gets us where we need to be. I am pleased to support the 1.7 million plus 200,000 in the allocation to housing. I particularly appreciate Amy Trieu in Commissioner Saltzman's office, and Tracy Manning and Sally Erickson in the housing bureau for explaining to me the purposes and for the group to come together and also for committing that there will be houseless people on stakeholder committees in the future. And I particularly thank Commissioner Fish who is my guiding light on the housing issues, as he has been for the last five years. I will also make some comments on the business tax under the next item. This is still difficult times. We don't, as Commissioner Novick mentioned, we don't have much ongoing money next year to advocate to the needs that have built up over the last five years of cuts. And so I encourage community members to participate in the budget committees, which are starting up in most bureaus right now. And there's still some very difficult choices to be made, but, I need to end by commending the City Budget Office for your excellent analysis and your support to all five members of the council. It is obviously a structure that works well, to be able to be accountable to all five of us and for me to be able to get accurate information independent from the budget office, and I greatly appreciate your service. Aye.

Fish: First, I want to acknowledge that one of the reasons that we have a surplus to carve up is because of shared sacrifice with the employees of the City of Portland. And I want to thank our most

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important resource, our employees, for working with us in a difficult budget to come up with some conservative estimates that have allowed us now as we are slowly digging out of this recession to have a modest surplus. And I want to thank the bureau directors who work so diligently to identify tough cuts, and the Mayor for setting up a 90-10 framework, a 10% cut package for every bureau. Even utilities have to come forward with it. And I think that that combined with the independent budget office gave us a more transparent budget process. I also want to compliment the Mayor and Commissioner Fritz for proposing that we retire debt first and I want to thank Andrew Scott for revealing to us that in doing so we generated ongoing money. One in the case of the Mayor's proposal goes to the city as a whole, but I compliment Commissioner Fritz because not only are we paying off debt in the Parks bureau but we are generating ongoing money within the Parks bureau, which has tremendous, unmet needs. And I think that's the right approach at this time. I want to make a couple comments about some of the things in the budget. We are taking some general fund money to deal with streetcar alignment. That is not my preference, but I am persuaded it's the right thing to do. But I am also just want to put a marker down. There was a question about whether this amendment called the question of whether we would continue to honor a commitment that we want to be made to an education URA. I believe we made a commitment to the housing community, Portland State and others that we would, in fact, proceed with that urban renewal district. I am satisfied that this particular budget item has no implications, pro or con, as to whether we will continue to honor that commitment. And so, I will support it. I also appreciate the amendment that Commissioner Fritz brought today, particularly, as to trees and elders in action. I was not prepared to say much on the homeless piece other than to thank my friend and colleague Dan Saltzman for his leadership.

*****: Oh, my god.

Hales: Please.

Fish: But frankly, I think that I've had enough. And this week, in which a prominent business journal declared that the ten-year plan was a failure, and now on the left, we hear the same language, except its worse, it's the language of fraud. I think that the record needs to be set straight. We are in the ninth year of an ambitious city-county plan to address homelessness among chronically homeless individuals. There was never a commitment to end homelessness any more than Johnson said that we could actually end poverty, or suffering, or hunger. They are regrettably a function of the world in which we live. But the ten-year plan was an organizing principal that I had nothing to do with, that a group of enlightened citizens worked tirelessly to craft that said we could make a difference around chronically homeless individuals. And chronically homeless individuals are the people with the most barriers, the most suffering, the most in need of our support. And even if you don't agree with that as a proposition, they are also the most expensive. So, from just a pragmatic point of view, if you can stabilize those lives, there is more money to invest in domestic violence, there is more money to invest in families and children, and others, so there is a case to be made. So we are somewhere around the ninth year on this plan. So, since this is the week that we are declaring somewhere between a fraud and failure, and since we have the royalty of the affordable housing and homeless community with us today, including two spirit of Portland awardees, let's take a moment to reflect on what they have achieved. Over 11,000 people have moved from the streets to homes in the last nine years. 11,000 people who otherwise would be living on our harsh streets, in distress, have been moved to homes. That's worth acknowledging. A new model was pioneered of bringing public and private together, based around housing and services, with the idea that we weren't investing in shortcuts and dead ends but we were investing in long-term solutions and ultimately self-sufficiency. A relatively new idea in this area. And we forged partnerships between the business community, the nonprofit community, the faith community, government, and philanthropy, and they linked arms and did something that they have never done before, they actually worked together to solve a problem that was in our backyard. Because of the organizing principals in that ten-year plan,

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we leveraged every single tax dollar that was put into this. And we leveraged it because every dollar of public investment was matched with private investment and ultimately benefited our community. And here's something about that plan which I think that a business person could embrace. It was based on the concept that if we invest upstream, in prevention, we will save taxpayer dollars. Imagine a plan that is premised on that notion. And what do we mean by upstream investments? We mean short-term rent assistance that is used to keep people in their homes so families are not on the street. And to rapidly rehouse people once they fall into homelessness. And the question that will get called at a time like this is, if this plan was successful in any respect, then how do you account for the fact that there is still homeless people on the street? And it's a fair question. In a society as wealthy and as powerful as ours, it's a question we should ask every day because it's a national disgrace that anyone has to live on the streets. So why are there people on the streets? Is it because the Portland City Council has failed? Is it because the ten-year plan committee has failed? Or is it because there are some factors in our community that are beyond our control? People will make their own judgment, but let's at least consider over the last four years some of the contributing factors. Let's start with the greatest recession of my lifetime. My grandfather lived through the Great Depression. We lived through the Great Recession, the worst economic downturn in our lifetime. Did that have an impact on the number of people on the streets? Second, the worst foreclosure mess in our country since the Great Depression, with families being thrown out of their homes and no place to go. Did that have an impact on homelessness nationally? Third, a chronic across-the-board defunding of services for the mentally ill in our society, beginning with a legal strategy which said that people should have the freedom to what? To be under a bridge? Suffering with mental illness and no services? That's the freedom we celebrate? That is a direct result of a generation of disinvestment in mental health services. And finally, how about something called persistent poverty. Poverty has been with us since the beginning. And it's gotten worse. And there's greater disparities in income. Is that something we created that or is that something America has to grapple with? And finally, let's just take our veterans. We have made a special commitment locally to house our veterans. We did not send them to war, we did not fail to welcome them home, and we did not break faith on the commitment to provide the services that they need. So when someone says to me, how come there's still homeless people, I would say to them, how come we have not found a way to grapple with all the issues that I just identified? And since when is the City of Portland driving national trends of that kind? And it's always worth saying, compared to what? Compared to what? I think that it's a disgrace that 1800 people slept outside last night, and more that aren't counted. In Los Angeles last night, 50,000 people were in the shelter. 50,000. In New York City, which is under a court order, nearly 50,000 people received emergency shelter, and that's just the people providing emergency shelter through the city. How many others are doubled up somewhere else? So, let me just conclude in this regard. I understand why there are some who believe that we should retreat from this effort. I know it's very easy to throw out loaded language like failure and fraud. It gets headlines, it makes us feel good, and frankly, it divides us at a time when we can't afford to be divided. This is the time that we should double down and say, we have a plan that works, and we have a moral obligation to fund it. Enter stage left, Dan Saltzman. Whatever you think of his process -- and I suspect that if Dan Saltzman has spent two years processing this, Joe Walsh would still come before us today with a twinkle in his eye and make a complaint, as is his constitutional right, as is his right. Dan Saltzman said, as the new housing commissioner, I am going to do something about it. And he's asking for more money than the council is comfortable awarding, that's called leadership. And not all the details have been worked out. That's also called leadership, because we're not going to sit around fiddling while Rome is burning, we're going to appropriate the money.

Walsh: [indistinguishable]

Hales: No, no, no, you will be ejected.

Walsh: He used my name, he used my name.

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Hales: Excuse me. It doesn't matter. Could you please escort—

Walsh: He'll never reach the homeless, they will be [indistinguishable] by the system, and you know it--

Hales: Mr. Walsh, you don't get to do this. We don't interrupt you, you don't interrupt us. Mr. Walsh -- you may leave. You need to leave the room.

Walsh: For what reason?

Hales: Because you just interrupted the council proceedings.

Walsh: No, I'm not leaving.

Hales: Then you need to be silent. Commissioner Fish, please resume.

Fish: So Dan Saltzman has come forward with a proposal, and that proposal is based on a concept that he had a hand shaping a number of years ago, which focused on removing bottlenecks in the system and making sure that scarce dollars are invested wisely. And it's based on a supplemental appropriation of additional dollars, based on his view that categories of homeless people in our community have not received adequate resources, and so he's partnering with the county. This is not a day to declare -- to use incendiary language to talk about the hard work of the community in addressing a national disgrace. Today is a day to celebrate leadership and the partners in our community who are making a difference. We can scapegoat the people on our streets or invest in solutions. Today let's invest in solutions. And I am proud to support Dan's amendment. Aye.

Saltzman: Well, very well said, Commissioner Fish. It's hard for me to add to that. I just want to thank the council for their support for this \$1.7 million, and remind them that it comes on top of an existing effort to reprogram existing resources to serve homeless women now, which I previewed with you in September. At that time, I said that I would be convening a stakeholder group to come back with requests for an additional \$1.7 million, and that stakeholder group helped me to shape the bones of the request that is before you today, and that is to invest \$1 million in helping vulnerable homeless adults, with a particular focus on those with mental health issues, and also focusing on hot spots as identified by businesses, by public safety organizations, and then \$700,000 to house homeless families. Homeless families on an average -- two or three kids we're talking about per family, many of those are victims of domestic violence. So these proposals are designed to get the money on the streets right away, and we're investing in existing providers who are doing a good job, we're giving them more resources to do their job better. So that's what this is about, it's about responding now. And I recognize fully well, Commissioner Novick and others, this is a one-time request, and it's in no way a positioning for an additional ongoing request. I'm not sure what the housing bureau will be requesting for next year's budget but this is not necessarily -- this is nothing more than a one-time request to deal with urgent needs now, I think that Commissioner Fish just articulated very well. And it's modeled after a proposal that he brought forward in 2010 that resulted very well in getting families and individuals into housing, and to remain in housing at least a year later. So, I appreciate the council support, I also want to thank the housing bureau for their work, Amy Trieu in my office for her work, and the stakeholder group for their time to shape these proposals and their commitment. And the stakeholder group, by the way, as Commissioner Fish alluded to -- many of them were present last night receiving spirit of Portland awards, so, it's good to see them here again this morning. So, I just want to thank Commissioner Wendt also for her leadership in leveraging \$130,000 from the state to assist in this effort, and I am sure that she will be working with her colleagues at the county so that we can leverage their resources as well to respond to the urgent need of homeless individuals and homeless families, in particular. So, thank you again, and I appreciate everything else that's in our bump, pleased to vote aye.

Hales: I want to start by supporting the comments of every single one of my colleagues here this morning. Hearing this eloquence, this clear-headedness, and this vision of my colleagues shows why it's a privilege to be your mayor. This is a great team. And I want to specifically refer to some of them because the points were well made and they are not just words. Commissioner Novick, you are

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right, we need to be investing more one-time and ongoing revenue in emergency preparedness. We're not ready for a major earthquake, or most other significant calamities that could befall us as a city, and you've been highlighting this issue, and you are right. And we need to find the resources to put the Sears building into proper condition to be that west side emergency response center, and I am committed to doing that. So thank you for your patience with this foregone short-term opportunity to do something up there because we need to get on with it, and soon. Commissioner Fritz, you're right, a million dollars a year for park maintenance is ludicrously low, and one of the things that I am committed to as your mayor is to work with Commissioner Fritz and the community to find additional ongoing resources for our park system. Both to build the parks that are missing, the parks that are on paper but not yet in the neighborhoods, and to maintain this amazing park system that we have in the condition that it deserves. So, that's a piece of good stewardship that's also deferred, but not forgotten. Commissioner Fish, thank you for your thoughtful reflections on the context in which we're making our decisions here, and the responsibilities we have to try to do the best that we can at the local level in light of some national and state shortcomings in dealing with these big trends and challenges to us as a society. And Commissioner Saltzman, thank you for your leadership in putting together this package. This is the right thing to do with this opportunity. We are investing in the future of the city as a municipal enterprise that provides services to all our citizens by paying off this debt, and providing more ongoing resources, not enough, a thin layer of new resources for a big city with a lot of challenges. But we're doing the right thing in investing in our own future by making these commitments to paying down debt, and we're doing the right thing by spending a significant amount of additional money on a critical need in our community for vulnerable people that need housing tonight. So, Dan, thank you for your leadership. Thank you all for your support for this package. We are putting the City of Portland on a sounder basis for a better future, and I am very pleased at the good work that's been done at this council table and by our budget office and by our bureaus in putting us in this position today. Thank you all. Aye. [gavel pounded]

Hales: Okay. Now, let's move onto the other item. Commissioner Fish, I believe you have some comments, and a panel to call forward.

Fish: Could we read 1059 one more time?

Item 1059.

Hales: Let me clarify procedurally that we did have a first reading on this item at a previous council meeting, it was continued to today, and this -- we're going to conduct a public hearing, and then we do have the opportunity to vote on this today. Just in case anyone is wondering.

Fish: Thank you, Mayor. We have a distinguished panel with us today that's been very patient, and I would like to invite them forward. Heather Hoell from Venture Portland, Sandy McDonough from the Portland Business Alliance, and Steve Ferree, the current chair of s-back and most importantly the owner of Mr. Rooter.

Hales: And just again, I want to make sure that the people understand the rules of the house here. And that is if someone is warned for interrupting testimony, and interrupts the testimony again, they will be removed from the chambers. This is a deliberative body, not a side show, and everyone gets to have their say here, including members of the council. So Mr. Walsh, you've been warned. Please don't interrupt the proceedings again. You have an opportunity, sir, to testify, to sign up to testify on any council item, you're free to do that, and you know that, because you do it frequently. But you do not have the right to interrupt members of council, or other citizens who are here to testify, and they don't have the right to interrupt you, either. That's the rules. Good morning.

Fish: Mayor, let me just tee it up quickly. In the May budget we adopted, we included a note directing the office of management, excuse me, the budget office to identify funding that would allow us to increase the business owner's compensation deduction to 100,000. There has been a longstanding commitment of this council that predates me to set it at 125,000. We've been making

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incremental progress, probably too slow for some of our partners, but because of the opportunity here to have some ongoing money that we can invest, it is the council's desire today to actually proceed with this ordinance that directs the budget office to fund the increase in the business owner's compensation deduction. And in plain English, why does that matter? Because it will mean more dollars in the pockets of our small businesses. Our small businesses, as we said earlier, 94%, 50 or fewer employees. They are the engine of growth in our neighborhoods. They are dealing with a lot of regulatory uncertainty. With a little more money, they can expand their payroll, reinvest in their businesses, and here is the most important thing, when they are successful, we have the revenue to invest in our community. In roads, in streets, in the things that our community wants. So it's vitally important that we in turn make an investment. Today, we are honored to have three guests. Heather, are we starting with you or Sandy? Sandra McDonough.

Sandra McDonough: Great, thank you. Mayor Hales and city council members, I am Sandra McDonough, I'm president and CEO of the Portland Business Alliance. We're the Portland chamber of commerce. And I am here today to support the proposal to raise the owner's compensation deduction, to raise it to \$100,000 for the 2014 tax year. As you have discussed several times today, Portland is, in many respects, a small business town, with something like one in ten of our people actually working in small firms. These employers represent a significant part of our economy, and unfortunately, they are often disproportionately impacted by taxes and fees. And we think that the business license tax is particularly burdensome in many respects for these small and family-owned businesses. It's unique to Portland and Multnomah county, and frequently it creates a disincentive for businesses to locate here. In 2007, Portland City Council took the first steps towards providing relief to small business owners from this tax by increasing the minimum that you have to pay on to \$50,000 and raising the owner's compensation deduction to \$80,000. And they also, at that point, put an inflation adjustor on there. At that time, as we discussed, there was a commitment to raise the minimum to 125,000 within five years. Sadly, the recession happened at that time, and a number of us, including city council, had to change our priorities as we dealt with that. So that was put on hold. But, we made sure that we took every opportunity to remind council members that there was this commitment. So for that reason we're very happy to be here today, six years later, to support this very significant move forward to raise the deduction to \$100,000. And I particularly want to thank Mayor Hales and Commissioner Fish for bringing this to you today. We support this ordinance because we believe it brings greater fairness for Portland's businesses through this business license tax reform, and we believe that it will help to keep more businesses and employees in Portland. And as Commissioner Fish mentioned, when you put more money into the pockets of Portland businesses, they in turn can invest in their businesses and grow employment and grow revenues, and that yields more tax revenue for the city of Portland. Between 2003 and 2013, city license tax revenues grew by \$36 million, which equates to 7% a year. That's a huge increase in the revenues of the city. So, we hope that by making it a little easier on these small businesses, you will see more investment, and that will mean more growth in city revenue and investment in the services that we all rely on. So thank you very much for taking this important action today, and we appreciate it. Thank you.

Hales: Thank you.

Steve Ferree: Good morning, Mayor Hales and commissioners, and Commissioner Fish for inviting me here today. And also I want to thank you, also, for doing the small business day proclamation, also. My name is Steve Ferree, I'm the owner of Mr. Rooter plumbing, and I'm also the chair of the small business advisory council for the city of Portland here. I'm here today to really express my support for increasing the owner compensation reduction on the business license fee. The small business advisory council, for several years, as Sandy alluded to, back to 2007 we've really been pushing for the \$125,000 mark. By increasing it to at least \$100,000 now, you really are helping lots of small businesses and they can re-invest that money back into their business, which can create jobs

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-- into payroll dollars or into equipment, so add jobs also. This also helps small business. Most people think that when we do this kind of deduction kind of thing, goes into our pockets, but the reality is that as small business owners we constantly have to reinvest back into our business. We put the money back into our businesses. The other thing is this fee does create unfavorable playing field because you have Clackamas county that doesn't have the fees, Washington county, etc. So, by raising the deduction amount, it puts Portland businesses more on a level playing field. In the last three years, small business costs have risen. In the last three years, small business, in the same time, sales revenues have gone down. So, this is another reason that I think it is important to be able to really help small businesses however we can during the rough time that we've had the last three years. I, along with the small business advisory council, want to remind everyone that we still -- our ultimate goal still \$125,000. But we do support and look forward to -- urge you to pass this resolution to take it to \$100,000. Thank you.

Hoell: Thank you, again, Commissioner Fish, for letting me come up here and thank you, council, for hearing this issue. As you remember, I'm Heather Hoell, executive director of Venture Portland. We support the city's 50 neighborhood business districts which contain 19,000 businesses. 98% of those businesses have five or fewer employees. We are really talking about micro businesses here. At Venture Portland, we know that the business of Portland is about more than just business. It's about people, neighborhoods, and culture. It's about passion and dedication, and starting something because you believe your idea is the idea. It's about small business and growing the economy to grow prosperity. After years of recession and a sluggish economy, January 1st will bring new financial challenges to Portland businesses. The reality of today's economy requires creativity and a commitment from all of us to work together. That's business owners, residents, and community and government partners. The owners compensation deduction increase that we're talking about today is a critical component of that partnership. Thanks in particular to you, Commissioner Fish, for bringing this issue up this spring. And for all of you for putting through this deduction additional money back in the hands of the local economy. As we said earlier this morning, and as has already been said on this panel, the more we can put money in the hands of small businesses, the more those dollars get invested back into our local economy. So, I will close by saying again thank you for your continued support of Portland small businesses and for increasing the owner's compensation deduction.

Hales: Thank you very much. Questions?

Novick: Sandy, the question just occurred to me. The Washington state b and o tax, does that have an owners compensation deduction, do you know? And if so how much is it?

McDonough: I don't know exactly what it is, but I will get back to you on that. Most taxes allow you to deduct business expenses and the owners compensation is typically a business expense. We'll get back to you on that.

Hales: I think Terri knows.

Terri Williams, Revenue Bureau: Terri Williams, tax division manager and deputy director for the revenue bureau. The b and o tax is a gross receipts tax, so that's a rate that's before any deductions for expenses. On that particular tax, there is no deductions for expenses.

McDonough: The difference is this is an income tax. It is a different kind of an animal, as opposed to a gross receipts tax.

Hales: Thank you very much. Next group, Karla.

Moore-Love: We have two people signed up. Debie Kitchin and Charles Johnson.

Hales: Come on up. Good morning, Debie.

Debie Kitchin: Good morning. Mayor Hales and members of the council, I am Debie Kitchin, co-owner of interworks general contractors. We're a small family-owned business in Portland and chair aloft of the Portland Business Alliance. On behalf of small and family-owned businesses across the city I want to thank you for taking this action today, an update to the business license tax. This

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change is important to many small businesses because it does help turn money back into the economy and it helps us keep and attract small businesses throughout the neighborhoods. We particularly appreciate your strategy of using this year's budget surplus to buy down some of the city's outstanding debt to provide ongoing savings. We think that's good stewardship of the city's finances. We long advocated for increasing the owners compensation reduction because without it, the business license tax acts as a personal income tax which discourages many small and family-owned businesses from locating in the city. That is why we look forward to continuing to work with you to raise it ultimately to a deduction of 125,000. As you know, the business license tax revenue continues to grow rapidly, adjusting the deduction to the higher level would not be a reduction in business license tax revenue, just slower growth in that revenue during this time. Thank you again for your continued efforts on behalf of small and family-owned businesses in our community. And we strongly support this change. Thank you.

Hales: Thank you. Good morning, Charles.

Charles Johnson: Good morning Commissioners. Charles Johnson for the record. I'm very glad that the last person to speak before me, the future president of the Portland Bureau Alliance, talked about what we should have heard more about, the actual numbers. When people come in and say cut the taxes, give us bigger tax credits, what they're really saying is, City of Portland, we don't trust you bozos to spend the money for the public good. Fortunately, she's pointed out there will still be revenue enhancement. Because we need more trash cans, we need more clean and safe people, we need to maintain the quality of life in the city of Portland and generally that's done in America by paying people to do it. You can't pay people to do that necessary work of putting out the trash cans and emptying them if you're cutting back your revenue. But I'm very glad that the future president of the PBA pointed out we are having some good times for some people and you will be able to maintain and hopefully even enhance the level of services that maintain the quality of life downtown. Thank you.

Hales: Thank you. Great. Anyone else?

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

Hales: I believe we're ready for a roll call on this since its second reading after being continued. Okay, go ahead.

Item 1059 roll.

Novick: Commissioner Fish came to me a while back and made very a compelling case that this council has repeatedly promised to make progress on increasing the owner's compensation deduction. And I think that it is important for governments to meet their promises. I would also note that the federal government I think since the Clinton administration has had a limit on the CEO compensation deduction of \$1 million, which is normally evaded by giving money in stock options rather than cash. So, we're still significantly below the federal limit. But I would also note that this is not an insignificant amount of money. I mean, a price tag of \$865,000 per year, that's several times the annual budget of the Buckman pool, which people recall was the subject of a pitched battle in the last budget. I think it's in the ballpark of the annual budget for the mounted patrol, which, again, was the subject of a pitch battle in the last budget. I mean, I do think that we have an obligation to fulfill our promises, and 100,000 is not an extravagant exemption. But I know that our friends in the business community understand that although it is a tiny fraction of our overall budget, 865,000 a year is meaningful. So, again, we reference our previous comments as to how tight the budget remains, even in better times, and I do vote aye.

Fritz: Through November of 2007, I was collecting 1000 donations of \$5 in order to qualify for public campaign financing and to then win the election in 2008. And one of the litmus tests in the campaign was asking this very question, do you support the increasing of the owners deduction to \$125,000? And I said yes. After getting elected every year, we raise this issue as part of the budget discussions. And over the past five years, we have concluded that we weren't able to do that because

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of the cutting of millions of dollars. It remains my goal to get to 125,000 before I leave office in the end of 2016. And so, I am committed to that. And I think this approach is the right one for this time. I hope to work with the City Budget Office and my colleagues on the council to look at perhaps some adjustments in the business tax code that could generate increased revenue to offset lost revenue perhaps by making the tax more progressive, which I would imagine my colleague to my right would support. I would also note that last week at the budget session that we had some very compelling testimony from Portland State University and the bureau of planning and sustainability looking at census data from Oregon State's economists and from David Hibberts [spelling?] analyzing how well is Portland doing compared to the rest of the state and how well Portland is doing in relation to the rest of the metro area. And the answer is, pretty darn well. So I have posted the information that we got on that last week on my blog. It doesn't tell the story that -- the numbers there tell that, in fact, Portland's policies have been successful in helping us get through the recession. We are rebounding quicker than other jurisdictions in the metro area, and that Portland is in general positive and willing to pay for services. So taxes pay for services. I certainly appreciate the small business community. We heard this morning from a woman who started her business in 2008, possibly the worst time ever in my lifetime to start a business and yet today she has nine employees. So, again, let's remind everybody to shop at neighborhood small businesses throughout the holiday season and I continue to support our small businesses which form the backbone of our community. Aye.

Fish: Today we're fulfilling a promise we made to the small business community by increasing the business owners compensation deduction, and our work is not finished. But by today's action, we will be further investing in the success of our small business community. And I'm pleased to vote aye.

Saltzman: Well, I'm also pleased to support this increase in the deduction and we will get to 125,000. I think it is really there is no -- nothing more difficult than being a small business owner. I marvel at people's ability to do that and the jobs they create and the other goods and services they provide to our community. And while I often think, why would anybody want to be anywhere else but Portland, it is a sad reality or a real reality that it is possible for businesses to locate just across the county line in Washington county or Clackamas county or Clark county, and conduct businesses. I could never understand why anybody would want to do that, but it does happen. And we have to be worried about that edge effect in terms of keeping our city vital and vibrant. So, this is a step in the right direction, and I'm pleased to vote aye.

Hales: Thank you, Commissioner Fish, for keeping our eyes on this commitment and making sure that we acted on it as soon as the means were available. I want to support the comments that have been made. We have a vortex going on here in Portland of positive factors that are making this a good place to locate a business. One is educational excellence, and our improving schools and local institutions of higher education are a factor there. Another is that we have this climate of localism, that there are so many amazing small businesses here that it makes it a great place to live and work. And the third is quality of place. And the quality of place is very heavily influenced by the funds we spend on public services, whether it's paving and maintaining streets, and we need to do more of that, building and maintaining parks, and we need to do more of that, and a host of other things that we do. So, the striking the balance between raising the level of those public services and making ourselves competitive is what we're about here. And I think this strikes that balance very well. Aye. [gavel pounded]

Item 1080.

Hales: Come on up. Good morning.

Dave Benson, Portland Police Bureau: Good morning, Mayor and Commissioners. My name is Dave Benson, I'm your manager of the police bureau's property evidence division. Currently, police bureau members deliver cash to us as evidence in crimes. Not too infrequently through additional

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investigation, charging decisions by the district attorney or adjudication, we receive instructions to release those evidence monies to rightful owners. Currently, code limits us to releasing up to \$100 in cash, and amounts over that we have to release in a check. As an example, 116 times this year, we've requested checks. 42 of those times, it fell between the \$100 and \$500 mark. That's important because many of our customers are indigent and don't have bank accounts. So they come to us and if it's \$238, we have to get them a check and some of the time we actually have to have the check delivered to us so that we can deliver it across the counter and they have to go out and figure out how to cash the check. It would be much more efficient on the 42 times just to give them the cash back across the counter as opposed to ordering the check. So, this is just a very incremental increase from \$100 to \$500 and I think it's warranted and it's an efficiency for the city because it costs us money to issue checks obviously, and it is a better service to these folks who many times don't have bank accounts or even addresses.

Hales: Great. Thank you, Dave.

Fritz: Why do we have any limit? Why don't we just give the bundle of money back?

Benson: Well, that's a good question. Currently we -- there are unrestricted limits on prisoners' property, found and safe-keeping money, we get it in four categories. There is no limit in code. This limit in code was established many years ago for reasons that I'm not sure of, and there was just a comfort level with getting it up to \$500 and that seemed to be comfortable for everyone. But I will tell you that after 60 days -- we only hold evidence monies for 60 days and then we deposit it to the bank. So we wouldn't have the cash after that period anyhow, and we don't like keeping a lot of cash around. So this just seemed like a number that made sense.

Fritz: For the 60 days, we have the money in an envelope or something?

Benson: We have a vault.

Fritz: A vault. So it's safe.

Benson: Oh, it's very safe.

Hales: A vault in a building full of people with guns.

Fritz: Right. You know, I was just wondering what -- do you usually give it back within 60 days, is that the usual time frame?

Benson: Well, if we're going to give it back, usually it is pretty quickly. Charging decisions by the district attorney typically are made within a week and the case is disposed of and we're instructed to give the money back and we pretty quickly give it back.

Fritz: I'm pretty much in favor of giving back the money no matter how much it is and especially when it has been 60 days and you haven't taken it to the bank yet, why would we not just, here is your money, thank you.

Benson: Commissioner, I have no objections to that.

Hales: Do you want to amend it on the spot?

Fritz: It is not an emergency ordinance --

Hales: It is an emergency ordinance.

Fritz: Oh, it is. Okay.

Hales: Well, let's see.

Fritz: I'm a little reluctant to do so when it just popped into my head and I haven't given it tons -- [laughter]

Hales: Do you want to continue it or bring it back sometime soon? I'm amenable.

Fritz: If we could take testimony and see if anybody has any reason why we would not do that --

Hales: The code here --

Benson: We very carefully account for these moneys and we're very careful with them. I can't see a reason we wouldn't do it. Just as a suggestion, if you're uncomfortable with taking all restrictions off, you could move the bar to \$1,000 or \$1,500 if there be some level of comfort there. I don't know.

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Fritz: It just seems like it's extra work for you to then take larger amounts to the bank and then process it within the 60 days.

Benson: Understand we receive very large sums of evidence money every year. Most of it we don't give it back, because the cases are prosecuted and the money is forfeited or used to pay restitution or court costs or a variety of other things. The majority of the money doesn't go back to the person it was taken from. It's distributed.

Fritz: Right. But that is not what this ordinance addresses.

Benson: No, this ordinance generally deals with, I take your money, and a court decides that you can have your money back or the district attorney or officer says no, this really is in evidence. Let's give it back. And that is a small chunk. Like I said, this year 116 times. Not much.

Hales: What's your pleasure?

Ben Walters, Chief Deputy City Attorney: Mr. Mayor, I would just note that even though the money is in a vault, and even though it is surrounded by people with guns, the city does run the risk that if there is a catastrophic event, that the money that would be lost in any catastrophe, we would be responsible for replacing it. If it were in a checking account, then that money would still be the bank's responsibility. But if we're holding onto it as cash, then we do run a risk. If I might just suggest that we hold this over for a week to consider the eventualities and think it through carefully, that might be--

Fritz: That is wise advice, Mr. Walters, thank you. Presumably though it doesn't go -- even if that risk carries over now, because it is in a vault until the 60 days, right?

Benson: After 60 days we pull the money, counted and deposited to the bank. That will continue regardless.

Fritz: Yeah. Right.

Hales: I don't know if anyone has signed up to testify on this item.

Moore-Love: We have Joe Walsh.

Hales: We'll take testimony and then decide.

Walsh: My name is Joe Walsh, I represent individuals for justice. I thought the same thing, Commissioner Fritz. I didn't understand why you wouldn't just have no limit on it. I don't think we should worry about the vault being attacked by drones. I don't think that's going to happen. And I don't think that we should really concern ourselves about earthquakes because if we have one that destroys the Portland building, we have a lot of other things that we should be concerned about. Or the justice building -- I'm not sure where the vault is. I don't have that kind of money. It seems to me that people that go through the system and are found either innocent, not guilty, or charges are dropped, should not be further inconvenienced. So if they gave you \$300, you ought to give them the \$300 back. I mean, that seems to be common sense to me. I know I have trouble with common sense. But I would just like to agree with raising it, if you find a level that you're comfortable with, that's fine with me. It is not a big issue. But I kind of like the idea of if you put money in property, you ought to get that property back. So, if you put in \$500 in cash in \$20s and \$50s, that's what they ought to give you back. Your money, your property. So, I would just agree with raising it and I don't see a problem with limiting it. And thinking it through, over-thinking it is silly to me. Thank you.

Lightning: My name is lightning. I do agree with Commissioner Fritz on this issue. There shouldn't be any limits plain and simple. To transfer the money into an account 60 days later is probably just to create some type of interest on the money, which within 60 days, if they're found innocent, just return their money, plain and simple, on what they had on them at the time. There shouldn't be any check or anything written at that time. One of the issues I do have real fast is that when items are taken, say, from the homeless out on the street, and they don't get them returned, one of the issues I wanted to bring up is that, do they auction these items off, and if they do, can the money be set back to go to the Portland housing bureau for the homeless? Because what I want to have an understanding, if possessions are removed from the homeless and they go to a location and they end

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up either disposing or auctioning the items off, I want to make sure that the money from those items are sent to basically the department that pertains to that, to the homeless in taking care of them. And that's what I want to have looked into just to get a clear understanding of that and to make sure that is happening. Because we do have a lot of people out on the sidewalks that are complaining, they're losing their packs, losing various things, and I would like to see that money returned back to a department that also takes care of them in the future. Thank you.

Hales: Thank you. [applause] Let's continue this. Right? And consider some other options giving you even more flexibility. So, let's continue it for a week. [gavel pounded] Thank you, Dave. Okay. Next item.

Item 1081.

Hales: Second reading. Roll call.

Item 1081 roll.

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

Item 1082.

Hales: Commissioner Novick.

Novick: This was a project of the Cully neighborhood in which as of June 2013, 9.5% of the streets were dirt and gravel. This is a diverse neighborhood, as you know, which has the third largest total of unpaved streets in the city after [indistinguishable] Gilbert and Brentwood Darlington. The improvements through the project at issue here now provide a paved street connection along the entire length of northeast Alberta, between 76th and 82nd avenue. It includes a new pedestrian connection for most of the length, including a connection to Sacajawea Park as well as the infill sidewalks recently built on the west side of northeast 82nd. This project brought significant benefits to the community, helping to complete most of the missing link on a neighborhood greenway linking many miles of north and northeast Portland, and as a connection used by pedestrians who now have new sidewalks, and also used by cyclists who now have a newly paved street. And I will ask Andrew Aebi to elaborate on the details of this assessment

Andrew Aebi, Portland Bureau of Transportation: Thank you very much, Commissioner Novick, it's a pleasure to be here with you this morning. I'm Andrew Aebi, local improvement district administrator. We had three property owners who participated financially in this LID, and one is with us today, Steven Yet, and he is in the audience. We had two other property owners who are not with us today. But we built the project with 100% petition support for those who financially participated. I wanted to show you a few highlights of this project. This is the first street paving project that we have closed out in Cully in 15 years. The last one was in 1998. So, it has been a bit of a long time coming. This slide here just shows you where the project is. It was approved by the previous city council. The project area is between Prescott and Killingsworth. Alberta Street basically functions as neighborhood collector and it is the only east/west street for a quarter mile in either direction. And if you look at that map there on the bottom, that is the neighborhood greenway network in northeast Portland. And you can see that pink circle there, that was kind of the long time missing link that we had. We had neighborhood green ways to the west and to the south but we never completed that connection until this LID was completed. It's not only a benefit for the local residents but it also greatly improves connectivity across the city. 9.5% of the streets in the city of -- excuse me, in the Cully neighborhood are unpaved. So, the Cully neighborhood used to have the 7th largest proportion of unpaved streets, and now dropped to number 8 with the completion of this project. This is just a recap of what we built. It is important to note that we did take advantage of economies of scale to build quite a bit more than what we originally planned to build. So, we built 11% more street length than what we planned. We almost doubled the number of curbs that we built and increased sidewalks by about a third. Despite all of that, the project costs did come in about 14% less per centerline foot than what we budgeted, including the betterments requested by the property owners. We also planted about two dozen street trees. You may have seen an interesting

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article last week, or excuse me, last month, that street trees on average add \$7130 worth of value to properties with street trees. So, we really built a comprehensive solution for the neighborhood. As you can see from this slide that was taken about a year and a half ago, pretty significant storm water drainage issues in this area. If you wanted to get to Sacajawea Park or Sacajawea Head Start, again, this was the only east/west street between Prescott and Killingsworth. This was your only way to get there. And this is what you would have found along the way. So, this is as we are wrapping up paving in April. And so, you can see the dramatic improvements there. So, that's it in a nutshell. I did pass out some written testimony in favor from one of the three property owners who couldn't be here today. It has been a pleasure to work with Mr. Yet on this project. Just a note, when the city builds one of these local improvement districts, we borrow the money from the LID fund and the purpose of the ordinance today is that it levies the assessments and then the assessments then repay the LID fund. So, we did not receive any objections to final assessment and I'm happy to answer any questions that you might have.

Hales: Questions?

Fritz: I just have a comment -- well, two comments. One, I noticed in the hand out that you just gave us the email from one of the participants that the assessment was less than you originally estimated. So well done on your frugality. Second, thank you to Steven Yet for his contributions to this LID and the donation of park land for Sacajawea Park. I actually got to walk along this section when the neighborhood association, the Cully association of neighbors got together and got the Trail Blazers to dedicate -- to put money towards the dog park in the parks, in Sacajawea Park in partnership with Portland Parks & Rec. So it's really private property owners and the city and public partners coming together to focus on this neighborhood and just a splendid project. Thank you for all of your work.

Aebi: Thank you, Commissioner.

Hales: Well done. Other questions for Andrew? Andrew, thank you very much. Is there anyone signed up to testify?

Moore-Love: No one signed up.

Hales: Thank you very much. And this passes to second reading. [gavel pounded] Well done.

Item 1083.

Hales: Good morning. Go ahead.

Fish: So, colleagues, a few months ago I had the opportunity to tour the Columbia waste water treatment plant and one of the great stories I heard about was how the city recycles the biosolids produced by the plant. Dan, I think you know more than anyone else about how successful this has been. This sole source contract award continues the City's long-standing and award-winning biosolids land applications program at Madison farms. The program has provided the city with a stable, sustainable, cost effective, and environmentally sound method to manage its biosolids for the last 23 years. Madison farms has received regional and national recognition for biosolids management excellence. This is a shining example of successful public-private and urban-rural partnerships involving the city of Portland. The program has created living wage jobs in eastern Oregon and provides the important social benefit of connecting the city of Portland to eastern Oregon. It also has the benefit of taking things out of our normal stream of garbage, and out of other more traditional ways of disposing this byproduct. So, Steve Behrndt is here today, the manager of our wastewater services. He is going to give us a very brief overview and take your questions. Welcome.

Steve Behrndt, Bureau of Environmental Services: Thank you, Mayor, Commissioners. I'm responsible for the operation and maintenance of wastewater and stormwater collection and treatment facilities for the city and the related programs as well. This is one of the important and significant related programs that we manage in our programs. Biosolids is another byproduct of the wastewater treatment program. Are more and more seen as a resource as opposed to a waste. And

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we try to reuse the resources when it is practical to do so. And when we have biosolids, and when it is treated and can be reused in a sustainable fashion, it allows us to do some good things for the environment and also provide a good opportunity for the rate payers in a cost-effective manner. 90% of the biosolids in the northwest are reused through land applications similar to programs like ours. We're fortunate and proud to have a program that if not the best, is one of the best in the region. However, a complex program like this doesn't start and can't be sustained as long without vision and leadership and without key partners. And Madison farms is the innovator and the key partner in this program since the very beginning. The program has been refined over the years. It continues to be efficient. A beneficial alternative to solids disposal. And a good value to the rate payers. So keeping the program reliable and successful in a very tight regulatory environment is evidenced by some comments by both EPA and DEQ. EPA appraised our program as being outstanding, monitoring our record keeping efforts and very conscientious site management practices. And DEQ recently said the City of Portland biosolids program is operated in compliance with state requirements and serves as an example for well-run programs to other biosolids programs within Oregon and even in the nation. The contract before you this morning represents the hub of this program. It's the contract that designates the use of parcels at Madison ranch for application of biosolids and also the professional services that they provide. They are the best at what they do in applying biosolids to the land and this is their land. They really are uniquely qualified to perform this work. And the program won't be able to continue in as effective and sustainable a fashion without this key partnership that's been developed and refined over the 23 years, as the commissioner mentioned. And I'm available for questions.

Hales: Thank you. Questions for Steve?

Fritz: I have a question. So, what you just said explains why the sole source because it's their land that they're putting the solids on. I'm just wondering about the process here as to why this is not coming from procurement services and why we didn't go out to see if anybody else wants to do this?

Behrndt: I don't the answer to the first question. We -- the reason why we aren't going out for solicitation right now, is three years ago we solicited bidders to another part of our program, and we didn't get any viable alternatives. Where Madison farms was clearly the choice for the land application programs for all of the reasons mentioned. Recently, we worked with procurement services to see if there was interest. So we put out a notice of a sole source contract award, and didn't get any viable or -- I think we had one inquiry about what was going on. But we didn't get any interest in being a bidder on this contract.

Fritz: If you put out the notice of the sole source, that's more asking for objections, is that the process?

Behrndt: I think that's true, yes.

Fritz: And how do we know that the 675,000 is the right price?

Behrndt: The program over time has not had any surprises. It's only evolved in terms of reasonable cost increases. There hasn't been any jumps of significance. So it's been only inflationary increases over that period of time.

Fritz: It would have been helpful to have had more information in the ordinance and in the write up. Because it doesn't say any of that. What was the previous amount for?

Behrndt: I don't know the specific previous amount but we can provide any information you need.

Fish: You know, this is probably one of the shining examples of the city using a creative way to dispose of something which saves taxpayers money. If the commissioner would like a briefing, a fuller briefing, because I don't think we were asked, if you would like a fuller briefing, we feel so proud about this we would be happy to do so. We are happy to put it over a week as well.

Fritz: It's a non-emergency. I'm happy to get the answers.

Fish: We would be happy to give you a briefing and answers to your questions and I think the -- because we've had this relationship for so long, and because it is a unique relationship and they're

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willing to take this stuff, and it saves us money from having to put it in landfills and do it the traditional disposal way, I thought we were more inclined to come in today to tell you that this urban-rural partnership continues but we would be happy to give you a further briefing.

Fritz: Yeah, I think it's obviously one that you, the bureau and you Commissioner Fish know a lot about, and I'm sure it is going to be fine. There just isn't enough information in the ordinance -- the amount that I usually see. So my other question I'll ask when we get to the briefing is about minority women emerging small business or subcontractor participation. Thank you.

Hales: Thank you. Any further questions? Anyone signed up to testify?

Moore-Love: No one signed up.

Hales: Okay. This will be coming back for second reading. In the meantime, obviously a need to communicate with the Commissioner Fritz's office.

Fish: Thanks, Steve.

Hales: Thank you. [gavel pounded] Now item 1072. We need to return to that, please.

Item 1072.

Hales: Thanks for your patience.

Sean Darcy: My pleasure. Hello. My name is Sean Darcy, contech engineering solutions. Contact is a local company. We employ 50 people in the Portland area. We focus on stormwater treatment, detention, drainage, as well as bridge products. And we would like to invite you, if you are ever near the airport, to come by and see our engineering and research facility. First we want to recognize the time and effort that city staff and council have dedicated towards the application process for manufactured stormwater treatment products. The general goal and the direction recommended by city staff regarding appendix b in the Portland stormwater management manual fully supported by contech. I began my career in stormwater about the same time appendix b was first implemented. It is innovative, it was cutting edge at the time that it was published over a decade ago. It is time for a new process to be put in place for the next decade. Specifically addressing the agenda item, contech fully supports the inclusion of Portland State to provide peer review. We use Portland State as a technical resource, we have hired Portland State students and truly believe that the city will benefit greatly from this collaboration. Contech fully supports the application fee, but we do have some reservations. To address our concerns, Contech would like to request an effective date change from January 1st to June 1st 2014, to be sure that appendix b can be sustainable for the next decade. The sole purpose of the date revision would be to allow city staff enough time to review and integrate proposed revisions to appendix b within the stormwater management manual. Contech would like an opportunity to work with city staff on the application and renew process so that we can improve the final deliverable. As I mentioned, appendix b has not been modified in over a decade. Changing appendix b is significant and a major modification to the stormwater management manual. As such, we would like the opportunity to continue to work with city staff on the potential cost reductions before the application program is fully operational. In closing, contech fully supports the inclusion of Portland State to facilitate the application review. Contech supports the intents of having an application fee. The only request that we have is the temporary delay to allow adequate time for city staff to incorporate comments and adequately involve stakeholders in the process. Thank you for the opportunity to be here today.

Fish: Mr. Darcy, thank you very much. And Mayor, I have a suggestion. I understand, Mr. Darcy, that you sent a letter in with your concerns.

Darcy: Yes.

Fish: So that's a small piece of a larger package that we'd be voting on. My suggestion is, this is a first reading, we will let this go to a second reading. In the interim, the bureau will talk to Mr. Darcy about his suggestion. If we think it is a good idea we will bring it back and ask for an emergency clause to be placed on the item next week.

Hales: Alright, good.

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Fish: We'll consult fully with Mr. Darcy.

Hales: You'll have a chance to have the discussion and amend it if you see fit.

Fish: Right.

Darcy: Okay. Thank you.

Hales: Thanks for bringing this to our attention, appreciate your patience. Again, this passes to second reading. [gavel pounded] And we are recessed until tomorrow at 2:00 p.m. [gavel pounded]. Thank you everybody.

At 11:44 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.

NOVEMBER 14, 2013 2:00 PM

Hales: Good afternoon, everyone. [gavel pounded] Welcome to the November 14th session of Portland City Council. Please call the roll.

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

Hales: Okay. Do you want to read these items together?

Moore: Yes.

Item 1084. Item 1085.

Hales: Do we have any opening comments before we call on the city attorney and the staff to start the process?

Fritz: No, that's fine, thank you.

Kathryn Beaumont, Chief Deputy City Attorney: Good afternoon. I have several procedural announcements that I'm required by state law to make. These concern the kind of hearing we're having today, the order of presenting testimony, and some guidelines for presenting testimony. First, this is an evidentiary hearing. This means that you may submit new evidence to the council in support of your arguments. In terms of order of testimony, testimony concerning the hearings officer's recommendation will be heard as follows. We'll begin with a staff report by BDS staff for approximately 10 minutes. Following the staff report, the council will hear from interested persons in the following order. The applicant will go first and will have 10 minutes to address the council. After the applicant, the council will hear from individuals or organizations who support the applicant's proposal, each person will have three minutes. Next the council will hear from any persons or organizations who oppose the applicant's proposal, and each person will have three minutes. And if there is testimony in opposition to the applicant's proposal, the applicant will have five additional minutes to rebut testimony given in opposition to that proposal. The council may then close the hearing and deliberate. The council may vote to -- actually, the council will not vote today on the hearings officer's recommendation or the ordinance that would implement the hearings officer's recommendation if approved. The ordinance is a nonemergency ordinance and both the recommendation and the ordinance need to be voted on together, so both would be carried over to the time the second reading for the ordinance. In terms of guidelines for presenting testimony, any letters or documents you wish to become part of the record should be given to the council clerk after you testify. Similarly, the original or copy of any slides, photographs, drawings, maps, videos, or other items you show to the council during your testimony, including PowerPoint presentations, should be given to the council clerk to make sure they become part of the record. Any testimony, arguments and evidence you present must be directed toward the applicable approval criteria for this land use review, or other criteria in the City's comprehensive plan or zoning code that you believe apply to the decision. BDS staff will identify the applicable criteria. You must raise an issue clearly enough to give the council and the parties an opportunity to respond to the issue. If you don't, you won't be able to raise the issue on appeal to the land use board of appeals. Finally, if the applicant fails to raise any constitutional or other issues relating to proposed conditions of approval with enough specificity to allow the council to respond, the applicant will be precluded from bringing an action for damages in circuit court. That concludes the announcements I need to make.

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Hales: Thank you. Do any council members have potential conflicts of interest or ex parte contacts to report? I don't hear any. All right. Anything further before we call on Ms. Cate?

Fish: I have one question. Looking at the material, am I correct that we received no opposition [inaudible]

Fritz: There have some concerns expressed. I'm not sure whether they rise to the level of opposition.

Hales: Sylvia, come on up.

Sylvia Cate, Bureau of Development Services: Good afternoon Mayor and Commissioners. I'm Sylvia Kate, I'm here to represent to you the hearings officer's recommendation to you for this application. And just so you know, Bob Haley is here if you have any questions about transportation as related to this case, and also the applicant's traffic engineer Julia Kuhn from Kittleson is also here if you have any questions about transportation. Castaway Bronze owns and operates a 10,000-square-foot site. That site is currently zoned general industrial one, and it's located within the northwest plan district. Castaway proposes to rezone the site to exd. They operate an event venue at the site. There is no new development proposed, and Castaway seeks to continue its existing use upon an approval of their request. Here you see listed the applicable approval criteria. The very first one for comp plan map amendments requires an analysis that, on balance, the proposal is consistent with and supportive of Portland's comprehensive plan. On balance means that sometimes some policies have more weight in relation to the proposal than others. Because this application request to rezone from industrial land, the hearings officer gave a lot of weight to goal two, urban development, and in particular policy 2.14, industrial sanctuaries. And he found, on balance, that the request was still consistent. Related findings under goal six, transportation, were also considered crucial because the criteria also look at analysis of what the impact is on freight movement and traffic that's related to the surrounding industrial uses, or adjacent. Also there's a key criterion in a zoning map amendment that adequate services must be available. All of the service bureaus responded with either no concerns or an affirmation that services were available. So here is the zoning map. It's a 10,000-square-foot lot, as I mentioned, it's highlighted for you there. It's developed with a 10,000-square-foot building, so it literally has 100% building coverage. And as I mentioned, it's located in the northwest plan district, transitional subarea. Here is what the proposed zoning looks like per the request. And I want to spend just a couple slides talking about the northwest district plan, which was adopted by council in 2003. Within that plan, a portion of the overall district was identified as a transition subarea with policies noting that the expectation of this particular area will slowly transition over to mixed employment uses and likely get rezoned to exd over time. And you can see the relationship of the site specifically within that subarea. The hearings officer recommends approval. He recommends this with no conditions. And we will now do a virtual site tour in our silent helicopter. We're hovering over the site which is highlighted red, and this is to show its relationship, central city boundaries, and there is a boundary for guilds lake industrial sanctuary. So this site is located in that transitional area and it's close to other large swaths that are zoned exd. This is a view of the site, and the building on it. This building was constructed in 1929, and this particular architectural form is called garage generic. But it actually became an architectural vernacular of that era. If you look around the city and some of the older industrial areas, you will notice a number of buildings in this architectural style with large bay window and that rhythmic fenestration that goes along the facades.

Fish: Are you suggesting we should landmark it?

Cate: I think the applicant might be interested, perhaps. This is a view showing the building in context. We're looking southeast from almost 19th avenue. This is a view, I've got the zoning map up in the corner with an arrow so you can see the direction of photographer is facing. It shows a couple of the adjacent buildings. The building in the left is in the exd zone. The building on the right is the IG one zone. Here's another look. The two buildings we just saw in the previous slide are

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here, you can see the context of how the subject site fits in. And this is a final view. You see the iconic arch of the Fremont Bridge in the background. This particular area, as you can see from the zoning map, has a number of flyover ramps from i-5 going over to 405, so a lot of them are elevated. It makes a pretty interesting pedestrian experience with the traffic above your head a little bit south of this site. I also wanted to just make a note there is an existing bicycle facility on northwest 18th and during my formal site visit, I saw five bicyclists in about half an hour go by. I was very impressed. They did not seem to have any qualms at all about going through an industrial area. And this particular area has fairly quiet streets given the immediately surrounding uses.

Fish: Is there train tracks?

Hales: Probably freight spurs there.

Cate: I believe that's what they are. That concludes my presentation, but I would like to address the question you raised, Commissioner. There were some concerns raised to the hearings officer, after he analyzed those concerns, he felt that they didn't really rise to opposition, so he determined that this is an unopposed case, and move forward with it. Are there any other questions for staff?

Hales: I wasn't here, most of us weren't here in 2003 when that transition area was formalized. So I guess I'm just trying to understand the planning context a little more. That was -- is it fair to say that was a realistic triage of which areas would be truly still viable as industrial sanctuary given the likely kinds of industrial uses that we'll need in the next 25, 30 years versus the smaller sites somewhat chopped up by infrastructure and the rail line and so forth that are not commercially viable as industrial uses, and that was the rationale behind the transition area?

Cate: Exactly. There are a number of sub districts within the plan, some are specifically for industrial uses. But given the existing uses and how that area, just its location, it's so close to other - - the central city, exd to the east and west, there was a directive policy 13 in the northwest district plan where that city council directed the planning bureau to consider creating a transitional subarea in recognition that precisely what you said, there are no large parcels there, the existing uses would be allowed in either zone. And you just don't have large vacant sites in that particular area.

Hales: Yeah, obviously the worry on the other side of the ledger would be that we would just incrementally nibble away at the industrial sanctuary and so over time it would go away, and that's a concern I think none of us would want to see that happen. Assuming there's still a need for large floor plate industrial stuff. When I was on the council we had a very large, very contested land use case about a half mile from here where a Costco was proposed inside the boundaries of the industrial sanctuary. And council I think did the right thing and denied that. So not very far from here, but a different situation because it's much larger site and right on highway 30 and so I think I see the point here of the policy.

Cate: Right. Very different context both the development pattern and the uses there. I should also just note that with the northwest plan district, zoning regulations were adopted specifically for this district, and specifically for this transitional subarea, because one of the concerns is ex allows residential, and so there was a large concern that well if we allow this to go to an exd, there might be an overwhelming amount of residential development right adjacent to industrial, and that's not a good fit, not a good mix. So there are taps in the zoning code specifically for sites in this transitional subarea that says, you can only have residential uses 20% of your entire floor area. In this situation, not that the applicant's proposing any development now, but let's say 15 years from now all the players change, someone wanted to come in and redevelop this site from scratch, they would be limited to that 20% residential allowance which here calculates out to be roughly six or seven units total, once you figure out the standard market rate size and deduct for hallways and common areas. So I think those concerns were anticipated back then, and those regulations were put in place to help keep this transitional area in an employment standing, but not get overwhelmed with the associated residential use that could be allowed.

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Hales: Okay, good. Thank you. Very helpful. Other questions for Sylvia? Thank you very much. Do we have a presentation from the applicant? Good catch.

Christe White: Yeah, thank you. I was more worried about my leg. I'm Christe white, representing the applicant. I first want to thank BDS and PBOT for their hard work on this application and the management of the process. We have very little to say here today. We of course accept the staff report and the hearings officer's recommendation. The zone change to exd will allow this existing business to continue on a successful path in a 1929 warehouse that it has restored. And at the same time will continue to permit if in the future circumstance dictates, industrial uses like manufacturing and production. The venue is highly consistent with the northwest plan policies for the transition subarea, and I would also add a little context in the record too with regards to traffic. The traffic report was scoped by PBOT and it was accepted by PBOT and ODOT, and it demonstrates the zone change has absolutely no impact on the transportation facilities in the area, and that a reasonable worst case scenario of full development actually reduces the trip generation on the site by one trip. So there was a pretty compelling finding of no impact. It's also not on any of the regional truck ways, priority truck streets, major truck streets, truck access streets or freight streets. So there's no impact with regards to the industrial traffic in the area as well. So that's all I'll say, unless you have any questions of us.

Hales: Great. Any questions for Ms. White? Thank you.

White: Thank you.

Hales: Anyone else here to speak in support of the application?

Moore: No one signed up.

Hales: How about anyone in opposition?

Moore: No.

Hales: I think we're ready to close the public hearing.

Beaumont: That's right.

Hales: And we can make a tentative decision awaiting findings. Correct?

Beaumont: You could take a tentative vote on the hearings officer's recommendation. You would continue it to next week or whenever it will be set for a vote on the ordinance.

Hales: Next week soon enough, given we don't have to modify anything?

Beaumont: That's fine.

Hales: Okay. So, I'm ready for a motion if someone has one ready.

Fritz: Move adoption of the hearings officer's recommendation.

Fish: Second.

Hales: So that motion for a tentative decision approving the recommendation to come back to the council next week with the ordinance of findings. Further discussion? Roll call.

Roll on motion to tentatively adopt Hearings' Officer's recommendation.

Novick: A tentative aye.

Fritz: Thanks to staff and development services and the bureau of transportation as well to the applicant. When you have a hearing like this where nobody is testifying in opposition or in favor, it shows it's been a lot of work done ahead of time to work through all the issues with some interesting comments from the bureau of planning and sustainability regarding the industrial lands inventory, and I think that's probably for another -- an issue for another time in our discussions on West Hayden Island and the comprehensive plan process. But on balance I agree that the comprehensive plan is met by this application and I very much appreciate all the work on all sides. Aye.

Fish: Once again thanks to Sylvia and the whole team for a superb presentation, and to those members of the public that are here wondering why this is so devoid of drama, I just want to comment that one of our jobs at this stage is to hear from people that are opposed. And to make sure that we not miss something. So in the absence of that, we would have to actually manufacture something on the record before this is quite clear. So thanks for all the good work. Aye.

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Saltzman: Aye.

Hales: This is a great creative reuse of an old building, great venue. So I'm happy to see this application, glad that it makes this particular business more viable, and appreciate the remedial understanding, building my remedial understanding of how that transition area came into being. This certainly seems consistent with it. Aye. [gavel pounded] So these will return, the second item is continued for a week.

Beaumont: It moves to second reading.

Hales: So we'll set both of those for next week?

Beaumont: Correct.

Fish: Are we going to do a time certain?

Hales: The regular calendar I think.

Moore: We were thinking of taking them next Thursday, but they could be on next Thursday's regular agenda.

Hales: Yeah, regular agenda. Thank you all very much. We're adjourned. Oh, sorry, recess. Because we've got a 3:00 time certain. [gavel pounded]

At 2:24 p.m. Council recessed.

At 3:03 p.m. Council reconvened.

Item 1086.

Hales: Welcome. Glad you're here.

Judy Parker, Office of Mayor Charlie Hales: Thank you, Mr. Mayor. My name is Judy Parker, and I work for you, and I'm the director of international relations for the city of Portland. Portland has nine sister cities, and one friendship city, and we're here to today to talk about the relationship we have with one of them.

Katherine Morrow: Thank you for welcoming us today. My name is Katherine Morrow, I'm the president of the Portland Ulsan Sister City Association, and I had the great pleasure to be in the company of these six distinguished gentlemen and Korean War veterans for five days in early October. We were invited by our sister city Ulsan in South Korea to be part of their armed services day in Korea, and also to commemorate the 60th anniversary of the Korean War. Our sister city has a 26 year history with Portland, started out in the humble beginnings as a port sister relationship, and now we boast over 100,000 Hyundai cars coming from Korea through the Port of Portland every year. In the past 18 years, numerous delegations of city leaders, groups of students, and performing arts groups from Ulsan have visited Portland. Very few, however, from the Portland side have had the chance to visit Ulsan. Last year, one of the largest exchange programs was when the city of Ulsan sponsored their 100-member philharmonic orchestra to come to Portland during our Rose Festival to mark the 25th anniversary of the sister city, and they performed a concert here in Arlene Schnitzer Concert Hall to over 2500 people. This year, we hope to begin growing the delegations that go from Portland to Ulsan, and we started it off with this trip. I've personally been involved with our sister city association for approximately 18 years. Most of that has been through my connection at Portland State University where I work in the international affairs office. We have been hosting students from the University of Ulsan on an annual basis at Portland State. Now, I serve as the president of the sister city association and hope to do more civic engagements.

Parker: What we're going to talk about Ulsan itself, and then talk about the trip that we had, and in the process of talking about the trip, the gentlemen and the veterans will talk about their experiences also, in Korea then and now.

Hales: Great.

Morrow: Ulsan today is remarkably transformed from what it was just 10 years ago. Very few here in Portland know about this. These gentlemen have become spokesmen for the city of Ulsan since

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this trip. The city of Ulsan is the seventh largest city of in Korea, it's a youthful city with majority of its people under the age of 40. It is also the industrial hub and economic engine of Korea, boasting a per capita GDP of \$67,000. This is twice the national average of Korea, also twice the national average of Japan and also that of Germany. Ulsan is home to the world's largest automobile manufacturing plant, the world's largest ship building facility, and the largest oil refinery in the world. In the early 2000s, the city of Ulsan was an ugly polluted industrial city. However, Mayor Bak Maeng-woo, who became mayor in 2002, sought to change this, and over the past 11 years has brought about a renaissance of urban development, environmental restoration, quality of life, and promotion of arts and culture. And it's now a city that gives back to its people.

Parker: About six or seven months ago, the city of Ulsan asked me to find six Korean War veterans. They wanted to bring them to Korea and thank them for their service during the Korean War. It was sort of aspirational to get that invitation, but Katherine and I worked really hard and went to a bunch of different Korean War veteran associations all over the state to find these gentlemen. And these gentlemen are the ones who were selected to go on the trip. So I would like to introduce each of them at this time and you can see them all on the picture. First, we've got Shirley and Hollis Hess. Wave. We've got Major Drewery Wood and his companion Dr. Jackie Walden. We've got Bruce Pence, Bruce Wickward, we had two Bruces, it was fun. We had Arthur Hull. And we had Al Pewell. So this is the very first day of the trip. We're at PDX, we're about to go off, and we had the Royal Rosarians come and see us off and presented everybody with a royal for you a rose grows certificate.

Morrow: Our first stay in Ulsan was part of their armed services day, a national holiday in Korea, and we visited the Korean War memorial in Ulsan. And, Drewery?

Drewery Wood: The memorial was one of the most touching ceremonies I've ever been to. Unless of course it was our own in Washington. And taps, of course, I always get soft on that. But when we got there, there were, what 500, 600 Korean veterans all dressed in uniform, and they were serious about this. They had people standing, and I was fortunate enough to be selected because I'm the oldest. I'm the oldest in this room. [laughter] So, we were going up there and on the way up they draped us with beautiful flowers around the neck, and white gloves, so that we could approach and do the Buddhist ceremony of putting ashes from an urn into the fire. It was really touching. Then I was asked to give a small speech to the mayor, and I came with this that it would only take one minute and 47 seconds. Over 60 years ago, the old men you see here were sent to a land we had never seen and few heard of. We were expecting a rest from war, but the orders were given, and we came. One now sees what's has been done. The modern city of Ulsan has created from devastation and rubble this nation established as an area of stability in a world threatened by greed and political domination. We are still at the side of the Korean people to resist aggression against them. We returned to our country to tell our friends and neighbors what you have done, it is good and we are well pleased. Thank you for your hospitality. But as an end to that, we were having lunch with the mayor on their flight on their armed forces day, and f-16s were flying back and forth, tanks going back and forth, and I said I was impressed with the flight demonstrations because I was a pilot all my life, and we could not do such things over here because of budget cuts. [laughter] Could we borrow his credit card. [laughter] He said ho, ho, ho, very funny. We use only cash. [laughter] Thank you.

Parker: Let's see if this works. This is video, a news clip. I don't think it's going to work. Well, we were on the news every night and that was rather exciting. And in the newspapers every morning, just from our trip. One of the things we found was that people were actually paying attention to all those news stories and would come up to the veterans in the street all over Ulsan and the parts surrounding and would thank them for their service and give them whatever they had in their bag at the time. I don't have anything except a banana. Here. Thank you for your service. And somebody brought Arthur a cup of coffee just because he was standing there. It was pretty great. From there we

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went to city hall, we thought you might appreciate taking a look at what the city hall was like. All the city hall employees were out in the street waving flags, American and Korean flags for us. This is the mayor of Ulsan, Mayor Bak. He is a really charismatic, a really great guy. This is what their chambers were like. They awarded our veterans pretty significant medals and plaques for their service to Korea. And Arthur, would you like to talk about that?

Arthur Hull: My name is Arthur Hull. I went to Korea 1952. I went to Ulsan, never fought there, but there wasn't much there when I went through it. Most of the buildings were gone, what buildings were there were damaged from artillery and mortar rounds, and the people that were still there was taking parts from other buildings to put together to build a shack so they could get out of the weather. Little kids in rags standing out in the street with their hands out. Of course we didn't care for our c-rations, our k-rations, so we'd give them to them. They thought that was great. It's all we had to give them, but give one little boy a pack of gum, he took about three sticks out of it, stuck them in his mouth, chewed them up four times and swallowed them. [laughter] Anyway, when we went to Korea this time, that same city was fantastic. I was on the 22nd floor of the hotel, and I could look out my window and there was the top seats on a Ferris wheel right out my window. I never went on that Ferris wheel. They said it took about 30 minutes for it to go around. Anyway, when we were having our presentations and everything from the mayor, when they got all through, the mayor asked me if I wanted to say anything. And I said, sir, I would. And so I told him, you know, when I was over here when the shooting was done, our job was done. We were on our way out. When we left a remnants of our military here to help you secure your jobs, you were still fighting a war. It wasn't a shooting war, but it was a war nevertheless. You had to bring your country back to what it was before and beyond that. And you've done it very well. But I've never seen any of you pat one another on the back and say thank you for helping. And one of the guys from the council was there and he was a young man, he could speak English pretty well. He went over and came over and asked me, he says, can you do me a favor? And I said, what's that? He said can you tell everybody that? And I said, I can. But a lot of them won't understand me because they don't speak English. And he says, well, tell everybody anyway. Those that can speak English will know. And I said, well, that's good. But I says, you guys are going to have to start going to your schools and telling them, telling the kids so that they don't take the country for granted and so they remember what you went through. And he says, you're right. So it was a good trip. A real good trip. And these girls done a fantastic job. And now, I -- one more thing I'd like to say. Can you imagine an old man like me running around Ulsan with an 18-year-old girl hanging on his arm? [laughter] The college, they figured we were old enough that we'd need help. So they asked the college to get kids to volunteer. Well, all the volunteers were girls. And mine was an 18-year-old college student. And she was cute as a bug's ear, but she found out that I was the same age as her grandmother and she says, oh well maybe you can marry my grandmother and you could be my grandpa. [laughter] And I said, no, that wouldn't work. My wife wouldn't like it. [laughter] Oh, well, maybe you can be my American grandpa. And I said, that's all right. I can do that. So that's what I was when I left there.

Morrow: We owe a lot to the University of Ulsan for finding and handpicking wonderful English language major students to be companions and guides and interpreters to us throughout the trip. They provided an extra element of engagement while we were there. The first night we went to a welcome dinner, and were hosted by the mayor, who also invited a delegation of Korean War veterans from Korea as well as some city officials, and these are some photos of the dinner. The city of Ulsan has traditional performing arts group, and they performed traditional music and dance for us. The costumes you see are similar to those that the friends of Ulsan have worn when we've been invited to be in the Rose Festival parade in Portland.

Parker: It was Bruce Pence's birthday while we were there and the mayor surprised him with a birthday cake, so we thought we would have Bruce talk about this.

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Bruce Pence: Probably the most surprising thing that's ever happened to me. I arrived in Korea in 1951, and at the age of -- ripe old age of 18. And I had my 19th birthday in Korea on the 1st of October. So it was kind of special -- special to be there on the 1st of October for my 81st birthday. I really enjoyed it. They just did great, they gave me great gifts, everybody was very welcoming and thankful, all the Korean veterans wanted to shake my hand. It just makes you feel special.

Morrow: Yes. There were so many unknown surprises that this trip brought to us. We knew we would see the country restored and we would be well received, but the attention to the detail that they put, noticing that it was one of our members' birthdays, having student interpreters with us, having us come on their armed services day, little things like this really went a long way. We presented the mayor of Ulsan with several gifts. Major Drewery Woods presented a photo book of some of his experiences during the Korean War.

Parker: I of course on behalf of city hall presented him with a Timbers scarf as befitting our city. Another thing they did was take us to the Hyundai plant. It was a pretty exciting morning. So Bruce Wickward, do you want to talk about that?

Bruce Wickward: Korea is alive and busy. I was surprised at the size of the Hyundai automobile factory. As we started going through this big area, they told us that the Hyundai auto factory is on 1600 acres. That's pretty good sized. And they gave us a real good tour up above the work being done below, and told us what was going on and everything. We followed a car for an hour plus, really. But Hyundai has more than just cars in Korea. They got the largest ship factory in the world, and it's amazing how much they have done in the last 60 years. If they dropped us in there by airplane and didn't tell us where we was at, we wouldn't know, because there wasn't any buildings left when we left. And now they got big sky rises all over everywhere. The Hyundai factory was very interesting. It's good to see activity going on, so much. And I want to thank you for coming to our club meeting several months ago. I enjoyed your speech.

Morrow: They also took us to a viewpoint to overlook their gem of their city, the Taehwa River, which is very similar to our Willamette River.

Parker: In 1995 the Taehwa River was completely polluted, it was classified as a dead river because of all of the level pollution. So on the one hand you've got Hyundai, which is able to produce all of this economic development of this city and really raise the quality of life for every body that lives there as well as everybody, by extension, in the country. But at the same time all of those chemicals were being put into the river and just killing everything in there. So 1995 you've got this dead river, 2002 Mayor Bak came into office and said that one of the things he really wanted to do was revitalize the city and its green space. He came to Portland a few times and was really invigorated by our waterfront properties and our natural parks and said, I want to recreate that. So since 2007 they've been doing this massive clean-up of the Taehwa River. It is beautiful now. They stopped all of the pollution from being pushed into the river. They were able to dredge all the poisons from the banks and the silt below. Now the river is clean, it's a model of green sustainability. There's fish in the river, and every year they have an annual swimming competition. So people can get into that river, and swim along and paddle through. It's really a marvel. And he said that what he wants to be known as, as mayor, is the man who cleaned up the river. This is his claim to fame. One of the things that they also did was take us on a lot of these places in their city, the jewels of their city, they reminded us so much of Portland. They've got a grand park, similar to our rose garden, inspired by Portland's own rose garden. They have a waterfront area right here that you can see that was developed on this, and then -- go back one slide -- right in this little curve there, there's a waterfront area, a recreational area where they have things similar to our blues fest, and our Rose Festival, where people will just flock to that area, be one with nature and the community and have this joint living, working fun space for the city. I did not realize when I went there how close the connection were between our sister cities based on what they wanted to see is really based on the Portland model. It was really exciting to see.

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Morrow: One of the hopes of our veterans prior to going to Korea was to be able to see not just a developed city, but how the landscape and countryside had recovered in the past 60 years. And we were able to do this while we were there as our guides took us to several temples, and we would go through the countryside en route to the temples. We visited two different Buddhist temples which are open to the public and are also fully operational as functioning spiritual retreat centers, and places of mediation and solace for their citizens. One evening we had an evening of sharing with all of our veterans, and the students who were interpreters, they had a chance to learn from us about the veterans' experience and Hollis shared that particular night about his time.

Hollis Hess: Hi. It's really a pleasure to be here today. We looked forward to it and got excited the closer the time came. I was brought up in Gladstone, which doesn't even have a stop light. They only have a stop sign. So I joined the navy and made three trips, three to Korea, the last as we were leaving on March of 1953, the captain made an announcement, anyone that would like to see Korea for the last time, come up on deck because the ship was leaving in 15 minutes. Well, I was so angry, I was -- because of what took place in Korea. Principally because of the people that played the supreme. So I thought never would I come back to Korea. Until one day I met two beautiful, beautiful ladies, Judy and Katherine, they're gorgeous, they're beautiful, they persuaded me to go back to Korea. Well, I thought about it for a while. I thought, for 60 years I didn't have any desire to go back to Korea. So before I knew it, I was in Narita airport in Tokyo, Japan. And then they said I could bring Shirley, my wife, so I thought, what an opportunity. What a great opportunity. So we flew from Narita to South Korea. I never stayed -- Gladstone doesn't have a five-star hotel, that's for sure. So he would stay in a five-star hotel, and you've been aware of what took place. And without the city of Portland, without the Portland of roses, city of roses, it wouldn't have been possible for us to go. And so it's with great honor and joy, could I have stayed there. In fact, I would like to maybe buy a condo there and just go back. Thank you very much.

Morrow: Thank you, Hollis. They of course treated us royally with wonderful traditional Korean food. Al, do you have a memorable time?

Al Pewell: Yes. First, I'd just like to thank the Mayor and the city council members for giving me the opportunity to revisit Korea. When I was there in '51, '52, they had nothing but dirt roads to travel on. Now they got two, three, and four-lane highways, just beautiful city. Back to the restaurant we went, so in each restaurant we had to take our shoes off before entering the establishment. And the shoes were all stacked up outside. And the food they brought in was -- continues every time a bowl or dish was empty, they'd swoop it up and bring you more food. And the type of food they eat there will keep you real slim. You never, never see an obese person walking around. It's just the type of food they eat. We all got that food in the afternoon and evening, most ate with chopsticks and in order for me to eat I had to use a fork. That's all.

Morrow: Ulsan is known for its bulgogi barbecue beef. They are trying to replicate Kobe beef in Korea, so Ulsan bulgogi beef is where they took us to their big festival. They also have pears in their city. Being as at the barbecue beef festival was a cultural experience, similar to our bones and brew that we have here in Portland. We grilled it on our table. And then one of our final meals was a traditional meal as well.

Parker: So, remember that the reason we were there was to celebrate October 1st, armed forces day in Korea. So they wanted to finish our trip with a very meaningful trip to the United Nations Korean War Memorial Cemetery in Busan, which a large town right beside it. It was a very emotional day for all of us. The U.N. cemetery there is a place that is directly in the middle of the city, and so you have that quietude, the solitude and the peace, but you also are surrounded by the bustling city at the same time. We were able to see not only the area dedicated to the American soldiers that fell, but also to walk along the wall of remembrance that had all the names carved in of every service member from every country that fell, was killed in action or missing in action. And, Shirley?

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Shirley Hess: I'm Shirley Hess, and the picture is me pointing to my brother-in-law's name on the wall of remembrance. It was his first trip to Korea and his plane was shot down and his body was never recovered. And so he was missing in action for years before they finally pronounced him dead. But, I just want to thank the council for making this trip possible, it was more than you can ever imagine. And it was such a great privilege to travel with these six veterans who are so humble. I mean, they tell you about this much of what actually happened during the war, and the rest is just locked in their hearts, I know. But it was such a wonderful, wonderful experience.

Morrow: Thank you, Shirley. And one of the final surprises that the city of Ulsan had in store for us was that night, on October 4th, the USS George Washington aircraft carrier, which is stationed in Japan, made a ported call to Busan. Busan is about an hour from Ulsan and it's the second largest city there, and that'd the city we flew into when we arrived. There is a U.S. console official in Busan, and he arranged for our delegation to take part in an evening reception with all of the top military people of the Busan navy and the U.S. navy. The USS George Washington was in town to take part in tri-country military exercises with U.S., Japan, and Korea.

Parker: This is the same George Washington that is right now travelling to the Philippines to aid in the disaster relief. So it was really meaningful.

Morrow: So we were a part of their welcome reception. We were introduced to the audience, and had the opportunity to meet their military officials, including their highest-ranking naval officer. We also received a welcome and even a hug from the rear admiral Lisa Franchetti, who is in charge of the U.S. Navy in Korea. That was also another surprise, to meet a woman admiral while we were there.

Pence: While we was down there on the aircraft carrier, some of the guys gave us coins, remembrance coins. This one was given to me by the admiral of the Korean navy. He's in charge of all Korean navy. This one was given to me by a chief that said they called him the old man. I said, how old are you? And he says, 45. [laughter] And I said, you're not an old man. And he said, look over by that jet. You see those three guys over there? I said, yeah. He said, 19, 20 and 21. To them, I'm the old man. And he says, if they think I'm the old man, then I'm the old man, because I gotta keep them happy. Anyway, they're quite neat. And on the back of it, it's got the constitution of the United States. This one was given to me by another chief and I don't know what his job was because I didn't get to talk to him long enough. He just had it in his hand and he put his hand in mine and dropped the coin in there and said, thank you for service. And I said, thank you for yours. And that was it. But this is quite pretty. It's got crossed swords on it. And if you'd like to look at them, I'll put them up there so you can look at them.

Morrow: Having the opportunity to meet the military personnel who were there, was like I said, the icing on the cake and a wonderful way to end this trip. Drewery, did you want to say anything?

Wood: I was a fighter pilot in World War II in the Marine Corps on aircraft carriers. And I think the ship I was on, you could hang off the side as a lifeboat compared to this nuclear carrier the George Washington. The only thing I didn't like about it was that I was talking to the commander of the air group and I said, what are you guys short of? We have airplanes over there to give demonstrations but they didn't have enough fuel. And they're also short on missiles. That bothers me that we actually had military representation in that part. Of course, the airplanes that I flew couldn't go off the deck. 15,000 pounds and they went off at 186,000 pounds. Anyway, it was pretty impressive. I was -- I can't find a word to describe it. To compare my experiences with what they have now in nuclear aircraft carriers? It's incredible. And that aircraft carrier there is on permanent duty. It's there to show the Korean people that we are there and we will stay there with them to defend them against any aggression. The carrier is now in the Philippines on relief duty. That's all I can think of for the aircraft carrier. The way they went up and down on the elevator, that was pretty exciting.

Parker: Jackie Walden would like to say a couple words about sister city relationships.

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Jackie Walden: It's interesting that the USS George Washington is already in the Philippines. I want to thank the city of roses, Judy, Katherine, and the sister cities international, and Drewery, for the opportunity to visit Korea.

Wood: I paid for her. [laughter]

Walden: It added happy memories for the veterans to their earlier unhappy memories. It was a profound visit to me because I'm a surviving spouse of a Korean War veteran. When we got home, I did some research on Sister Cities International to get a larger picture, see where I fit into it. Drewery and I are still talking to friends, family, and associates about our experience there. It was truly wonderful. Just the other day, I was talking to the editor of the hospital [inaudible] in Grants Pass, which I am a member, and the editor asked me to send her an article and photos on our experience there. The courier had a nice article about the three Grants Pass servicemen who went on the trip. I think next year, I'll prepare a paper maybe about culture change to give to the southwestern anthropological association. That will be my adventure. I would like to thank sister cities international is one way to realize Eisenhower's dream of, quote, lessening the chance of new conflicts. By understanding the differences and similarities between cultures. Again, thank you.

Hales: Thank you.

Parker: It was a really fantastic trip. We made all sorts of new friends. This is the head of the international affairs department for the city of Ulsan. And you can see the relationships were pretty profound. I also want to let the city and the council know that the city of Ulsan paid for everything. The city of Portland didn't pay for anything in this whole thing, it was completely at their invitation. Which was really great. And the impact on the city, the relationship between the two cities I think has definitely been strengthened. And also the impact on the six veterans who were able to return back to Korea, where they had had pretty awful experiences 60 years ago, and I hope pretty positive ones know. It was pretty great. So, do you guys have questions for the veterans? I also want to say we timed this to coincide with Veterans' Day on Monday.

Hales: Thank you. Any questions for this amazing group?

Saltzman: Well, I don't have any questions but I certainly know all of us up here want to thank you for your service to our country, and this sounds like a great trip, and we have a great sister city in Ulsan. Thank you very much.

Hales: I really appreciate you representing our country and our state and our city in this amazing bridge of friendship that you've built in this trip. So, it's really a great report and I'm just so happy that you were able to put this group together and that it was such a great experience for all of you.

Fritz: I was wondering where you served in World War II.

Wood: In the Pacific. We were the first airplanes into Tokyo after Doolittle's raiders. And we worked up and down from Tokyo down through Iwo Jima. And it was an exciting time.

Fritz: Thank you for your service both in Korea and in World War II. And thank you for coming to share your story, thank you for coming to talk to us today on camera so that the kids of today know firsthand from people who were there, how important it was that you were there. I'm so glad that you got to go back under more pleasant circumstances. I want you to know that on Veterans' Day we have rededicated the USS Oregon battleship memorial down in Waterfront Park. We've partnered with the commission on disability and the parks bureau to improve the accessibility of that memorial, which previously some veterans couldn't get to because we didn't have a wheelchair ramp. So, it's very important that we don't forget, so that we learn from the lessons from the past. And as someone who grew up in England, and wouldn't be here without American veterans, I'm very grateful.

Wood: It was very touching. I was in Korea a week after it started, and I stayed with the first Marine division, walking up the coast to North Korea, and then back down again. And I had a little doggie there that I still remembered, and I had a little boy around the camp. We tried to find him, and couldn't. But I was really, really touched by the Koreans' sincerity, how much they really

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appreciated with no hesitation. Every place that we went, thank you, thank you, thank you for what you've done for us. And I can think of a lot of other nations that haven't said that, but the Koreans did. And I'd like to see our friendship with them continue.

Fritz: I know from growing up in England that that country, Europe remembers. When my grandfather was in the trenches in World War I, he was a stretcher bearer and he told me, when he was telling us -- he didn't talk too much about the war, but what he said was, we were just waiting for the Americans to come. We know we would win then.

Wood: One of the most touching things ever said was to one of our representatives in England when an antagonistic politician or representative said, well you Americans, you are all over the world taking property away from people. And our representative said, no. He said, the only land we ask is to bury our dead. That makes me sort of soft.

Fritz: Thank you for your service.

Novick: Thank you very much for your service and for this report. This is great. And, I have to ask, did people in Korea ever watch Mash? Did you find that out? [laughter]

Wood: Oh, yes, I have a Facebook recognition with one of the -- they were such nice people, so sincere, so helpful. I can't help but contrast it, someplace and others I've seen.

Hales: Well thank you for this great report, this is really a highlight of the week here. And to do this the same week as Veterans Day is just right. So we appreciate so much all of us, we appreciate you being here and putting together a really great report for us. You know, we have these relationships with sister cities but rarely do we get this kind of feedback about how that relationship actually works, and how you made it better on this trip. So thank you. I know you put some effort in making this report to us today and it was really great. I really appreciate it. Let's hear it. [applause]

Hess: I told you I had an 18-year-old girl hanging on my arm?

Hales: Yeah?

Hess: I did.

Novick: Where's the picture?

Hess: They gave each of us a bouquet, and it was beautiful. And when we got back to the hotel she helped me with everything and I told her to take it. And she said, no, that's yours. And I said I can't take it on the airplane and you take it home and put it in water and you and your mother can enjoy that for a long time.

Hales: Oh, that's nice.

Hess: And she said, nobody ever gave me a bouquet this big. And I said, well now they have. And she took it home. She brought me pictures back on her phone to show me she had them in water, and good.

Hales: That's great. Well, thank you all. [applause] And on that high note, we are officially adjourned. Thank you for being here today.

At 3:47 p.m., Council adjourned.