



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 14TH DAY OF MAY, 2014 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; Linly Rees; Deputy City Attorney; and Jim Wood, Sergeant at Arms.

Item No. 434 was pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

At 10:05 a.m. Council convened as Budget Committee.

At 10:07 a.m. Council adjourned as Budget Committee.

At 10:08 a.m. Council convened as Portland Development Commission Budget Committee.

At 11:43 a.m. Council adjourned as Portland Development Commission Budget Committee.

At 11:43 a.m. Portland City Council reconvened.

COMMUNICATIONS		Disposition:
419	Request of Joseph Walsh to address Council regarding Communication corruption (Communication)	PLACED ON FILE
420	Request of Karen Wells to address Council regarding Fix-It-Fairs (Communication)	PLACED ON FILE
421	Request of Mark Bradley to address Council regarding underground oil tanks (Communication)	PLACED ON FILE
422	Request of James Lopes to address Council regarding personal writ submission (Communication)	PLACED ON FILE
423	Request of Mary Ann Schwab to address Council regarding the City of Portland Public Involvement Principles (Communication)	PLACED ON FILE
TIMES CERTAIN		

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<p>424 TIME CERTAIN: 9:30 AM – Mayor’s Message to Budget Committee (Mayor convenes Council as the Budget Committee) 10 minutes requested</p>	<p>PLACED ON FILE</p>	
<p>425 TIME CERTAIN: 10:00 AM – Council to convene as Portland Development Commission Budget Committee to receive the proposed budget (Mayor convenes Portland Development Commission Budget Committee) 1 hour requested</p>	<p>PLACED ON FILE</p>	
<p style="text-align: center;">CONSENT AGENDA – NO DISCUSSION</p> <p style="text-align: center;">Mayor Charlie Hales Bureau of Planning & Sustainability</p> <p>*426 Authorize an Intergovernmental Agreement with Metro to provide funding for transportation modeling services (Ordinance) (Y-5)</p>		<p style="text-align: center;">186561</p>
<p style="text-align: center;">Office of Management and Finance</p> <p>427 Accept bid of Tapani, Inc. for the Interstate 5 at SW 26th Water Quality Facility for \$2,125,604 (Procurement Report - Bid No. 116346) (Y-5)</p>		<p style="text-align: center;">ACCEPTED PREPARE CONTRACT</p>
<p>428 Accept bid of Brix Paving Northwest LLC for the SE 130th Ave: SE Lincoln St to SE Stark St project for \$538,674 (Procurement Report - Bid No. 116360) (Y-5)</p>		<p style="text-align: center;">ACCEPTED PREPARE CONTRACT</p>
<p>429 Accept bid of Knife River Corporation - Northwest for the SE 122nd Ave: SE Market St to SE Stark St project for \$650,321 (Report - Bid No. 116569) (Y-5)</p>		<p style="text-align: center;">ACCEPTED PREPARE CONTRACT</p>
<p style="text-align: center;">Commissioner Nick Fish Position No. 2 Bureau of Environmental Services</p> <p>*430 Authorize the Bureau of Environmental Services to execute a Temporary Construction Easement with Bruce Ankarberg as part of the Luther Road Habitat Restoration Project No. E06947 for \$50,000 (Ordinance) (Y-5)</p>		<p style="text-align: center;">186562</p>
<p>431 Authorize the Bureau of Environmental Services to execute a Temporary Construction Easement with Peninsula Drainage District No. 2, as part of the Schmeer Pump Station Upgrade Project No. E07448 (Ordinance)</p>		<p style="text-align: center;">PASSED TO SECOND READING MAY 21, 2014 AT 9:30 AM</p>
<p>432 Authorize a contract with BergerABAM Inc. for professional services for the Fremont Pump Station Upgrade Project No. E10543 with a not-to-exceed amount of \$239,730 (Ordinance)</p>		<p style="text-align: center;">PASSED TO SECOND READING MAY 21, 2014 AT 9:30 AM</p>

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<p style="text-align: center;">Commissioner Dan Saltzman Position No. 3 Portland Housing Bureau</p> <p>*433 Authorize an Intergovernmental Agreement with Home Forward, Multnomah County and the City of Gresham for the use of Payment in Lieu of Taxes funding in the amount of \$200,000 funded directly to the Short Term Rent Assistance program (Ordinance) (Y-5)</p>	<p style="text-align: center;">186563</p>
<p>*434 Approve application under the Multiple-Unit Limited Tax Exemption Program for Sky3 located at SW Jefferson between SW 11th Ave and 12th Ave (Ordinance)</p>	<p style="text-align: center;">CONTINUED TO MAY 21, 2014 AT 9:30 AM</p>
<p style="text-align: center;">Commissioner Amanda Fritz Position No. 1 Bureau of Development Services</p> <p>435 Clarify the Bureau of Development Services authority to adopt Administrative Rules and assess liens for noncompliance, adopt Administrative Rulemaking Procedures and authorize a Stop Work Order Penalty (Second Reading 410; amend Code Sections 3.30.040 and 3.30.080; add Section 3.30.045) (Y-5)</p>	<p style="text-align: center;">186564</p>
<p style="text-align: center;">Portland Parks & Recreation</p> <p>*436 Accept and appropriate a grant in the amount of \$14,040 from Oregon Parks & Recreation Department to restore the Wildwood Trailheads off NW Germantown Rd in Forest Park (Ordinance) (Y-5)</p>	<p style="text-align: center;">186565</p>
<p>REGULAR AGENDA</p> <p>Mayor Charlie Hales Bureau of Police</p>	
<p>*437 Accept and appropriate a grant in the amount of \$49,921 from the U.S. Department of Justice, Office of Community Oriented Policing Services 2013 Community Policing Development - Micro Grants Program to fund a portion of the Race and Social Justice Initiative's work (Ordinance) 15 minutes requested</p>	<p style="text-align: center;">CONTINUED TO MAY 21, 2014 AT 9:30 AM</p>
<p>*438 Accept a grant in the amount of \$3,850 and appropriate \$1,500 for FY 2013-14 from Oregon Impact for the 2014 Pedestrian Safety Enforcement program for sworn personnel overtime (Ordinance) 10 minutes requested (Y-5)</p>	<p style="text-align: center;">186566</p>

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<p>*439 Accept a grant in the amount of \$37,500 and appropriate \$10,000 for FY 2013-14 from the Oregon Department of Transportation, Transportation Safety Division 2014 Multnomah County DUII Intensive Supervision Program for sworn personnel overtime (Ordinance) 10 minutes requested (Y-5)</p>	<p>186567</p>
<p>440 Authorize an Intergovernmental Agreement with Portland State University to provide survey and analysis services to meet the requirements of the Department of Justice settlement agreement (Ordinance)</p>	<p>PASSED TO SECOND READING MAY 21, 2014 AT 9:30 AM</p>
<p>441 Authorize a contract with Cascadia Behavioral Healthcare, Inc. to provide mental health services through Project Respond (Second Reading Agenda 412) (Y-4; Saltzman absent)</p>	<p>186568</p>
<p>Office of Management and Finance</p>	
<p>*442 Amend six health and welfare contracts administered by the Bureau of Human Resources, Benefits and Wellness office effective July 1, 2014 through June 30, 2019 (Ordinance; amend Contract Nos. 30000522, 30000523, 30000524, 30000525, 30000536 and 30000537) 10 minutes requested (Y-4; Saltzman absent)</p>	<p>186569</p>
<p>*443 Amend the City of Portland Employee Benefits Program to reflect necessary plan design changes as recommended by the Labor Management Benefits Committee and as administratively required by Bureau of Human Resources for the City self-insured and insured plan offerings beginning July 1, 2014 (Ordinance) 10 minutes requested (Y-5)</p>	<p>186570</p>
<p>Commissioner Nick Fish Position No. 2 Bureau of Environmental Services</p>	
<p>444 Authorize a contract for construction of Middle Hillsdale Rainfall Derived Infiltration and Inflow Pilot Project No. E10512 for \$1,009,000 (Second Reading Agenda 403) (Y-5)</p>	<p>186571</p>
<p>Water Bureau</p>	
<p>445 Amend contract with Black & Veatch Corporation to increase compensation and scope of work for Bull Run Dam No. 2 Tower Improvements in the amount of \$395,477 (Second Reading Agenda 405; amend Contract No. 37587) (Y-5)</p>	<p>186572</p>
<p>446 Authorize an Intergovernmental Agreement with Multnomah County in the amount of \$300,000 to administer the Water/Sewer Enhanced Fixture Repair Program (Second Reading Agenda 413) (Y-5)</p>	<p>186573</p>

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<p>447 Authorize an Intergovernmental Agreement with Multnomah County in the amount of \$400,000 for administration of eligibility verification for Water/Sewer Bill Discount and Crisis Assistance Program (Second Reading Agenda 414) (Y-5)</p>	<p>186574</p>
<p style="text-align: center;">Commissioner Steve Novick Position No. 4 Bureau of Transportation</p> <p>448 Revise Disabled Person Parking Code (Second Reading Agenda 396; amend Code Chapters 16.20 and 16.90) (Y-5)</p>	<p>186575</p>
<p>449 Create a local improvement district to construct a mast arm traffic signal at the N Vancouver Ave and Cook St intersection and to realign the eastbound lanes of N Cook St east of the Interstate 405 off-ramp in the N Vancouver Ave and Cook St Local Improvement District (Second Reading Agenda 415; C-10047) (Y-5)</p>	<p>186576</p>

At 1:16 p.m., Council adjourned.

<p style="text-align: center;"><u>WEDNESDAY, 2:00 PM, MAY 14, 2014</u> DUE TO LACK OF AN AGENDA THERE WAS NO MEETING</p>	
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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.

May 14, 2014
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.

MAY 14, 2014 9:30 AM

Hales: Good morning, everyone, and welcome to the May 14th meeting of the Portland City Council.

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

Hales: Just some ground rules first. Want to welcome everyone here this morning. If you are coming to speak on a regular council calendar item, when you come up, give us your name. You don't have to give your address or phone number. If you are a lobbyist representing an organization, let us know that and what organization you're lobbying for. Everyone is typically given three minutes to speak, unless there's some other arrangement. Please testify to the matter at hand. If you're coming up on a water item, talk about the water item. If you have support or concerns about what's being said at the podium by your fellow citizens, feel free to thumbs up or thumbs down, but no vocal demonstrations, please, so everybody can have their say. Disruptive behavior is not tolerated, and you will be asked to leave. If you have any handouts, please give them to Karla, our clerk, and she'll distribute them. So, thank you all for coming today. Before we get into the regular calendar, we have a proclamation this morning. I will turn to Commissioner Fish.

Fish: Thank you, Mayor. Today, we are going to celebrate small business week with a proclamation, and I'm going to invite our two honored guests forward. First, Heather Hoell, who is the executive director from Venture Portland. And the second is Hilda Stevens, who runs a business called Bazi Bierbrassiere in the Hawthorne district -- and maybe, next to Martha Pellegrino, the biggest fan of the Portland Thorns.

Fritz: Excuse me. [laughter]

Hales: Oh, we have a three-way fight for that.

Fish: Maybe the biggest fan outside this building. Would that satisfy my friend and colleague? [laughter] So, it is my honor this morning, on behalf of the mayor and the council, to read the following proclamation. And then we'll turn to both of you. Whereas, small businesses are the backbone of our local economy; and whereas, over 98% of Portland's neighborhood small businesses have five or fewer employees; and whereas, Portland ranks in the top 20 of large American cities for small business vitality; and whereas, 70 cents of every dollar that we spend stays in the local economy when we shop at a local small business; and whereas, Portland's small businesses create family wage jobs, boost our local economy, and strengthen our neighborhoods; and whereas, the city of Portland, Oregon celebrates the leadership of our champions for local small businesses, including Venture Portland, our business district associations, the city's Small Business Advisory Council, Voice for Oregon Innovation and Sustainability, our local chambers of commerce, Business Oregon, the Portland Development Commission, the Portland Business Alliance, and the Main Street Alliance of Oregon; and whereas, May 12th through May 16th, 2014 is national small business week; now, therefore, I, Mayor Charlie Hales, mayor of Portland, Oregon, the city of roses, do hereby proclaim May 12th through May 16th, 2014, as Portland celebrates small business week, and we urge the residents of our great city to observe this week by shopping local and supporting our small businesses now and throughout the year. Congratulations.

Hales: Good morning, welcome.

Heather Hoell: So thank you, Commissioner Fish, Mayor Hales. Commissioners, good morning. My name's Heather, I am the executive director of Venture Portland. As you all know, Venture

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Portland is the support system for the city's 50 neighborhood business districts, which together contain 19,000 businesses and provide 250,000 jobs. As 98% of those 19,000 businesses who have five or fewer employees know, in Portland, small is really big. Which is why for the entire month of May, Venture Portland is celebrating the small businesses that power Portland's economy. At Venture Portland, we know that the business of Portland is about more than just business. It's about people, neighborhoods, and culture, creating jobs and growing business, and connecting neighborhoods. And this week in particular, it's about celebrating small. So, city council and all Portlanders, I hope you'll join me and Commissioner Fish in supporting the small businesses that make Portland, Portland. And I have brought each of you one of our Portland celebrates small signs. These are popping up in small business windows across the city, and we would love to have you put them in your windows here in City Hall. Thank you.

Fish: So, Hilda, welcome. We're looking forward to hearing from you, and we hope you will put some shameless plugs in for your business so we know what you do, and particularly about a special beer that you sell.

Hilda Stevens: Yes, definitely. Thank you, Commissioners and Mayor, for having me here this morning. My name is Hilda Stevens, I'm the owner of Bazi Bierbrasserie on Hawthorne. I'm also the past president and existing board member for the Hawthorne Boulevard business association. So, it's a pleasure to be here this morning. I've lived in the neighborhood for 10 years. And after working for 15 years in the corporate life, I gave up that job to start my own business, which was always a passion of mine. And I couldn't have picked a better place to open up Bazi than the Hawthorne neighborhood. I think the Hawthorne neighborhood is very eclectic, it's unique, there's so many thriving businesses. But also as a community member, I think it's very important to support your local businesses. Because I do live in a neighborhood, I've seen what a thriving business community does to also a neighborhood, and that's something that's been very exciting for me as a business owner. Bazi opened in May of 2011. I decided to combine two of my passions, beer and soccer – which now happens to also be Portland's passions. So it's really exciting to own a Belgian beer soccer bar in the neighborhood. In the last three years, we'll be celebrating our three-year anniversary on May 27th. During that time, we've become very close supporters of the Portland Thorns, the Portland Timbers, and also the American Outlaws. And little did I know that my small bar on Hawthorne would become a place of soccer memorabilia. So, we have the Rose City Riveters, which are the supporting group of the Portland Thorns. Earlier in the year, they awarded us the banner that was signed by all the players after the national women's soccer league championship, which is really exciting. So now we have that on display at the bar. And this afternoon, we're going to be having Timber Joey as well as Commissioner Fish joining us, and so we're really excited about that. The game starts at 5:00. I'm hoping that some of you will be there to support us, on behalf of the Hawthorne Boulevard business association. Earlier in the year, I completed a grant as part of the MLS all-star week -- so, major league soccer -- and we were fortunate enough to get a grant from Venture Portland. We're going to be building nine miniature soccer courses along Hawthorne, so we're going to have nine businesses putting their creative minds together. Think putt-putt, but with soccer. That event is going to be held on August 3rd from 11:00 to 6:00pm. The website is live. The event is called kick, kick, score, and the website is kickkickscore.com. So, we encourage all of Portland to come to Hawthorne, go through the nine courses. We're going to have three different categories. It's very much a family-oriented event, which is a lot of what Bazi is about, too. Soccer is not just about for the older folks, but it's also for the youth and getting the youth involved at an early age. We're really excited about that event. From what I hear, it looks like Commissioner Nick Fish is actually going to take a stab at that course, we're going to build you a three-part course, so we're going to see how close to the goal we are.

Fish: Or my designee. [laughter] I have a ten-year-old who is quite a soccer player.

Stevens: Oh, perfect.

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Fish: I might let Chapin take the lead, but thank you. My colleagues saw the really nice profile about your business, and I believe you have a beer that is named for the Thorns?

Stevens: Yes. So, last fall, everybody -- have all of you been to a Portland Timber's game? I'm assuming so. You've heard a lot of the breweries have different beers names after the Timbers. So we have a Kick Axe beer, we also a Timber's Green and Gold kolsch. And last year, after the Portland Thorns brought us a trophy, I thought, how come the Thorns don't have their own beer? I'm lucky enough to have friends in the brewery business, so some of my friends at Lompoc Brewing allowed me to go over there and take over their brewery system, and we put together a recipe and created the Every Rose Has its Thorn IPA. We'll have that on today, so if you are there after work hours, hopefully you will join us for one of those, too.

Fish: Thank you.

Hales: Great. Thanks very much, and enjoy that soccer extravaganza.

Fish: The mayor and I have been committed through the MLS festivities to bring some of the benefits to the neighborhoods. Heather picked up on that in doing the small grant program. And I think that there's four different neighborhoods -- is that right, that will have soccer-themed events during MLS week?

Hoell: There will be many more neighborhoods than that, but we gave out four grants to Hawthorne, Overlook, University Park, and Parkrose. So, there will be Venture Portland grants-funded MLS soccer activities happening in those communities.

Fish: What's also cool, Mayor, is that Bayern Munich, which is one of the top teams in the world, will be practicing at the University of Portland and they will be doing some pop-up events, where players will show up at neighborhood beer places. There's a couple of games which will not be scheduled until it shows up as a pop-up event, and so we're trying to make sure that the benefits of this wonderful event extend to our neighborhoods. And Heather has been doing some really great work to that end, so thank you, Heather.

Hales: Excellent. Thank you very much for being here this morning. Any other comments?

Fritz: I can't be there today, but I'm sure my son and I will be back again.

Fish: Can we do a quick picture?

Hales: Yes, please. [photograph taken] Thanks very much. Let's move onto the regular calendar, please.

Item 419.

Hales: Mr. Walsh, come on up.

Joe Walsh: My name is Joe Walsh, and I represent individuals for justice. I come before you today to speak of corruption. Not the normal kind, but a more sinister kind of dishonesty, that being the lack of transparency by this body. Last week, we had a very short discussion concerning an ordinance that you will vote on today called the revised disabled person parking code. Or as we call it, let's make a buck off the backs of the disabled. This ordinance has nothing to do with fairness, nothing to do with revolving a problem, and has everything to do with greed. Greed is never a good thing. It makes your eyes squint. It makes your teeth rot. It makes your soul wander for eternity. To make money off the people who are walking with difficulty, people using walkers to get around, the blind, those like me on oxygen, must be the lowest that one can descend. It's a shame. We come not to plead before you, as we know that is a waste of our time. We come today to offer alternatives to your limited ability to do good. After only 10 minutes during one of our meetings, we came up with a number of alternatives to the money-producing action. From Mr. Lightning, grandfather in all the disabled permits and tighten up the rules for parking for new people requesting disabled permits. From Mr. Jose, enforce existing laws. If a person is misusing their disabled permit, take legal action against that person. From another, use all of the new money generated to repair the sidewalks and other city repairs that directly relate to the disabled. Number four, use warning notices for a period of one year. There are more, but my time is very limited here. I wish I could come up with more, but

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these suggestions are not about money. We give you no money, we just give you new ideas. We take great umbrage when we hear representatives use the word abuse. They are abusing the right to park free. How? Where? When are they doing that? The Oregonian showed us a video of car after car with disabled permits on them. That proves what? It only proves that there are cars with disabled permits on them. I could show you down the street right outside, a whole street with no permits on them. What does that show? It shows that there are cars without permits.

Hales: Joe, I need you to wrap up.

Walsh: In other words, your proof is nonexistent and only for show. I resent you demonizing people who have disabilities and remind you that the Americans with Disabilities Act is not a privilege. And I am fully prepared to file with the Department of Justice a complaint against you for violation of the act. Reasonable accommodations does not mean taking rights away, it means helping the disabled live the best that they can. Paying for parking downtown for the disabled is not reasonable. It was a gift to the community and should not be stolen.

Hales: Joe, you need to wrap up --

Walsh: You came with violence to remove Occupy, you came and stole from the homeless, and now you come for the disabled's money. Have you no shame? Have you no shame?

Hales: OK. Next, please.

Item 420.

Hales: Ms. Wells, come on up. Good morning.

Karen Wells: Good morning. Council, Mayor, you know my name. I'm with Community Energy Project, and we have been a long-standing partner and participant of the office of sustainability and development Fix It Fairs. You'll be getting a handout real quickly of the basic items of concern. Essentially, my comments are that the Fix It Fair is a wonderful use of resources. It is a venue that that gathers in a variety of communities. A major Portland is Portland Public Schools, and they provide the sites. This year the Fix It Fair was at Parkrose, Rosa Parks, and David Douglas. Essentially, Fix It Fair is a way for a common person of Portland to avoid the major crises of sustaining quality of life, quality options for recreation for stewardship of managing their limited resources. The venue has a variety of vendors that cross the spectrum from national parks, to weatherization, to health and awareness, bicycling, healthy food options, gardening -- you name it, and it covers it. It's a day event, it's no cost to participate, and the beauty of it all is that it brings in the young people. So the Fix It Fair has a way of cultivating the next crop of citizens which are environmentally educated, responsible, have an interest in sustainability, have an interest in green jobs. And this is something that we really need to pay attention to. We need to be telling our young people the importance of stewardship, the importance of using a dollar wisely. Think of it as, at a Fix It Fair, you give a dollar's worth of material, yet that dollar impacts five people, 10 people, the community. One person tells another person the good news -- [beeping] -- and I think that beep says I'm supposed to wrap up. I wanted to say also that I'm a product of Fix It Fair. I attended Fix It Fair way back in the day. As an attendee, I've taken my bike there to get repaired, I've taken my daughter there. Now she's 25. And now, I've come full circle where I am a community partner via Community Energy Project, and I provide education and awareness. So, I am a product of Fix It Fair, I'm proud of them, and please continue to fund Fix It Fair.

Hales: Thank you for coming, those are great events.

Fritz: How can community members find out when and where the next Fix It Fair is in their neighborhood?

Wells: Oftentimes, they can go to the website, and oftentimes they can call the City of Portland's office of sustainability and development. They could even call Community Energy Project and other partners that vend at the event, because they provide the information at least two months ahead of time to distribute to our families.

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Fritz: They could probably call 823-4000 and the city information folks could tell them. Could you tell us the website address?

Hales: I think it's under BPS.

*******:** Portlandoregon.gov/bps.

Fritz: Thank you very much.

Hales: Thanks. These are great events. I was at the one at David Douglas recently, and it was very well-attended. It's amazing how many of our nonprofit partners like your organization are there supporting this work, and huge turnout from citizens in the neighborhood.

Wells: Absolutely.

Hales: It was really great. And I signed up for green power for my house while there, so I was a participant as well as an observer.

Wells: Excellent, excellent. And you know, the kids come. And it's a safe place for them to come, and a safe place for them to experience the diversity of our communities. People who may be their neighbor or may be a neighbor across the way. And they also step up, and they do mentoring, they provide host activities. It's just a wonderful community-based event that really deserves the resources that lets it happen three times a year.

Hales: Good. Thank you very much.

Wells: Thank you.

Hales: Next, please.

Item 421.

Hales: Good morning. Come on up.

Mark Bradley: Good morning, folks. This is my second time here addressing this issue.

Hales: Welcome.

Bradley: There's a handout up here that I was hoping everybody would have.

Hales: She's got it for us.

Bradley: So, I'm going to piggy-back on some of those words that have been used. Stewardship, neighborhoods, quality of life, small business, environmentally educated, sustainability. I don't think that we're doing any of that as citizens when we're allowing oil companies to pump oil in the ground next to someone's house. The oil methods that are used are failed storage methods. I find people like you more when you admit your mistakes and you say, I made a mistake, and I'm going to be humble and cop to my mistake. Oil companies made a mistake 50, 60, 70 years ago when they put steel containers in the ground. They rust with water, we live in a rainforest. Water causes steel to rust. They rust from electricity, we live in a city. Electricity causes steel to rust. Get this: soil conducts electricity. Every single tank that's being served in this city right now has a chance to leak. There's 1600 discovered every year. We're allowing 1600 people to suffer equity loss and loss of their retirement funds. It's unspeakable to me how many people I talk to that are so sad because nobody is giving them information, and that they're having this done to them. We live in a city where -- that map depicts all of the leaking tanks in the half mile radius. We're going to add 300 or 400 more dots to that map every year if we don't just stop it right now. We can make jobs for the oil companies, we can make jobs for our people by putting the oil into an above ground tank or into a plastic container that's also petrochemical, so it keeps them selling their oil. The fact is, if we get out ahead of this, we create jobs, we stop loss of equity, we create better sales of homes, less word play. This is the most imperative issue if we're going to be considered a green city, and we're allowing people to destroy our environment daily. I go bike through Ladd's addition and I see somebody pumping 500 gallons of oil into the ground. It's going right under my office in Ladd's addition. It's just pooling up, and we're wondering why people have cancer. It's like, we're pumping volatile organics into our ground all over the city. I don't understand how it's allowed. It's just -- I work with sad people all the time, and it's such a serious issue. If you had a 150-year-old roof and it wasn't leaking, you wouldn't put a dish on it. You just cause it to leak. If you have a six-

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year-old steel container in the ground and you put a thousand pounds of fuel in it, you just caused it to leak. There are so many people experiencing hardship because of this, and I feel it's our duty to get in front of this and stop 1600 people every year. Do the math. What are 20,000 cleanups going to cost? 5000, 15,000 a piece? What about the 97221 and 97225 zip codes where all of that contamination is pooling up in Fanno Creek and Cedar Mill Creek and it's floating on the water? There's people being exposed to volatiles. They don't even know it. It's all over the city. I think it's the most important thing that we need to do if we are going to be a green city and be considered environmentally friendly, because that's not environmentally friendly.

Fish: Mr. Bradley, what is Dana Thompson Tanks and Soil?

Bradley: That's a small business. I work with Dana Thompson Tanks and Soil. I've been with Dana for about eight years now, but I've also worked for a bunch of our competitors. And you know, I support everybody in our industry, including my competitors. We're all doing good work where we're trying to clean up the environment. But we're allowing people to destroy the environment, and we shouldn't. We should prevent that from happening before it happens. It's inevitable that it's going to happen.

Fish: Does Dana Thompson sell the tanks you were describing?

Bradley: We buy our tanks from steel companies like ace tank and northwest pump, and we install 275-gallon above-ground tanks, but we also put petrochemical like plastic drums to use all above ground. We would never recommend anybody put a tank in the ground and pump oil next to their house. It's the most absurd behavior we can allow to happen in our city. And I find it unspeakable that I watch it happen every day. And it's mostly to rich people who own houses and they are renting it out and gaining income on the house, and they don't realize that the renters are just destroying their house pumping oil into the ground because they could care less and they are removed from the problem. It's like I said, I'm in the bad news business. There's no good news in this business, it's all sadness and despondency. And I feel like there's 20,000 people we could stop from being sad and losing money, and their retirement funds, and we could create jobs for people to be able to just -- right away, we could have jobs where everybody is putting tanks in above ground and the oil companies keep their business and they're still selling oil, which is a good source of heat, I don't want to knock it, you know what I mean? A lot of new oils are coming out, biofuels and stuff like that. Anyway, that's my sales pitch, and, you know, I don't really have anything to sell. It's out there happening to everyone, and I want it to happen to less people. I feel like we want to decommission tanks and stop the problem before it's a decommissioning and a cleanup. There's merging plumes where the water is going down the hill, and it's lifting up the contamination and spreading it into neighbor's yards. It's moving it into drinking water wells. It's incredible how many people have wells on the westside. Anyway, I want to say that steel companies and oil companies need to be humble and admit the mistake, that we're allowing them to put oil into a failed storage method. And I wish that we could help those people that are going to suffer hardship because of it, so that's why I'm here, to prevent hardship.

Hales: Appreciate you highlighting this. OK. Next one, please.

Item 422.

Hales: James, are you here? Apparently not. Let's move on.

Item 423.

Hales: Mary Ann's here. Come on up. Good morning.

Mary Ann Schwab: Good morning, Mayor Hales and Commissioners. My name is Mary Ann Schwab, inner southeast Sunnyside resident. I would respectfully request the city's public involvement principles, as well as the Office of Equity and Human Rights. Equity be adhered to as a principle and the development of public policy, rather than merely a token step begrudgingly undertaken during the process. With three minutes, I offer one reasoned example. When on April 22, the Planning and Sustainability commissioners hearing on short-term rentals where Airbnb --

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and is only one of nine people, I am not advertising them -- representatives were invited up to testify en masse and given ten minutes to discuss their platform. The neighborhood associations were not given the same courtesy. At the close of the public testimony, they voted to approve the final with only one negative vote by André Baugh. Chairman Baugh further stated that he was very concerned about how this amendment would impact long-term rental housing. I am concerned for how existing neighborhood watch will play out with bnb renters coming and going 24/7. The BIP inclusions and equity were compromised here. My question: why the rush on the RICAP six, number 12, number 13, number 14, for bnbs with one to two vendor short-term rentals. The short-term amendments allow by right short-term vacation rentals in single family residential neighborhoods, but many neighborhoods have not had the opportunity to review at the issues which have recently been raised, or comment on the Bureau of Planning and Sustainability's staff proposal. The public needs answers to the following. Need for liability insurance coverage, the lack of regulation, potential lack of enforcement, minimal application procedures. The city license fee won't pay for the required health and safety inspections, loss of on-street parking, decline in home values, potential for illegal activities, and lack of transparency. The PIP accountability was compromised here. As for how the noise control officer can respond to complaints and issue fines also needs review. Today, the noise control officer, Paul van Orden, does not have enough specificity in the current code to enable him in regulating loud voices between 10:00pm and 7:00am. How will the families in our residential areas be able to keep their neighborhoods quiet in the evenings if the city allows bed and breakfast operators to open commercial businesses 24/7 up and down the street? The BIB good quality process design and implementations were compromised here. In closing, I am asking city council to adhere to the public involvement principles on the issue before you now. I trust you will follow the spirit of the public involvement decisions prior to announcements and the initiatives rather than after the fact. Please involve us citizens in a timely matter, early in the process. You have a great network with the Office of Neighborhood Involvement, all of your land use and transportation committee chairs. We're here to assist but we need to be up front. The staff gave you their report last August, and it only just surfaced. I want to thank Afifa, in her memory, this is a great document. And for Mayor Hales coming back to the city, this has been put in place since you were last here. And Commissioner Steve Novick, I'm happy you think out of the box. We do have a couple things to talk about. But I just want to call this to your attention. It's a good document, as is the document for the Office of Equity and Human Rights. Both documents were spearheaded through Amanda Fritz, and I thank her for her efforts on this.

Hales: Thanks very much, appreciate it.

Schwab: One more quote. Robert McCullough says this is a case where the city of Portland should measure twice and cut once. We'll see you June 4th.

Hales: OK, thank you. We are ready to move to the consent calendar. I think we have one item that's been requested to be removed. And that is 434, right? Any others? Then let's please take a vote on the balance of the consent calendar.

Roll on consent calendar.

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

At 10:05 a.m., Council convened as City of Portland Budget Committee.

Item 424.

Hales: Good morning. [gavel pounded] I am convening the budget committee of the City of Portland for the purpose of receiving the budget message. Committee members received copies of the budget document yesterday. This budget is the product of months of work by the city council, by our citizen budget advisors, by bureaus, and the City Budget Office. My budget this year is our first

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stabilization budget after many years of cuts. We have about \$11.3 million in additional funding, and that's a little less than 3% of our total discretionary budget. I've included initiatives aimed at three investment priorities in this proposed budget: homeless and hunger, emergency preparedness, and complete neighborhoods. Other initiatives have also been addressed. For example, equity and services to our youth. This proposed budget includes \$2.3 million to address youth homelessness and build more units of affordable housing; it allocates \$1.3 million to improve community emergency notification and disaster preparedness; it includes \$2.0 million to expand Schools Uniting Neighborhoods, or our SUN program; the East Portland Action Plan, and other livability programs. This proposed budget supports youth in our community by including funding for Trimet bus passes, summer internships, the Earl Boyles early learning center, and the Black Male Achievement initiative. This budget addresses equity issues by funding the VOZ day laborers work center, SE Works, and the Diversity and Civic Leadership program. I've maintained a \$1 million innovation fund to continue to support start-up projects that will reduce the cost of providing city services over the long run. We've also maintained a \$3 million contingency fund consistent with this year's budget, designed for unforeseen costs and emergencies. I want to thank my colleagues on the council and everyone in the community who's participated so far in shaping this budget, and want to see if there are any questions or comments now from the council as budget committee before we close this hearing and move to our public hearing tomorrow night. Any questions from council as members of the budget committee? OK. Seeing none. Then this meeting is continued to Thursday, May 15th at 6:30pm here in council chambers, where we'll hear public testimony on the budget. We invite anyone who has an interest in the proposed budget to come and testify. I'll now reconvene as the city council and move on to the next item, please.

At 10:07 a.m., City of Portland Budget Committee adjourned.

At 10:08 a.m., Council convened as the Portland Development Commission Budget Committee.

Item 425.

Hales: I am now convening the Portland Development Commission Budget Committee for purposes of receiving the budget message. [gavel pounded] The budget committee members received copies of the budget yesterday, and I'm requesting that Gina Wiedrick call the roll.

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

Hales: So, I want to invite the leadership of the Portland Development Commission to present the proposed budget.

Scott Andrews: Well thank you, Commissioners. Good morning. It's going to be a warm day in Portland, so it's nice to be inside today, I think.

Hales: Tell us who you are, Scott.

Andrews: I'm Scott Andrews, I'm chairman of the Portland Development Commission, sorry. This budget really represents the stabilized operations at PDC. I think you know well that we have, over the last couple of years, tried to size the organization to meet the future revenue goals, and went through the last RIF this year, gone from 130 plus employees down to 95. We think we can maintain that over the next several years, given the TIF projections and other projections, but it has taken some time to work through the costs associated with downsizing it. But this budget actually reflects all of that, including the commissioners' goals at PDC to lower all the overhead and administrative costs by 30% over the last couple of years. As always, at this point of the year, this budget includes some big-ticket items that are being carried forward from last year's budget. That's one of the revisions that you would see from the last budget that we provided you, things like the Veterans Memorial Coliseum, which is now in the hands of OMF, and I know that they are doing some work to make a presentation to you later in the year and make a decision on. Convention Center hotel is moving along but obviously is not going happen in this fiscal year, we'll move into next. The PNCA

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and Daimler loans, they're agreed to and are going to happen but just not going to happen in this fiscal year, so they show up in the budget for next year. I might talk a second about what we have seen in terms of the revival of the real estate market. Over the last two years, there's been a remarkable recovery. It was recently reported that the city of Portland has the lowest office vacancy rate in the country. And we had already seen that we had one of the lowest apartment vacancy rates in the country. That means, I think, we're going to continue to see more projects, which is a good thing because it's more jobs and our staff is going to be busier dealing with requests for both help on projects, as well as, I think you will see several market rate sales of some land that we have an inventory over at the next year, the coming years, actually. And finally, my last piece is just to remind you that we, in the last two years, have restructured the budget advisory process, and you are going to hear from some of the citizens who have been involved in that revised process today. We now have the neighborhood economic development leadership group, which is over-seeing the budget process for the neighborhoods, and the central city budget advisory committee, with key stakeholders from the central city and business folks that are overseeing the urban part of the budget. So, thank you for overseeing our work today. We really appreciate the opportunity to get together with you regularly to update you on these things, so there shouldn't be any real surprises. I but will turn it over to Patrick Quinton, our executive director, to make the presentation.

Hales: Great. Thanks, Scott.

Patrick Quinton: Thank you, Chair Andrews. Good morning, Mayor Hales, Commissioners. I'm also joined by Kimberly Branam, who is the deputy director of PDC. And at some point you will probably hear from Tony Barnes, who is our budget officer, who's sitting there in the back. So, we're going to walk through the budget. Obviously, a very detailed budget, so we can't go through the line item by line item, but we're going to walk through the overall budget at a high level, and then we have summaries for each of the urban renewal areas, so we can talk through whatever questions you have. Yesterday, we delivered over the budget document to you, and once again, it's not always the easiest to work through, but when we get into the urban renewal area budgets, what -- really, the place to look for the line items is in the appendix, interestingly enough. So that appendix starts on page 111. So, when we get to the actual urban renewal summaries, if you want to dig into the line items, that's where the actual programmatic line items start. But just at a high level, as we've been talking over the past few months about our budget, there are some key changes. I think this has been one of one of the years with the biggest changes in our budget, certainly, in the time that I've been here. The first, most notably, is the River District. We have moved money around from our previous five-year forecast, and the biggest change was the focus of the existing River District resources on Old Town/Chinatown, and you heard informally about our emerging Old Town/Chinatown action plan. This will come to council in the next few months. But it really does take roughly \$50 million over the next five years and create opportunity funds for us to do work in Old Town/Chinatown and a subset of that actually is a pot of money that will set aside to explore some sort of pilot seismic program that we're working with the commissioner Novick on. The shift, obviously, moves money from other parts of the River District, and we'll talk about that in a second, but the post office project and the 10th and Yamhill line items are really the ones where you will see the biggest change. In Lents, Lents action plan, that comes to you at the end of the month. And I've been briefing some of you on that and so you will hear more about that, but the dollars are designed to support the implementation of that. Same thing is true on the central east side, we have once again, thought about, OK, the remaining life of the central east side and how do we want to spend the dollars that we have, and hopefully, the dollars that come out of the expanded central east side. On Interstate, I think it's been widely known that we are moving an additional \$20 million into affordable housing over the next five years, and so that required some, movement in our budget, and we can get into that. Fortunately, we've been able to do most of that by shifting around existing resources, but we are adding some borrowing over the next five years. And lastly, as you agreed last

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week, we are moving forward on the changes -- exploring changes to the urban renewal areas, and one of the most immediate impacts will be that we will have no new resources in the Willamette industrial urban renewal area. So we will begin to explore the end of life for that district. So, from a high level on the overall budget, we show you two slides. One a resource picture, where the money comes from. And the second one we'll show you in a second is how we spend the overall money. As we briefed you in previous budget presentations, we are -- the resources that we have for the coming year really are primarily from existing dollars that we have from previous borrowings, as well as what we call the de jour, the money that comes in on a regular basis and is kind of pay-as-you-go. So the current situation allows us to achieve our objectives in the coming year without of new borrowings. That's beginning fund balance, short-term debt, as you see on the pie chart here. We, obviously, have money coming from the City general fund and other sources, but the primary source of funds is either money we have or that comes in and pay-as-you-go. In terms of how this money will get spent, you can see that, once again, property redevelopment dominates our budget. A lot of that comes from big ticket items that, as the Chair mentioned, that they are carrying forward from previous years, but also new projects. When we go through the urban renewal area summaries, we can talk about where those dollars are going. But it's still remains the largest part of the budget. You can see business development, about \$25 million. Infrastructure, greatly reduced over previous years. A lot of that, again, is related to specific projects. This current year, we had money going to the light rail project. We don't have that this year, so it does vary and it includes park projects, as well as transportation projects. And we can talk about those on an urban renewal area basis. Housing, I think as we briefed you, the percentages is lower than what is the generally understood set-aside, and some of that is just differences from year to year, and so, we're in a down year in terms of actual housing projects. Some of that is from -- the size of the budget is not just TIF dollars, and so, when we have a chart, which walks through that. But just to -- the actual budget that PDC will have to spend is -- we have \$177 million. It's [indistinguishable] the housing as well, so it ends up being closer to \$150 million is really what PDC's expenditures are projected to be in the coming fiscal year. As we shared previously, this is the breakdown of the set-aside. I won't walk through it, but just a few reminders about how the set-aside policy works. It is a rolling calculation, so it's not a year by year calculation. And it rolls up, also, from URAs. And each URA has specific targets. So the goal is to achieve an overall 30%. It does results from decisions made on a URA by URA basis, and so you can see how we project to meet the set-side obligations and the remainder -- you know. I mean, there's life beyond 2018 and 2019 on the URAs, but this is when the bulk of the dollars will get spent, so you can see how we are tracking this right now.

Fish: Patrick, on this chart, does this incorporate the additional \$20 million for Interstate?

Quinton: It does. Yes, it does.

Fish: And it's clear that the additional \$20 million is covered by the legal parameters of the 30% set-aside?

Quinton: I think that remains to be seen right now exactly what type of projects, but, I think generally speaking, yes, but, we're still in conversations with Commissioner Saltzman and the housing bureau about what types of projects. So, we are going to begin the community process around how this money is spent, and so I think it remains to be seen exactly what types of projects and what geography that will serve. But it's generally designed to meet the goals of the set-aside.

Fish: That's -- I'm not sure I understand your answer. Either it is a 30% set aside expenditure or it is not.

Quinton: I think we're counting it right now --

Fish: Counting it as?

Quinton: Set-aside in the calculation. But I want to point out that we're about to embark on a process talking to the community about how the dollars, you know, how they want to see the dollars spent. And I think it could result in some dollars going into mixed-use projects. So, we're trying to

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figure out how best to accomplish what will be heard from the community conversations around the need for more housing dollars in north and northeast Portland.

Fish: So now, I'm thoroughly confused. We have a 30% set aside policy with clear guidelines. And they have city-wide expectations, and district expectations. Are you saying to us that through a community process, we may choose to spend this money in a way that is not consistent with the 30% guidelines?

Quinton: I think it's possible, although I'm not necessarily predicting it that it may not be 100% of the 20 million goes into zero to 60%, as defined by the set-aside. It may be. It's just that when we have had conversations with the community representatives, there doesn't seem to be a clear answer yet as to whether the housing need that we're trying to address is zero to 30, 30 to 60, 60 to 80. So, I think that there is that. And I also think there's a strong desire to have specific catalytic projects happen that are mixed-use projects in specific locations. And so whether the dollars are 100% housing or whether they support, you know, community centers or retail or something along on a first floor. So I think that's where it's still an unknown about whether it's 100% of the dollars or whether it's 85% of the dollars. So, I think that that's what comes out of it. My prediction would be, it all would be eligible but I don't want to presume what the community process is.

Fish: But, with all due respect, I don't think a community process trumps the city council policy. What I've heard loud and clear from the community is they want to, it targeted to zero to 30, which may not be possible given the economics of this housing. But our current policy is zero to 60, and my understanding would be that if this housing is to be spent on something that doesn't fit within the 30% set-aside, which is something that community has held our feet to the fire on, you would come to the council for a change in policy and not do it through a community process.

Saltzman: I would come to the council with a change of policy if that, in fact, is the outcome of the community process. I think, as Patrick is saying, we don't want to prejudge the outcome, and if it requires coming to council for an exception to meet what the community's desires are with this additional \$20 million, I will do that.

Fish: Just to be clear, Dan, we've never done that. We have never gone to a community and said we're going to accept an exception to the 30% set-aside. We have taken lots of flak for adhering to the city-wide principles, so I think that it would be disingenuous to start a community process and to say that we're going to be open to all kinds of community suggestions, including mixed-use development, and to use housing dollars for a non-30% purpose, unless that is the intent of this money, in which case, we ought to be clear what the intent is. But my understanding was, it was a 30% set-aside money, and we've always considered 30% as a floor and not a ceiling.

Quinton: Once again, I do think there's a possibility that, if it comes out, let's say, some percentage of the money is requested to be spent on something other than zero to 60, it would not be counted as set-aside. So, instead of being at 44% or 47% by the end of the life of the district, we might be at 42%. So, I think that that's all we're talking about, is that it may not end up being, you know, a full count towards the set-aside, but it is meant to be addressing housing issues, and I think that we would like to hear -- confirm -- exactly how the community views it before presuming that all of it, all \$20 million, is counted towards the set-aside, Is a way I would put it. But, yeah, I don't see -- we're going to come back and talk about this. I don't think it's going to -- we're going to go off and spend the money, and most of it is programmed in future years, so it's going to be part of future budget conversations, exactly how this money is programmed.

Fish: I just -- again, I've had lots of briefings with people from PCRI, from lots of organizations, and their clear expectation is this money is going to address low-income families in their district, and they expect us to work with community-based organizations. And if we were going to open this up to a community conversation and come back and say we are doing something else, I just think we ought to be prepared for some backlash, because I think that the expectation is that this is going to be consistent with our guidelines.

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Hales: We are going to over-perform our housing goal by a considerable margin--

Fish: But Charlie, with all due respect, we've had that debate since the 30%. It is a floor. It is not over-performing, it has always been intended to be a floor, and we sometimes spend above it. It is simply a floor.

Hales: Oh, that's -- okay.

Quinton: And all the groups you've talked about are all included in a draft community process for this, so, I think we're going to have a conversation with all the organizations, plus additional stakeholders that you have mentioned.

Hales: Okay. Go on.

Quinton: So, I'm -- we'll go into the URA by URA descriptions. I just want to also show you from a high-level perspective how we view, programmatically, how we spend our dollars. It's a little bit of the same cuts as the pie chart, but it does talk about not just within our neighborhood expenditures, but how we spend it relative to things like community capacity building, or business growth, or commercial districts. And you can see on the traded sector side, we have things like our job growth versus entrepreneurship, so we do track it this way programmatically. Our URA cut of our budget is kind of one way of thinking about it. We try to think about things programmatically across URAs and both TIF and non-TIF dollars, and so this is how we break it apart. And you can see examples of how we kind of group together our different programmatic initiatives. Once again, these are more programmatic, they are kind of gray, distinctions as opposed to clear lines, but, it helps from an operational standpoint in how PDC organizes its work to think about it that way so we have a community capacity building and commercial district team that does this work collectively, so they are the ones that think about how to use these dollars most effectively. So, digging into the urban renewal areas, we have ordered these by what we think are the topics of most conversations, so they are not in alphabetical or geographical order, they are by most significant change. So starting with the River District, as I mentioned, the big change in the River District budget is the movement of significant dollar amounts from a number of different projects into what we call the Old Town action plan. If you take a look at the River District actual budget, you will see that much of this money resides now resides in a commercial redevelopment loan line item. It's now the biggest line item anywhere in our budget. And what that represents is our ability to do commercial real estate loans of all the different types, they can be basically equivalent to the long-term grant or equity type loans or they can be closer to market rate, but it gives us a dollars to take on 10, 12 catalytic projects within Old Town that would -- that we hope would unlock additional private investment throughout the neighborhood. It would, of course, address seismic issues as well. As our chair mentioned, we are carrying forward our PNCA loan, which has some expenditures this year, but the bulk of those dollars will go out next fiscal year. That project has already begun, and it represents one of our key initiatives within Old Town. It still retains money for Centennial Mills, we are actively working on a development agreement with Harsch properties on that project. We would expect to have a development agreement early next fiscal year on this project and be able to then make progress on that. And we would come back of course, with a presentation on that project. But the early signs are that we actually have a viable project finally, for the Centennial Mills that will accomplish the, all the objectives that we talked about. The --

Fritz: If we move on, I just have a process question. It seems to me that in previous years, we have received proposed budgets that have more of a breakout, rather than \$30 million. So, are we going to get that? Could we get that, please?

Quinton: Yeah, so the reason why it's structured this way is that in Old Town/Chinatown we have - - we might have three, four active projects right now, but we anticipate looking at another 10 projects. But we don't know which ones that they are. So that line item is a lending line item that allows us to respond to opportunities that come to us on particular projects, but they're not like

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PDC-owned properties or a post office or something, so, we don't really know exactly what the list of projects will look like in Old Town over the next five years.

Fritz: Right, but you've got that number, which is not a round 30 million, it's 30,570,000, and you got that by adding things up. So you mentioned the earthquake safety piece? It just seems that in previous years we have had more of a potential breakout even recognizing that things can change around. And as I'm looking through the other urban renewal districts, I am finding the same kind of summary rather than telling me what's in and what's considered out.

Quinton: We can get you the detail on how we rolled up to that number. It's part of the Old Town/Chinatown action plan kind of analysis that we have done and it includes estimates for the current projects in the pipeline, like PNCA, their loan dollars included in there, and we have some other active loans and then some opportunity funds. So we can get you that detail on how we arrived at those numbers.

Fritz: I would like that for all of the URAs, please.

Quinton: Okay. Most of the URAs don't have the same estimate of projects for this number. It's the -- generally, we project and round numbers how much in loan volume we might get. In Old Town, we can get you that because we actually do have both projects and projections that allow us to get to those numbers.

Fish: Patrick, on the reduction in the amounts set aside for the post office, on the assumption that in our lifetime the post office moves to the airport and frees up that site, is there -- what is the practical impact of having half the available dollars for that project? How might that impact our ability to facilitate the relocation?

Quinton: I think it reflects a different model for how the project would happen. The old model was PDC buys it, and we own it, and we may take some steps to make it more development ready, and find either a developer or a user or a combination of users who would come in, and we would do individual projects with them. This number reflects working with the third party who would basically take the lead on finding the post office a new home, constructing that new home, and then in exchange, they would get the post office property and cover whatever difference there was in value. And our 30 million would be there to either help make that transaction happen, and/or build out some of the infrastructure needed to make it development-ready. So, really, the difference is we don't -- we aren't part of the transaction of the sale of the post office property. This dollar amount reflects our investment in making development happen on the site. That scenario, particularly as the chair mentioned, with the uptick in the real estate markets, we think is quite realistic, that we would have enough development interests to step out of the middle of that, of the ownership on that.

Fish: And does this budget summary net out the money that we're giving to the county to build a new health department building?

Quinton: That money is presumed to go out this year. When you look at 2013 and 2014 in the left column, that's the 26.9 million.

Fish: That's on the back side of Bud Clark Commons?

Quinton: Yes.

Fish: Do you see, given the prospect of new development there, and the 511 building, do you see in the near term an opportunity to develop the site you own to the east of the 511 building?

Quinton: Yes, absolutely. Once again, we have a lot of interest in the downtown properties we own. That's certainly a property that has interest. I think that we probably will expedite our putting the property out for bid, but I think that we want to see what happens both with the 511 building coming online as well as the county building to see what type of uses we're looking for. And I imagine it would be something complementary to both PNCA and the other activities that are round there.

Fritz: So, Mayor, as a process question, the public gets to testify today. Is there another opportunity for the public to testify on the Portland Development Commission budget?

Hales: At the board meeting. Right?

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Quinton: Yeah, so we have two more board meetings. Our PDC board meets the first week of June and the board meets again on the last week of June to approve the budget assuming it gets approved by council. And council votes on the -- two weeks from today.

Fritz: I think you may need to schedule another -- continue this hearing, because in previous years there's been a listing of the potential projects for each of the urban renewal districts. I don't -- you are going to get me the information, but, we have to get the information to the public so that they know whether that is the right number.

Andrews: I'm wondering if you are looking at the right document. Because the financial summary that's in the appendix is very similar to what we have provided you in the past on a project by project basis where there are actually projects in place.

Fritz: Okay.

Andrew: That's what Patrick was saying. And I'll tell you, we start this process in January. It seems like we finish a budget, we start it all over again just a couple months later. Actually, we talk about it at the commission level as early as September. And there are several commission meetings where presentations are made, and there are opportunities for communities to come and testify in front of us. So, I can think of at least two occasions where we have had neighborhood or interested parties come to the commission meetings as we were discussing putting this together. In addition, and you will be hearing from them today, we have the neighborhood advisory group, which has gone through this in detail and has approved it -- you know, made their suggestions, approved it, and also the central city group, that have done that. So, there have been quite a few opportunities, actually, for folks to take a look at this and come in front of our commission and, and comment on it.

Fritz: Thank you, that's helpful for you to direct my attention to the back of the pamphlet. As you know, I just got this yesterday, so I haven't had -- when was it published for the community?

Quinton: So this version of the River District budget is the same -- is basically the same budget that's been out there since we published it the first week of February when we provided it for the council.

Fritz: Thank you.

Quinton: So, the one URA budget that's had the most change from that time is the Interstate budget. And that's a result of the \$20 million. But pretty much every other URA budget you are looking at is what's been out there since the first week of February.

Fritz: And then we're having the public process to look at the changes in the Macadam district and possibly the central east side. So we would be accepting the budget or adopting the budget as it is now, and then there would be changes as a result of that process?

Quinton: Yes, I probably should have clarified that up front. None of the proposed urban renewal area changes impact the 2014-15 budget that you're looking at or approving. The forecast is just a forecast. Nobody approves the forecast. It's just mainly for -- to have it in the public so people can anticipate projects that have more than one year attached to them. So, there really isn't any changes associated with that. The [indistinguishable] budget is probably the one that does, and it's reflecting that we're not getting any resources, but typically we haven't spent the money, so, there isn't really any impact there. But, the resources aren't different in River District or in the other impacted districts.

Fritz: Thank you.

Andrews: And we tried to tell you the other key changes are just the carry-forwards. Because in February, we're not sure -- we wouldn't be sure that PNCA would not go out in this fiscal year, so we wait to this point to be accurate and get it out of last year's budget into this year's budget. Those are the projects that move forward.

Quinton: And to the other piece of information, in this big line item, the commercial real estate line item that is at \$31.5 million for next year in River District, 13 of that is the PNCA loans. That's roughly \$20 million of different loans. 13 of it, we anticipate will go out in 2014 and 2015. The rest

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is programmed as opportunity funds. We have two projects in the pipeline I think are totaling maybe \$10 plus million, but the rest of it is really all speculative and kind of an estimate of loan volume, and in the future years, as well. Before I move on to the next URA, I want to point out that we have the Union Station listed here. We continue to work on Union Station, but it remains a significant, I don't know if liability is the right word, but we own it, and it has significant deferred maintenance, so we will continue to try and find resources for that project. Right now, we have money from the federal government that we're matched -- that we have some contribution, and it's mainly around the engineering, kind of planning and engineering for the renovation of the facility but does not include money for any of the renovation work. Next urban renewal area, just because it's related to the Old Town/Chinatown work is Downtown Waterfront. Downtown waterfront, as you know, is a closed out urban renewal area. Before I go further let me give you the page. That's page 117 in the budget book. So, we're showing about 13 million resources. What's left in Downtown Waterfront is really money that is remaining proceeds from previous bond sales, as well as any kind of land sales and repayments of loans, that kind of thing. Much of this money is focused on Old Town/Chinatown, as well. That's kind of the remaining piece of Downtown Waterfront, and so we have \$6 million programmed in for loans there. That's a round number, that's mainly a forecast for what the loan volume would be. We do have property like Adell in the downtown waterfront that's the property next to the OCOM building that is scheduled to sell and have a development on that. So those would be resources that would come back into Downtown Waterfront for us to do additional deals. It should be noted that I think the property for the next start-up PDX challenge is in downtown waterfront in the, in the Skidmore area, as well.

Fish: Andrew, excuse me -- Andrew? Patrick. Excuse me. Long week. Any update on third note?

Quinton: Not on third note. We continue to explore options with the party that he have the obligation to. We haven't been able to any progress on closing out that obligation, so we are looking at potential uses for the property, but any uses would involve us building a building the minimum amount of parking required there. So, that's still an open question.

Fish: Is there market interest in that site?

Quinton: It's a difficult site with the obligation on it. My guess is that if we were to go out within the next year with a fairly generous offer for it, we probably could find interest. But it would probably be revived conversations from the past about what it's worth. If recall, 20 years ago, we put it out and it was worth less than zero and it might be if we wanted to dispose of the property, we would have to propose a similar deal. But we're not there yet. The other property in downtown waterfront that will go out shortly is 3rd and Taylor, we own, and that will go out for a competitive solicitation this month. We expect there to be significant interest in that property. So, the next URA -- like I said, we're jumping around based on the level of interest -- is Interstate. I have talked a bit about Interstate, but can dig it into a bit more. Interstate is -- let's see. Make sure that I go the right page here. 122. As I mentioned -- the movement of the \$20 million into the housing line item required us to shift around resources from our previous forecasts. The bulk of that came from our business finance line item. So we've had opportunity funds in our business lending line item. And so, that's roughly \$6 million, is what's being shifted out of that line item. We have also shifted money out of reduced money in two different streetscape projects. So Commissioner Fritz, you and I talked yesterday, and I have more updated information on this, so I just -- it's not exactly what I reported yesterday. There is roughly \$3 million that have come out of what was an \$8 million -- \$8 million worth of infrastructure work on both Killingsworth and Lombard. So that's going towards the \$20 million. We also have a reduction in our grant programs, so we used to have 8.5 but now we're down to \$6 million in grant programs. And then there is additional resources that we brought to the URA as well as reduction in over [indistinguishable] that gets us to the \$20 million number. We would have the ability to move more money forward -- to borrow more money is the more technical way to talk about it -- if we see needs arise, particularly on the business finance side or the

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commercial real estate side. So, this is mainly to get our forecast at balance. But for next year, I think that we have all our priorities funded, and we can return to this question in the budget next cycle and, you know, consistently reevaluate what the priorities are for the district. But we do have borrowing capacity within Interstate, so, it's not -- we're not without options should needs change or things accelerate.

Fritz: Since we don't have an urban renewal committee in Interstate anymore, who -- which groups have you reviewed the proposed shifting infrastructure?

Kimberly Branam: Good morning, Commissioner. So, we convened some long-time stakeholders. So people who sat on the urban renewal advisory committees when we first came out with basically an unbalanced budget, to just say that this is, with the additional \$20 million, here's some of the decisions that we could make. So Walter Valenta and Sheila Holden and Steve Rupert -- people who have been involved for a long time -- and they provided us some input and then we took it to our neighborhood economic development budget advisory committee, and they provided additional input as well. So, what you will hear today from our advisors is, I think, that they are comfortable with where we are, but that they are comforted by the fact that we could bring additional resources if there are other projects.

Fritz: Thank you.

Quinton: So, you can see it on the slide, some of the priorities as we go forward in the coming year in Interstate includes as the chair mentioned, are finishing out the Daimler loan, Daimler is moving forward on that project, quite excited about that. And we're completing Dawson Park, there will be remaining expenditures on Dawson Park. Some of the streetscape work I mentioned, we will hopefully be moving forward on the project that we call MLK south but is the Trader Joe's property, but we believe that there is likely to be a development happen there, and we anticipate making an investment in support of local businesses in that project in addition to the investment of the land, so that's why it's a budget item. And then we continue to work with a group of long-term property owners in north and northeast Portland. These are individuals and organizations that have owned property for years and we're providing assistance and potentially some capital to help them to redevelop their properties and retain ownership of that and benefit from what's happening in north and northeast Portland. The next URA is -- we have the Convention Center URA paired up with this because of the discussion around the shift of affordable housing dollars and the Convention Center. So, we have talked about the \$20 million increase in the Interstate URA. On the Convention Center side, we are actively talking with Commissioner Saltzman and the Portland Housing Bureau about a corresponding shift of both resources and property back -- from the affordable housing side back into the redevelopment side. The logic behind that has been that given the redraw of the map of the Convention Center urban renewal area, we took out many of the opportunity areas that, I think, were targeted for affordable housing, and they moved it to Interstate and so, the opportunities within the convention center urban renewal area are much fewer as a result, and so the dollars have been more challenging to get out. And I know that the Portland Housing Bureau has been actively working on different ways to get those dollars out there, and so, I do think this is something we're trying to figure out what the right use of the dollars is.

Saltzman: This is probably the appropriate point to go on the record, I want to say that, you know, speaking as commissioner-in-charge of the housing bureau, we are not necessarily agreed at this point to transfer set-aside, housing set-aside resources from OCC to commercial activities. We are OK with the property transfer, but not OK with the \$6 million. So, is that shown anywhere in your budget?

Quinton: So this budget, the Oregon Convention Center budget does reflect this transfer of the \$6 million. So there is the opportunity to change that before the budget gets finalized once again, let me help you get caught up here on this.

Saltzman: Is that on page 116?

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Quinton: Yeah.

Saltzman: Under general, there is a \$6 million line item. So that reflects a transfer from housing to general.

Quinton: Yeah.

Saltzman: So I guess I'm not prepared to support that at this point. So what do I need to do to correct that?

Quinton: I think we will take direction from council on that, so before we finalize the budget--

Saltzman: That will be an amendment to be offered at the next meeting, or to be offered today?

Quinton: Yeah, we would -- whatever council directs us to do today, we can go back and can make changes to the budget that gets presented -- for your vote on the 28th.

Saltzman: I think, there's been a lot of change in the OCC in terms of housing development, American Assets Trust being the most noteworthy development, and they are contemplating a phase two development, and I have had conversations with them about making some of phase two affordable so that \$6 million of housing set-aside in the OCC area could be a possible way to help secure that affordability in their phase two development. That's one example of possible opportunities for affordable housing within that.

Quinton: OK.

Fish: As the former housing commissioner, let me support Commissioner Saltzman's proposal, but let me also add that if, at some point, a portion of the set-aside does migrate to interstate, it would be my position -- if it nets out that way -- it would be my position that that is set-aside money and not money for some other purpose. So, I prefer it stay in this district but if it does migrate and net out, that's clearly, in my judgment, set-aside money.

Quinton: So, once again, happy to take direction from council. Just to put it out there, what we're facing at the Convention Center is a closed district, finite resources. So the last remaining debt has been issued, and we're now looking at some projects that are still left to be completed, the most notable one is the Veteran's Memorial Coliseum. Right now we have \$20 million budgeted that's carrying forward, once again, OMF is taking another look at that project. I think that by all accounts, more people are saying, even with the investment of the Winterhawks, we don't have enough money to make the facility what people think it should be to have it be a useful life. So, it's likely that the City will be looking at an additional investment for that project. So, that's just one potential use of the dollars, and frankly, I think the City would have to think about where those additional dollars come from if they don't come from tax increment financing. And the second thing is, we do have the potential for mixed-use projects in the Convention Center. I think that we all can picture the landscape around the Convention Center, a lot of vacant properties, PDC owns a number of them. So there are opportunities for additional mixed-use projects that could accomplish both objectives, redevelopment objectives as well as affordable housing objectives. So it's, you know, I think we're not -- it's not meant to be a hard either/or line. It's trying to figure out, given the remaining needs of the district, how best to use the remaining dollars of the district, and that's the proposal that we have out there. So, I just wanted to --

Fish: Patrick, if you were to follow Commissioner Saltzman's lead and maintain this as a line item, at what point would you be coming back to us saying, that you may have a hole in the coliseum financing?

Quinton: The process is really in OMF's hands, so probably three to six--

Hales: We already do have a hole, it's just a question of how big it is.

Quinton: Right.

Hales: We know that we don't have --

Fish: Wait, but there's no deal. There's no proposal.

Hales: Right, there's no proposal. But we have not seen a scenario that anyone thinks is compelling, using the resources that we have now. Almost anyone.

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Quinton: It could be an issue in which we leave the money as is, maybe put it in 15-16, and come back and council can have the conversation when it knows really what its financial obligation or the likely financial obligation is on the Veteran's Memorial Coliseum and then make the decision at that time. I don't know that there is a project pending, and maybe the AAT opportunity will happen quickly, so that will be a need that the other \$7 million that's programmed in the affordable housing side, I don't know the timeline of that, it may be that money isn't going to go in 14-15. It could be that this is a conversation that we can have at a later date when we have a better information on the needs of the coliseum. So now moving to Lents. Before I go ahead, let me give you the right page number. Page 124. I think that we're moving from the URAs where we really moved the money around and there's been some significant conversations about priorities to a URA where we really have a lot going on across the board. I think that the thing to point out is that with the Lents action plan, we really focused our redevelopment activities around the Lents town center. So, those of you who have received our briefing on it can picture the map of the Lents urban renewal area. So, the redevelopment work is really mainly in the Lents town center, so the projects that we will be moving forward, whether they are properties that PDC owns, and we own quite a few, or other properties, it's in Lents town center with some of it focused on the area around 72nd and Foster, right around where the Portland Mercado is located. And that's another project that we will be moving forward in the coming year. In addition to the redevelopment work, we continued to have infrastructure works, mainly streetscape, sidewalk, and safety improvements, both on the west Foster corridor, so the area west of Lents town center, as well as additional work on 122nd. So this will come together all more clearly when we come to the council at the end of May with the Lents action plan. But much of what you see here is, is in support of that plan. And primarily, the redevelopment plan. Any questions on Lents?

Fish: I look at page 124, and it looks like there is very, very little money available even through 18-19 for affordable housing rentals. So there's home repair, home buyer, these are consistent with the priorities. But, it's really not until 16-17, you have 350, so that's fairly constrained, I would say.

Quinton: Yeah, I think the breakdown of the housing dollars is really -- we take direction from PHB on how they have the dollars programmed. I'm just looking back on the set-aside calculation for Lents, and while I know that we have the floor ceiling conversation, we've been trending well above 30% in Lents and so, there is a little bit of catchup on the redevelopment side that's going on in terms of the total resource picture for the set-aside.

Hales: Other questions about Lents? OK.

Quinton: So next, the central east side. The central east side is one of our more constrained URAs in terms of resources. With the potential expansion, and we would stretch out the resource picture, but it doesn't fundamentally change the annual resource picture in the central east side. Now, we're talking about page 113. So the work that's happening in the central east side, we're completing the Burnside bridgehead redevelopment. Our expenditure is primarily done on that part. This is the build out of the parcels that we've owned, and we have active projects in all of those parcels. Those property sales will result in resources coming back into the district to allow us to put that into other projects. And like I said, in a resource constrained URA like this one, this is -- it's important to get money back from some of these properties. One of the main areas that we're looking at is the acquisition of the ODOT blocks. We continue to work constructively with ODOT, and I think we would hope that by the end of the year, we could complete that acquisition. So, that plan there is for PDC to buy those properties and then pursue redevelopment on the portion of the properties that are -- that can be developed on. So that would be the most significant use of dollars in the central east side. If you look on the first page, 113, moving down near the bottom, you can see the \$5 million line item, and that represents the ODOT blocks and the dollars that we would need to put into there and potentially to begin some kind of redevelopment on that site. We are actively working on, I think, as you probably know, on the area right next to the expansion area, and hopefully soon around

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the redevelopment possibilities that can happen as a result of the new light rail line. So, we're working with our bureau colleagues, including the fire bureau around the potential redevelopment of their training site. But, there's a lot of different opportunity areas within there. Right now, it's mainly the master planning, but I think pretty quickly, hopefully, within the next year, we'll be talking about actual projects within that part of the district.

Novick: Patrick, could you just hold forth for a minute on the question, when you have light rail lines going in and stations, won't there be all sorts of incentive for private developers to step up and develop the heck out of that area? So, why would we need public funds to assist with development around light rail stations?

Quinton: I think the main -- and I'm sure other folks have an opinion on it, so I'll just start -- I'm looking right at the mayor. I think the main thing, if we look historically at how it's happened elsewhere, is to attract the kind of development that we want to see happen. And we want dense development that really takes advantage of the presence of light rail. We don't want it to just be kind of the first development that can happen there, or kind of the lowest use for those properties. So I think that's the main reason why you do that, so you set the stage for denser development. The unique twist on the central east side is we actually want it to be a jobs district and the zoning, the update to the plan will I think basically confirm that. There might be some flexibility around the transit station. We might need to put dollars to work to get the kind of development that we want to support the industrial firms that are there or other kind of small firms that are there. If we left it to its own and we didn't have those kind of zoning controls, we might just see a lot of residential development and price appreciation and then it would begin to change the character in the district. So I think our dollars, from a strategic standpoint, might go in to helping maintain some of that badly needed industrial space around the transit centers. There's other projects -- I know that Parks is thinking about how they're around the transit center. So, there could be other opportunities that would make use of our money.

Novick: Thank you. I figured that was the answer, but I thought it's worth mentioning in this public forum.

Quinton: And the fire bureau side has some, you know, we have to kind of re-establish the grid, there are some infrastructure issues. So there are some technical things we need fix.

Hales: Yeah, the infrastructure issue is another thing there. It's got the infrastructure of an old industrial district, and that's not what it is going to be. So not only do we get the kind of development that we want, but what public goods do we want out of this redevelopment, and how much are we willing to put in in public funds to get public goods? Whether it is street trees or a community center or whatever, and so those are open questions, but it's not just that we have to subsidize deals to make them happen in the hottest place in the city, but what -- how do we get what we want for the community?

Quinton: Right.

Fish: If I could follow-up on that. My recollection, Patrick, is that we've never really spent a lot of time developing the framework for how we want to develop these sites on Portland, Milwaukie light rail, is that fair?

Hales: Doing it now.

Quinton: Yeah, certainly not, no.

Fish: Now, the horse has left the barn, a lot of the dirt's been turned over two or three times because people -- I'm talking about five years ago when this was birth, and we could anticipate. So now the dirt is more expensive. There is a lot of speculation going on. How, at this late date, do we make sure that we have a set of values guiding a framework? For example, we can be opportunistic and look at dense and certain kinds of jobs, but we might also might say, we want to make sure that there's a certain stock of housing, and it may be work force, it may be something else. But we want that adjacent to a transit stop because that will encourage people not to have a car, and we want

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certain kinds of jobs that are compatible with that. I can see us being very opportunistic here, but I -- it would be helpful for me to have a framework for thinking about how we do this. Is there a framework we can point to?

Andrews: You know, we had an interesting meeting with Planning and Sustainability about a month ago. The two boards got together, and it was an opportunity to get to understand what each of us do and how we do it. And we focused on central east side and the potential expansion as kind of the project to use as the key. And they're really ahead of us in terms of the process. They are looking at this particular district and will come back to the City, obviously, with suggestions in terms of what you do from a transportation standpoint in terms of street parking, access, as well as the zoning questions. So, I think that is the forum where you get to shape what it is that you want to see in these particular districts. Until there's a modification, there's a bunch of that light rail that isn't in PDC urban renewal district, right, it's outside of it. I think that the first piece is to get that zoning piece, the planning piece in place.

Quinton: And central city plan is actively -- that's what they are going to address in this. So the southeast quadrant piece of that is an active conversation around it. The other thing is first Lincoln station is the double tree side -- University Place. PSU controls that. So we have an institutional partner with significant control over that traffic spot. The next stop is OMSI, significant institutional partner that controls what happens there. The third stop, the Clinton Street stop, is a little bit more disparate property ownership, but we have two major land owners between the City and Stacy and Witbeck, which owns the second half of this triangle. So I don't think the horse is completely out of the barn, because I think the fact that we have major land owners, and two of them are institutional partners gives us a chance -- I mean, OMSI is doing a master plan. It's a perfect chance to work with OMSI on what's the vision for everything around that stop? PSU, the agreement we have with PSU, the centerpiece of it how we plan around that station. So, I think we still have a lot of opportunity to impact what happens along that line.

Fish: I guess I just -- the part that feels different is we've been so intentional in the past around different parts of our plan. No net loss downtown, where we put our TOD program and other things. We're going to make the best judgments we can. But we don't have a framework that says our aspiration is this percentage of housing, this percentage of certain kinds of jobs or -- and so it is going to be -- and it's happening fairly late in the game, where we're now going to have second, third generation property owners, speculators, looking to leverage off of. And we didn't really have a chance five years ago to think about how we might change the zoning then to capitalize on it now. So it just, it feels -- and this is not a criticism, it's a lament.

Quinton: I think whenever you get the next brief on the central city plan, I think you should ask this question. They probably are addressing some of these, maybe not all of the issues, but I think they are addressing more than you might realize.

Fish: Are they bringing the housing bureau into the discussion --

Quinton: Yeah, I mean, they're part of the -- yeah, the central city plan is a -- yeah, I mean, all of the bureaus are involved. Housing question on the central east side is a big question. The OMSI and Clinton Street stations in particular, one of the fundamental questions they're trying to answer is, what is the role of housing in that development agenda there, so it's an active conversation that we're having.

Hales: I guess, as you know, we accelerated the planning process. We brought in the urban land institute, they're working with PDC, and the planning bureau, and transportation to fast track the planning questions. I don't have a lament yet, because the thing to lament in an urban renewal district is the underdevelopment that happens just before you get the plan done. That hasn't happened in this case, because it's still mostly zoned industrial. So no one built a dumb strip mall where we think we ought to have smart development. And those are the ones that we really kick ourselves for, and fortunately that's not happening here because we haven't gotten around to

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changing the zoning. Because we -- and we have -- yeah, you're right, we have a few speculators and flippers, but mostly we have long-term property owners who have held this property and are planning it. I have a much more sanguine view of this situation in that we are now doing the planning, and PDC and transportation and housing are involved, and nobody's put one brick on top of another yet.

Quinton: I think we should come back and present -- and whether it's the big plan or small slice within the southeast quadrant, and what the conversation is. Because it's touching on a lot of issues, and it's a pretty interesting conversation.

Fish: And I had a forum over the weekend at temple Beth Israel, and for some reason, the entire forum focused on transportation options. I wish Steve had been there so I could have been more thoughtful in my answers. But a lot of people saying things like, our system would work better if there was a place to park that's affordable, and then get on MAX or light rail. Obviously, other cities have put housing in high-density areas around such because that's another way of encouraging people to not have a car. So, as this thing unfolds, I think I'd be interested in knowing some of the framework questions, in addition to the opportunity questions.

Quinton: OK.

Hales: Good.

Quinton: Exciting area. I do think this part of the central east side is one of the great opportunities that we have for the city. We can move on to Gateway. I will get you that page number really quick here. 120. So, on Gateway, once again, a somewhat resources-constrained URA mainly because of its size. So we're trying to address things across a number of fronts. The main expenditure that we have programmed in Gateway, both next year and the year after is our investment in the new Gateway Park. So I know that's an exciting development in Gateway. What we're doing at the same time is we're embarking on a -- develop a strategy for the Halsey-Weidler corridor. You know, that's always been the spine of the neighborhood and I think we are trying to continue to figure out ways to further activate that corridor. But it does play into -- we were just talking with the mayor yesterday about how we think about the park and the commercial corridor interacting so that they support each other and create activity on the park, but that the park is part of the experience on the commercial district. So, that's active work as well. We -- additional infrastructure work, street construction. Obviously people know there is missing elements of the street grid in many parts of Gateway and so we continue to try to tackle that, one street at a time. We are actively -- we remain active in thinking about how to activate development around the transit center, and so we've had -- we're having conversations frequently about potential opportunities there. We still believe that there's a lot more development that can happen at that site. The next one is North Macadam.

Despite a lot of the recent conversation around North Macadam and the expansion and our ambitions for North Macadam, we are entering a phase where resources are limited. And, you know, a few years back we moved out of the phase in which we were borrowing ahead. We issued our first long-term debt. Now it's a much more controlled investment pattern in North Macadam. The main thing we're working on is try and move forward with a development agreement with the ZRZ, the Zidell family, on their parcel. And then planning for the infrastructure needed to support development on both their parcel as well as the OHSU parcel. So we're looking at the first major infrastructure project we will take on in that part of the district will be bond, the north-south street, part of the district, and then in out years tackling things like the gateway as well as helping push forward the reconfiguration of the southern end of south waterfront, we call the south portal. This does not have yet the -- any projections around the expansion area, the priorities for PSU. That will not be a part of this coming year's budget. If we get to the point where we amend the district in that way, then future budgets will begin to incorporate those priorities and those resources.

Fish: Looking at page 73, it looks like at least through 14-15, I can't tell beyond, there's virtually no money to address the additional 200 units of affordable housing we committed to. What is your

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current projection of when enough TIF is generated through new development and other activities that there is a pot that we can spend?

Quinton: For affordable housing? On the budget -- you said 73. I'm looking at 127. Just the -- it may be the same, but that is the North Macadam budget. The five-year forecast. The resources are quite minimal for the next three fiscal years. And in 17-18 and 18-19 is when we begin to have resources for affordable housing. Yeah.

Fish: Page 73 -- I see, 73 is the one-year snapshot. You're looking at the five. It's 17-18?

Quinton: Yeah.

Fish: Is that based on assumptions about development and TIF-generating activity? Or is that funded through another mechanism?

Quinton: It's mainly through our current assumptions about TIF generation.

Fish: So, for example, if we are fortunate enough to get the Knight center and other things in the district, it could change --

Quinton: Yeah. With North Macadam, it is always tricky. We cannot presume development that we do not know about when we do projections. We know some development occurred. So for the purpose of our forecast, I think we're conservative. I think we all hope that there will be more TIF available and we can run scenarios that assume all sorts of development happening on the Zidell site and OHSU. But for now, it's a fairly conservative set of assumptions. But when we think about it and map it out -- and this was an active part of our conversations with PSU -- we are really talking about what happens like five years from now. The next five years is still a pretty minimal set of activities. And if the new development comes online, then I think we see more money for affordable housing, we see more money for the PSU priorities, for Zidell priorities, and OHSU. But we are looking at kind of a dry period here, if you will, at North Mac. Education district. Because of the uncertainty around the district and the prospect of it closing down, we are just spending the resources coming in without issuing long-term debt. I think the priority that was communicated to us and that we're working on is to use most of the resources that we have to fund the streetcar realignment that has been long overdue. That is really where dollars are going. We have some dollars that are going to housing to help housing with some of the obligations that they have in that district, and anticipated the district being formed. There is some money flowing to housing during this time period. But for the most part, it's around streetcar. We will dispose of the Jasmine block as part of the PSU agreement, but that's -- we're going to be donating that property to them so it won't result in any new resources to the district.

Novick: Patrick, I would like to note that this realignment is a critical part of making the streetcar a much more reliable form of transportation. Right now, even along 10th and 11th, you pretty much don't know when the streetcar will show up. Next year after we do this work and close the loop, we should have a streetcar running on 10th and 11th every seven minutes. And the streetcar has been valuable as a development tool, but that will make it more valuable as an actual mode of transportation.

Quinton: This was long overdue, and it was tied in with the sustainability project. So it kind of got caught in that when that project ended. I'm glad we found a way to make this happen. And then the Neighborhood Prosperity Districts. We continue to exceed great progress within each of our districts. We don't have time to go into each of them individually. But I think, as you know, we spent the first couple of years focused on capacity-building each of the organizations. It turned out that each of the organizations in the districts was -- they created a new organization to manage the district and so that's taken time to build that capacity. They all have full-time district managers. You kind of have to experience each of the districts. I know that Commissioner Fritz was there. Mayor Hales at the 42nd event a few months back to experience that. That district manager, you see what the power, what that one staff person can do to help really organize a lot of volunteers and whatnot. So they really are having an impact, but we're just beginning to see that. They do have the ability to

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make small grants that can help with small district improvement initiatives. I will say that we are -- we continue to have to balance the funding each of the districts. In some districts, the TIF isn't coming online as projected. These are areas where development is really needed, and, so, we can't expect them to behave like downtown districts in terms of growth and assessed value. We can balance that with general fund resources, as well as other PDC resources, enterprise zone resources, where they match up with enterprise zone goals. It is -- it continues to be a balancing act to maintain the funding for the NPI districts.

Fish: I want to put a marker down on this and I have to talk to the mayor about my concern. You had a \$100,000 add package that is not in the proposed budget. And so my understanding is that you are looking to shift some budget around in your existing resources and take \$60,000 from Neighborhood Prosperity Initiative and \$40,000 from Greater Portland Inc., to fund Lents, MLK, and Old Town/Chinatown capacity-building. Now, put aside the question about whether the City might put general fund on the table to fund your add package, not currently funded and probably will not be funded. The question I have is what other options have you considered for funding this expansion, but not at the expense for existing funding for NPI and Greater Portland Inc.?

Branam: Well, we did consider reducing the number of main street districts. We did have a conversation about whether it made sense to sort of have a commensurate number and maintain eight districts. But in conversations with both Alberta and St. Johns, I think they felt like they still have an imperative to -- they would very much appreciate to continue to be in the network and I think the neighborhood economic development budget advisory committee recommended that we continue to work with these districts. So, that was where the decision or the recommendation to basically reduce all of the districts in terms of the staff capacity and technical assistance came from.

Fish: So I applaud your decision not to take the funds out of main street. Alberta is an example. I think that would cost them a position. But I'm not currently sold on taking a haircut for the Neighborhood Prosperity Initiative in Greater Portland Inc. I don't know where my colleagues are. What I would be interested in knowing what additional options we have to fund it assuming you don't get \$100,000 of general fund on your add package.

Quinton: I don't know that we have options to fully fund the work. We can look at creative ways to maybe help push along the main street type of work using TIF, but, you know, funding a district manager is not something that we can do with TIF. So we have limitations on that. There is that possibility. You know, I think we might be at a point where we need to start to look if there are other ways to fund this that don't involve City dollars, whether foundation support or something. I mean, I think we're at that point with these districts. You know, there's all different. The Old Town work is different than what we're trying to do in MLK and Lents. Old Town work might be something that is easier to fit into some of our redevelopment work. The work on MLK is completely -- it's organizing a main street type of effort for the first time. That's the one that is the purest main street type of work, and like I said, it is not TIF eligible.

Fish: What I would just say is that I'm prepared to explore with the mayor an alternative way of funding this. But I prefer to know from you what our options are. Following this hearing, if we could continue this discussion. I support the idea of expanding some of these programs but I have a real concern about doing it through albeit a modest cannibalization of existing programs. I think particularly in a growth and investment year, that is not the preferred approach. I would like to see us make the investments and not take money from one group to fund another. Unless you tell us that in doing so, there is no compromise on capacity and progress made in the NPIs. And what we're hearing is that the NPIs are actually a conspicuous success story. I'm loathe to start cutting if there is an alternative way to fund expansion.

Quinton: Yeah, and the NPIs still remain the ones that are most challenged in raising outside money. When you go to Rosewood and say organize this, Rosewood has -- or Parkrose, it is not easy

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for them to find outside money or to raise it locally from local businesses as well. So, I agree. We do not want to be taking support away from the NPIs.

Andrews: And I will tell you, I have agreed, staff is putting together a sponsorship program for the NPIs, and a list of obvious both corporate and semiprivate organizations to go after. And I have agreed to kind of lead that effort and make the phone calls to help make it happen. Because these guys have a hard time finding the money within their districts. You need somebody with a bigger sense of what's going on.

Fish: Yeah, and if we degrade their capacity for capacity-building, it might be counterproductive, and you might come back and say have us reconsider half of the general fund request matched throughout outside dollars or something. I just want to know what the options are before we adopt our budget so that the mayor and his colleagues can have that conversation.

Hales: We will follow up with you on that just as we will with you, Dan, on the \$6 million.

Quinton: The last topic which Commissioner Fish very artfully moved us into is general fund. We've talked to you before about our general fund budget. It really represents no change from the previous year. We had money that was basically deferred for one year, added back on the small business working capital site. That has been added back into our budget, and aside from that, it is basically the budget that we had last year. We've had some changes in how we're spending the dollars, which are shown here, but we continue to support the same programmatic activities on both the neighborhood side and trade and sector side as last year's budget. I don't know if there is anything you want to add on the general fund side. Any questions on the general fund?

Hales: All right. Any other questions overall before you wrap up?

Quinton: I guess I would ask for direction on our budget, whether it's now or prior to the 28th. We need to present a budget to you to vote on that reflects priorities and that would be the direction we're looking for on -- particularly on the Convention Center.

Hales: We've got a public hearing tomorrow night, of course. And before that we might want to follow up with each of the councilmembers who raised a question.

Quinton: I'm sorry.

Saltzman: I guess, you know, my preference is to put the \$6 million listed under general back into the housing set-aside. I don't know where or when I need to do that, but that certainly -- I want to say I'm not being rigid either. I understand if something gels with respect to the coliseum that really needs that money, I'm open to that, too. I also think that I want to keep it in play for potential affordable housing development in the Oregon Convention Center urban renewal area.

Quinton: I apologize. We have three people to testify from our budget -- two from the central city advisory committee, and one from our neighborhood group.

Hales: We will close out the presentation with the three of them and we will have a public hearing tomorrow night. Come on up. I believe we have Damien Hall, Helen Ying, and Johnathan Kalan here to speak to us. Appreciate your service as volunteers in developing this proposed budget. Who is on first?

Helen Ying: Well, good morning, I think I'm on first. Mayor and Commissioners. I'm Helen Ying, and I'm joined by Damian Hall, and we're going to make a few comments on behalf of the central city budget advisory committee. The PDC budget committee has met on four occasions since late 2013 to review the PDC 2014 and 15 work plan and budgets for the seven central city renewal areas. I understand you heard from other stakeholders last week at the urban renewal area resolution hearing, including community members Brian Newman with OHSU, and Debby Kitchin with the central east side. So as not to duplicate what you heard last week, Damien and I will focus on some of the broad considerations the committee outlined for the future of Portland's central city together with additional details about Old Town/Chinatown and Lloyd community priorities. The committee held a robust discussion regarding the future of Portland's central city, acknowledging that at times there may be tension between some of these recommendations. We jointly agree. PDC should invest

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in projects that have a return and can fund PDC activities going forward, especially in an age of limited tax increment financing. Balance economic development with place-making activities, continue to support job growth, especially in areas with unique job growth potential. Like the \$5 million proposed for the CES strategic sites investment. Consider clear criteria and limit the amount of time larger projects are carried over year to year without resolution. Leverage unique opportunities to support the central city as an economic hub for all Portlanders, including in Old Town/Chinatown, the US Post office site, at OMSI, and the ODOT blocks. And the OHSU Schnitzer campus with Knight Center -- with the Knight cancer challenge. Old Town/Chinatown, within the river district and downtown waterfront urban renewal areas, is poised today to shape the future of the city while acknowledging and preserving some of its earliest history. I am pleased to be here today presenting the perspective of three different tables, Old Town/Chinatown community association, Skidmore Old Town/Chinatown task force, and of course the PDC central city budget advisory committee. They all agree that the time is right and overdue for the city to invest in this neglected jewel to bring vitality and vibrancy to Old Town/Chinatown. And we support that approximately \$50 million in the near term and forecast resources included in the downtown waterfront and river district budgets. Recently, the community association held several special meetings to tackle the diverse perspectives on the five-year action plan and Old Town/Chinatown investment proposal that you see before you today. I believe you have received a letter that enthusiastically supports implementation of the PDC's five-year action plan. Our community is committed to keeping the momentum going and being a driving force to help implement and leverage the investment you see in the budget before you. The community association has already planned a retreat to be held on June 21st, to keep the work moving forward. As I said a year ago, when interviewed by the DJC, I said, I think all of the challenges that are in Old Town/Chinatown can be tackled. What we need is leadership, vision, funding, and people behind the work. If we can get all of those four things, we can make it happen, and of course, we need the political will from the City. Today I'm coming before you to ask for your support for the proposed budget that can help make it happen. Thank you for the opportunity to speak on behalf of the central city budget committee.

Hales: Thank you.

Damien Hall: Thank you, Helen. Mayor, members of council, my name is Damien Hall, also from the central city budget advisory committee. I'm picking up where Helen left off in the River District URA. I would like to touch on some of the projects, large-scale and long term projects outside of the Old Town/Chinatown area such as Centennial Mills, 10th and Yamhill, and the post office site. The budget committee agreed with PDC's proposal to prioritize near-term investment in Old Town/Chinatown as well as reduce the post office budget line item from \$60 to \$30 million. We also support PDC pursuing alternative partnership structure and creative solutions to leveraging redevelopment of the post office site. The budget committee acknowledged the opportunity that improved Centennial Mills offers and found that the 10th and Yamhill garage remains an opportunity to add vibrancy to Portland's retail core as a live, work, play district through redevelopment added housing to the block. With that in mind, the committee encourages PDC to identify a process to resolve or walk away from projects that involve multiple years of carryover and represent lost opportunity costs for other investments and activity. Moving on to the Lloyd district, I would like to turn to the Oregon Convention Center budget where strategic investment by the PDC can build the resurgence of private development in the Lloyd district. The Convention Center and Veterans Memorial Coliseum are continuing priorities, and the community encourages PDC and the City to move towards certainty on both projects. PDC's partnership with the Lloyd eco-district has also been an important component of the early development of the district and continued investment in and partnership with the eco-district is important to its ongoing success. In turning to the issue that council spoke to earlier of the additional \$6 million in the current draft of the budget towards

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commercial redevelopment, the budget advisory committee supported that change, and recommended to PDC if that money does become available, that it be used towards resolution of current priorities namely the Convention Center hotel, Veterans Memorial Coliseum and continued partnership with the eco-district. The committee also discussed the interface of PDC's redevelopment and economic development efforts and supports PDC's general fund request related to trade and sector activities because the committee sees a direct correlation between investment and business development and the region's trade and sector growth. The committee also discussed opportunities to leverage the City's general fund investments with tax increment related activities such as the start-up PDX challenge, which helps small businesses start up, grow, and stay in Portland. Finally, I would like to comment on PDC's public input process. Having served as the chair in urban renewal advisory committee for several years, I shared concerns with the recent shift in policy to consolidated central city budget advisory committee. However, I personally feel that the first iteration of the CCBAC has successfully brought together central city stakeholders to provide much needed perspectives informed by the groups' knowledge of specific opportunities and partnerships in the areas on which we advise. The budget advisory committee looks forward to continued engagement with the PDC and the council on budget, proposed URA amendment process, as well as public input process. That is all of the prepared comments I've got. Thank you for the opportunity to present today.

Hales: Thank you. Questions for either -- I know Johnathan wants to speak as well but it's about other districts, so. Go ahead. We will take questions for all of you.

Johnathan Kalan: Good morning, Mayor Hales and members of city council. My name is Johnathan Kalan and I'm representing the neighborhood economic development leadership budget subcommittee. Brian Alfano, who is our chair, our subcommittee chair, is unable to attend so I'm here in his place. We're thankful for the council that has allowed time for invited testimony and I have brief comments to share on behalf of the subcommittee. We met four times over the course of the winter and spring to discuss PDC's budget request. We reviewed both the urban renewal district and general fund request. I'd like to make comments on the URA first and then the general fund. The subcommittee is pleased with the Lents action plan and the proposed investments that will lead to mixed-use development in that area. We were recently briefed -- the entire NED group was recently briefed on the five-year Lents action plan, and feel that it really does identify a clear role model for future investment in Lents. I understand the council will have an opportunity to hear it later this month, and we believe the budget before you today supports the plans and community priorities. Moving to Gateway, the subcommittee supports the target approach, specifically on the Halsey-Weidler investment strategy. We would like for PDC to continue to support small businesses in that area, specifically with tools like the storefront improvement grant. We're also excited to see some movement in the progress achieved in the four acre PDC park bureau owned site on 106th and Halsey. Moving on to Interstate, and I have heard the conversation today and it didn't change much of what we are reporting out. We support the mayor's plan to allocate the \$20 million for affordable housing. While the subcommittee is concerned that the cuts to non-housing line items could hurt local businesses and long-term property owners, we also understand from PDC staff that there is the ability to move dollars from other line items in future fiscal years, so we encourage that this should, should the need arise, particularly with some of the programs, the grant programs, like the storefront, community livability, and the greens feature. Speaking of projects across all URAs, the subcommittee has encouraged PDC to create an equity impact analysis to screen the potential projects for equity considerations and the impact that the projects have on local residents. And it may get to what Commissioner Nick was speaking of. We look forward to applying the equity impact analysis to future projects in which PDC places significant role. So here's the general fund. The subcommittee's biggest concern is regarding the general funds budget. In our February 3rd letter to city council as part of the PDC requested budget, the subcommittee requested an add

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request of general fund resources to support creating the districts in the Lents town center and MLK boulevard corridor. We are pleased that this is conceptually supported, we have since learned that the mayor has requested PDC to cut other general funds priorities for this work. The subcommittee does not support this approach and it's very concerned with cutting NPI and main street budgets when their resources are so limited to begin with. We would rather not have new districts supported in the 14-15 budget for these areas, rather than take funds from the existing NPIs and main street. Finally, I would like to thank you for the opportunity to provide testimony and we would be happy to answer any questions.

Hales: Any questions? That was very clear and very helpful.

Fritz: Very helpful.

Fish: Very helpful.

Hales: Thank you so much. So, we are going to close, unless there are other council questions --

Fritz: I have one more thing to put on the record, because I really appreciate page 25 of this summary about the staffing, that PDC staffing has down from 135 to 93 over the last three years, and this budget includes cutting another 21.6 positions. That's evidence that you are working within the resources that you have available but it's always hard to lose staff and I want to recognize that.

Hales: It has not been easy work for Patrick and the team. Thank you.

Fish: And Mayor, I just have one conceptual question, which is, this is the first budget that we've considered technically at the expiration of the last major framework for PDC's budget, which was an economic development policy. And it seems -- so, I would welcome any guidance from you as to what your intentions are with respect to that piece, since that is the prism through which we could in the future be evaluating budgets. And my impression based on this presentation is we're continuing with the basic framework that's in place, but at some point is it your intention to give us an update on what -- where you would like to take the debate?

Hales: Yes, in fact, as I said last week, we have dealt with the proposal that the council reviewed in the resolution last week with the where of where PDC is going to be focused, and now we want to focus next on the what, what is our economic development strategy going forward? And obviously what is the specific redevelopment program in each of these URAs. That is really the next page that we intend to turn in our examination of strategy and policy and bring that to council.

Fish: What would you anticipate council's role in the front end of that discussion?

Hales: Adoption of policy.

Fish: This may not be the time or the place, but as we start thinking about how we engage the community around that, what the parameters are, I would welcome council discussion just to have a sense -- one piece of this that I'm very interested in learning is how have we done over the last five years. That's a matrix -- a metric that you want to have evaluated independently, but I also think -- I hope at some point we find the time to have that discussion before we go too far down the path so that we know what it is we're undertaking and then we can make sure that the council has a chance to opine on some of the moving pieces.

Hales: I don't know if we have a specific schedule yet, but we're about to go under contract with an outside consultant to do that review. It is our intention to have work sessions with the council once enough of that work is completed so that you have something to chew on. Exactly when that is, two, three months, I suspect, before we see the first results of that work. But we're about to get that firm under contract soon. Other questions or comments or markers to lay down for next discussion?

Saltzman: One more question. Patrick, if you can come up here. So, is your budget also transferring \$5 million in housing from south park blocks to other purposes?

Quinton: It's to housing. We're shifting money to housing. That's why I was confused by it. Because it was part of the URA amendment package. We had proposed making up for the loss of long-term housing dollars in the education urban renewal area by shifting some of the remaining funds into south park blocks urban renewal area into housing.

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Saltzman: To housing. OK, thanks.

Hales: Other questions, comments? Again, we will close this hearing but reopen it tomorrow at 6:30 p.m. [gavel pounded] Thank you.

At 11:43 a.m., the PDC Budget Committee adjourned.

At 11:43 a.m., the Portland City Council reconvened.

Hales: OK. Thanks very much. Let's move on to the regular agenda.

Item 437.

Hales: Acting Captain Wagenknecht and Lieutenant Kaer are here to catch us up on where we stand with this grant. So good morning, and thanks for waiting.

Mathew Wagenknecht, Police Bureau: Good morning, sir.

Jeff Kaer, Police Bureau: Good morning. Where we're at with this grant is that we've been approached by the COPS office to accept a grant in the amount of \$49,000 to help us in developing a strategic plan and evaluation process in regards to race, equity, and diversity within the organization of the Portland Police Bureau. This grant was first awarded to us -- or presented to us in 2013, and after some reprogramming that will allow us to pay for this strategic planning and evaluation process, we are approaching kind of a deadline about when we can accept this grant money, hence the emergency provision in this request. We will work in partnership with Portland State University to construct the strategic plan and also the CPRC in doing the evaluation process.

Hales: Great. Anything else you want to add?

Wagenknecht: No, I have no prepared statements. I'm here merely as a historical piece on the Community Police Relations Committee, subcommittee, to answer any questions that any of you may have in regards to this grant.

Hales: OK. And the CPRC subcommittee was supportive of this approach, I believe.

Wagenknecht: Yes.

Hales: Good. OK. We'll stand by for other questions. I think we have some public testimony, and we'll see if there are council questions then. Thank you.

Do we have any people signed up to speak on this item, Karla?

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

Hales: Come on up.

Moore-Love: I think Crystal may have left. Let's go ahead and go with Barry Sutton. We'll go with Dan Handelman, then.

Hales: Dan, come on up. OK. I think you're first, Joe. Whoever would like to go first, proceed, please.

Joe Walsh: My name is Joe Walsh, I represent individuals for justice. We have some questions about this. It seems to me there's a relationship between what the federal judge is about to do, and any moneys that we spend in the police department for almost any problem or program within their budget. So, they're asking for new money. We're a little confused. We don't have a decision from the federal judge yet. And apparently, the city is saying to the judge, do it our way or we go to trial. And you may go to trial. So we're saying to you, before you spend any of this money anywhere on a study, on anything, wait for the judge's decision. Because he could make everything that you're doing moot and you waste all that money. His decision is coming down very soon. It's not a long-term decision. I think it's within weeks. At least that's our understanding. We're asking you to put everything in abeyance until he makes a decision. Thank you.

Hales: OK. Hi, Jo Ann, welcome.

Jo Ann Hardesty: Hi. Good afternoon, Mayor, city council members. For the record, my name is Jo Ann Hardesty, and I am here to speak in opposition to this agenda item. I am concerned that an insular process -- let me explain the insular process. In order to get on the CPRC, the process was

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you had to go through a background check, you had to get police approval, and so you had to be someone that didn't have any real understanding of how Portland police operate. And so what's been happening since the Department of Justice has been in town is that Reese continues to hold up the CPRC as community engagement. So, you have a select group of people who serve on a committee, and one of them is paid. You have a paid consultant chairing the Community Police Relations Committee, and then we're pretending somehow that this is a publicly-driven process. What we need is the public to let the chief know what reforms need to take place around how to engage with communities of color. When you have the chief deciding who gets to be on the committee, and the chief contracting with people who are pretending to be community volunteers, and then you have a proposal in front of you that reinforces that process by also having the same chair of the CPRC be the recipient of funds from this grant. From where I sit in the public, it smells really bad when we pretend that there's a community advisory committee, when, in fact, the public doesn't come anymore. There are two people that show up. It's Dan Handelman and sometimes the League of Women Voters. The public doesn't come because it's a total waste of time. And so, you are being asked today to support a pretend grant proposal that is supposedly community-driven. And the public, the community, the people with the most insight on what's wrong with Portland police have had no participation at all. It was amazing to me to read your agenda to find out that a social justice initiative is being developed by Portland police. You would think if that was going to happen, that they would be talking to community members with the most insight of what's wrong at Portland Police Bureau. But no, we're going to go to the insulated groups that the former mayor said he was going to change that process, and he left office before that process was changed. So now we have every advisory committee within the Portland Police Bureau staffed by people that are preapproved by the police chief. I find that egregious. That's not public participation. That's not public engagement. And I'm just kind of appalled that we continue to be here. I've sat here two hours so that I could tell you that this is not community engagement. This is not community involvement. And this is not going to do anything to fix what's wrong. If you are paying the consultant to be on the community committee, then his allegiance is to the person who's giving him a check. His allegiance is not to the public. And so, I'm just really surprised that we continue to have Chief Reese lead the effort to fix what's wrong in the police bureau. If he was able to fix it, we wouldn't have brought the Department of Justice to town. And because the Department of Justice has not had a chance to weigh in -- because until the judge accepts the settlement agreement, the police department is actually reviewing themselves and finding themselves not doing anything wrong and everything good. And I think that should be something that should concern you all. I'm done.

Hales: OK. Dan, welcome.

Dan Handelman: Good morning, Mayor and city council members, I'm Dan Handelman with Portland Copwatch. I do go to the Community Police Relations Committee meetings. I've missed one of them in the last few years, I think, and I have never heard the efforts around institutional racism training for the police referred to as the social justice initiative until I read this contract. So I don't know where that name came from, but it's very alien to me. Also the two police officers who sat up here, I have never seen either of them at a CPRC meeting. I don't know how they were involved in the decision-making that has to do with this process. What is apparent from reading this contract is that it was a sub-committee of the CPRC that approved this -- with the work of the police -- behind closed doors, not at these public meetings. We have the Human Rights Commission and then its subcommittee, the CPRC, and then they have a sub-committee, and they make these decisions without even bringing it back to the smaller group, much less the full Human Rights Commission, for approval. I have to echo Jo Ann's sentiment that these are more decisions -- we wrote a letter to you, Mr. Mayor, a couple of weeks ago about decisions being made behind closed doors. This is another example of that. Of course, we support the idea of training the police about

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what is going on with institutional racism -- although I don't understand the language in this that says that the connection between institutionalism and race, which is not the same thing as institutionalized racism, but -- and Chief Reese, as is typical, has written on to the agenda item that he doesn't expect any public input on this because it is a non-controversial item. And yet, there has been no public input up to this point, really. So this is another pattern that has to stop. For the record, I understand the new budget is going to include money for a non-sworn position in the bureau to look at equity issues, which we are supportive of them having a position like that, but we had said they should move funds around from what they already have instead of taking the new money that could go to other programs, such as housing homeless people or other things. Maybe getting rid of the horse patrol and using that to fund the equity position. Instead, I guess, council is looking at maybe funding a new position. And then we have this new consultant from PSU, who is going to be paid \$49,000 to examine the institutional racism training. I don't see where the money is yet for finishing that, for doing the training to the 800 or so patrol officers who haven't had the training yet.

Fish: Dan, I have a question. Do you make a distinction between accepting the grant and appropriating the grant? I don't know what the timeline is on accepting --

Handelman: I have no idea. Again, I didn't hear anything about the grant being applied for or appropriated or whether this is exactly the best way to do the examination of how this training is doing. Apparently, this happened last year. That's what I hear. What you're asking me, Commissioner Fish --

Fish: But I don't know whether there is a timeline on the grant. I'm trying to understand if there's a difference in your mind between accepting the funds and appropriating the funds, whether some of your concerns can be addressed in the event we would otherwise lose the grant if we didn't accept. Accepting a grant is a formality. Appropriating it seems to go to the questions you're raising.

Handelman: Well, I guess I didn't understand exactly what's going on. My understanding is that this agenda item includes not only accepting money from the COPS program, but also specifically hiring this person from PSU to do the analysis. If you are saying you can somehow separate those two things -- we're going to take the money and we'll decide the best way to spend it later -- then certainly that would be a step in the right direction towards opening up the dialogue about how to spend that money. But I'm not clear that you can do that at this point.

Fish: I don't know either, and actually, I haven't been briefed on this. So we'll have some questions for the panel when they come back. I'm just trying to understand your concerns. Joe Walsh said something that got my attention, which is the judge is about to rule. My understanding is the judge is about to issue a letter with his preferred approach, but he has specifically said he is not going to dictate that approach. Either the parties as a group get to the consensus or he is going to go to trial. Is that right, Dan?

Handelman: I can only say what I know from the newspaper, Commissioner Fish. My understanding is that there is another conference call among the parties and the judge on the 30th of this month, and the judge asked that the parties come up with a way to do annual hearings --

Fritz: Let's be clear that the DOJ settlement is about mental health issues, it's not about race.

Fish: But I'm just pointing out, my understanding is the judge said he is not going to impose. He will put his position in writing, and it either moves the parties to an agreement acceptable to him, or he can order the parties to go to trial. He is not issuing a ruling dictating an outcome because he said he will not do that.

Walsh: But the judge can only do one or two things --

Fish: But my question --

Walsh: You used my name, so let me answer this. The judge can do one of two things. And I think Dan and Jo Ann will back me up on this. He can accept or reject the settlement. That's it. He can suggest and he can tell the city, OK, if you do this then I'm saying to you, go to trial. And that is

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what his last communication was. That what the city proposed was unacceptable to him, and he's ready to go to trial. So, it's this narrow. Accept, reject. And if you -- I have to watch my language here. If you tick him off, he will say, go to trial --

Fish: OK, going back to my --

Walsh: And then Amanda all [speaking simultaneously] not just mental health.

Fish: So Dan, the DOJ process is about mental health, not race. You're raising a separate consideration --

Handelman: I didn't bring up the DOJ agreement, Commissioner Fish. Nonetheless, the CPRC and issues of race are in the DOJ agreement. There is an aspect where the CPRC is supposed to be making sure that demographic data are collected and on an ongoing basis. And there was actually a deadline of December 31 of last year to come up with a process to do that that hasn't been met. So, you cannot necessarily separate this out completely from the DOJ agreement. But I just want to point out that my testimony had nothing to do with the DOJ agreement, I'm just talking about the process of this grant, the process of the CPRC, and process of how we are going to do the institutional racism training for the police.

Saltzman: And you've actually read the grant application?

Hardesty: In detail.

Saltzman: OK. In part I'm sympathetic to the points you're raising about somebody from PSU being paid through the grant. But also, isn't that part of how academia operates -- [speaking simultaneously] -- work?

Hardesty: Excuse me, Commissioner. My concern was not that the professor at PSU is being paid, my concern is that the chair of the Community Police Relations Committee will be paid and is also already under contract with Portland Police Bureau.

Saltzman: Is he not affiliated with PSU also?

Hardesty: He is not affiliated. He has his own consulting company that the chief hires him to do training for Portland police, and he's now going to hire him again under this contract. And so what I'm saying to you, Commissioner, is that he tells the public that volunteers are working to develop this plan. And yet, you have a proposal in front of you that shows that the Chair of the Community Police Relations Committee is a contractor with Portland police who has received money to do training with Portland police, and expects to receive money out of this contract to help them develop a plan. What I'm telling you is that's not community involvement, that's not being open to the public and the people who know what's going on with Portland Police Bureau. It's a very insulated process that doesn't allow for people who have a difference of opinion with the current police chief.

Saltzman: So getting back to what Commissioner Fish asked of Dan, if we somehow sever the accepting of the grant from the actual intended application of the grant money, are you OK with that?

Hardesty: No, I am not. I would prefer that there is actually a grant that was written with the community that created a partnership -- a real partnership, not this pretend partnership -- between the Portland Police Bureau and people in the community that have been most harmed by police violence.

Saltzman: That's what I'm saying, if you sever the acceptance of the grant, and say we're going to take this COPS grant and figure out how to use it.

Hardesty: Have you seen a plan?

Hales: I don't think we get to do that. Why don't we get the staff? I see Deanna Wesson-Mitchell and Gail Shibley are here now. Perhaps we can get them and the Captain Wagenknecht back up here to throw some more light on how we ended up here, getting the grant we applied for and we couldn't accept and we had to reprogram. So, if we're done with questions for these folks --

Hardesty: Hopefully you will ask them if there is a written plan that's a social justice initiative plan. Because if there is, I would really like to see it. Thank you.

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Hales: Thanks. OK, can you all come up and give us more detail about how we are at this place? Maybe go back in history a little bit, the first version of the grant, we weren't able to accept it. Go back in history and why are we here.

Deanna Wesson-Mitchell, Office of the Mayor: Hi, I'm Deanna Wesson-Mitchell, staff in the mayor's office. We received the grant originally in the fall when we applied for it -- the police bureau applied to receive funding to pay for training. The director of the COPS office changed, and the requirements that were attached to the original grant became more involved. And we would've had to spend money to implement all the requirements of that grant as it came back last fall. So, the police bureau said, well, we're not going to be able to accept this grant. DOJ COPS office actually contacted us and was like, whoa, what can we do to get you to accept this grant, because we really like what you're doing. The new director had noticed specifically what the police bureau and Community Police Relations Committee was involved in, because they didn't know of any other agencies in the nation that were doing this work voluntarily. That were doing it in collaboration with community members and they really liked the process that the Police Bureau and CPRC was using, and they wanted us to accept this grant. So, we were able to rewrite the grant. Instead of focusing on the individual training -- which it had been originally meant to pay for -- to then focus on the development of the larger overall strategic equity plan. Which is, you know, in conjunction with what city council wants, the Office of Equity wants, the citywide equity committee -- each bureau is supposed to have a plan to address equity within their organization. So, timing-wise, it went through reprogramming, and showed up again now when it was supposed to be accepted last fall. So some of the timing was a little off. The program lost a staff person, Emma Covelli, when she was moved to the training division after budget cuts. She was paid for by a grant that expired last fall. She moved to the training division with new duties under the DOJ work. So, there hasn't been someone staffing this particular work. Damon Isiah Turner, through the process that started back in 2011, has put in hundreds of hours of volunteer time. He has not been paid. He is, by work, a consultant on these issues, and the goal was to be able to pay him for some of his effort in the larger plan, the strategic equity plan. He has again donated already hundreds of hours. We were short on the staff. The process has come very much slowed in moving forward without a staff person. Where we are today -- there is no plan. This funding is to help us to create that equity plan and at the same time a process to evaluate the outcomes. We don't want to be doing work without being able to evaluate if it is successful or not. What was the other issue --

Saltzman: How does this all intersect with creation of a new position in the bureau to be an equity diversity coordinator? It sounds like we got --

Wesson-Mitchell: That's where the timing is off.

Saltzman: Sounds like we are going down different paths. And they may or may not intersect.

Wesson-Mitchell: No, they would definitely intersect. This is where the timing is off. This grant was applied for last spring, before that position was thought of-- or last summer, I'm sorry. The delay with the original programmed grant and the need to change it to the different grant or different purpose -- it does intersect with that position. The idea is that Damon Isaiah Turner, who's been an active participant in the whole process since 2011 when the subcommittee was created -- he would continue to do work with the overall design of the plan, which, again, is what he does as a consultant, along with the program manager. Again, because of the delay, it wouldn't necessarily have to be Damon doing this work. The grant has been delayed a couple of times.

Hales: This doesn't fund a full-time position.

Wesson-Mitchell: Oh, no. It's just as consultant fees. Honestly, it was kind of to honor his dedication.

Saltzman: \$14,000.

Wesson-Mitchell: Yeah. It's to honor all of the work that he's done and will continue to doing with the project. The other concern was the name, which was totally a working title that was put in

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to separate the description of the individual trainings, which the grant was originally put in for, and to identify the development of the overall strategic plan. There is no overall strategic plan right now. That's what this money is to help fund. There has been community input along the way during the individual training production of it. There was community involvement in all steps of that process, including people attending the pilot trainings before they went out to give input. It's been talked about in public, it's been talked about in meetings, we've had lots of input. They've come before council and talk to you all about the equity project about the police bureau before. So this is not something that is new or unknown. That name is -- it totally is an idea. It's not something that is set in stone. It is a title that is borrowed from Seattle just to differentiate now we're at the point -- which was the original goal -- to create a bureau-wide strategy to address equity, starting focusing on race and then internally on race and gender issues because internally, race and gender issues are really big, externally focusing on race.

Fish: Can I ask you, if the council decides to take the emergency off so that we have at least another week to pursue any questions we have about this, how does that impact the application before us?

Wagenknecht: Well, the reason for the emergency part in the request is that we are running up against a timeline with the COPS office, since this is a 2013 grant. I do not have a specific timeline as to whether it is next week or two weeks from now. I can get that for you. But we are running up against a time limit on it.

Hales: I think it's a fiscal year 13-14, so we have maybe a few more weeks.

Wagenknecht: Maybe.

Fish: This is a very valuable conversation for me and there are some questions that I want to follow-up on, but I will probably ask that we take the emergency off so that -- we can slap it back on next week if that is the council will -- but to give us a chance. I don't know that I know enough to even ask the questions that I want to ask at this point. And if there is not a timing issue, then I will likely not vote for this simply because it's an emergency. Or, I would to remove the emergency --

Hales: Let me suggest that we continue it a week. Can we do that?

Fish: That's the same effect, yeah.

Wesson-Mitchell: I think so.

Hales: And that way we can get questions answered. It still has the emergency clause on it next week. We can take it off --

Fish: I would support that, Mayor.

Hales: We can vote it up, vote it down, but if this has to get done by the end of the fiscal year, then I don't want to get up against that 30-day clock. So, does that suit the rest of the council?

Fritz: One further question, and that is to get an answer to whether we can accept the grant but use it for other purposes.

Wesson-Mitchell: I'm fairly sure that in the writing of it was very specific. In the phone conversation with DOJ COPS program, this was specifically for -- they wanted to make sure that the process was documented, doing an equity plan that was in cooperation with government and community, because they wanted to be able to use it as a national framework with their products that they use.

Fritz: So maybe before next week you could have a conversation about that. Because it does seem to be the cart before the horse to do this and have this set in motion while we don't yet have an equity manager in the bureau giving an overall framework. I would be concerned if I were to be applying for the job -- which, of course, I'm not -- that the train has already left the station going down a particular route, but we're hoping that this person will be the expert in figuring out what needs to happen and how it needs to happen. So if you could have a conversation with the DOJ as to how much flexibility there might be.

Hales: Find out what the parameters are.

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Fish: As an additional point, it would be helpful to me, since there's a couple of procedural and substantive questions that that were put on the record through the testimony, if those can be also addressed in the follow up.

Hales: I will do that and get it out to council and we will bring it back next week.

Wesson-Mitchell: Alright.

Hales: Is there something else?

Kaer: I wanted to address the relationship between the DOJ settlement agreement and this project. This project predates the DOJ settlement agreement. So, it doesn't even have anything to do with it. Deanna hit the nail on the head. They are looking at the city of Portland as a -- not a test case, but maybe the best practices on how we can address institutionalized racism or equality within an organization. This requires no matching funds. And the one other thing that I wanted to look at here is that we already ran this past the COPS office civil rights division. We informed them of the proposed DOJ settlement agreement, and they have no issues with us receiving this grant, although we're waiting for that proposed settlement agreement to be ratified or not.

Fritz: I appreciate that information. It does say in the ordinance that the grant period is from September 1, 2013 through August 31, 2015. So maybe we need to make sure that we get it appropriated before the end of this fiscal year, but the grant period runs more than another fiscal year.

Hales: Right. But it might be when it is encumbered at the federal level in their fiscal year.

Fritz: There may be some back and forth happening over the next month to make sure we get it in the right order.

Wagenknecht: It's also to do post research on the results of the training as well. So, it will go beyond the training research how effective it has been with our agency.

Hales: OK, so let's get more answers to those detailed questions between now and next week. Maybe get this team to come back and report back.

Wesson-Mitchell: Alright. Thank you.

Hales: Continued one week. [gavel pounded] Alright.

Item 438.

Hales: Good afternoon.

Paul Weatheroy, Police Bureau: Good afternoon. Mayor and members of council. My name is Paul Weatheroy and I'm a lieutenant recently assigned to the traffic division. I have Sergeant Todd Davis with me today as our subject matter expert, and he would like to take an opportunity to discuss this grant and be available to answer any questions you might have.

Hales: OK, great. Welcome.

Sgt. Todd Davis, Police Bureau: Hello Mayor Hales, City Council. This is a small grant that we applied for. This is a new one to us, and it's \$3850 to be used for pedestrian safety and education. Our intent is to use this to expand our crosswalk missions. We currently do one mission per month with the Bureau of Transportation and Sharon White. We have a long list of requests for these missions from citizen groups, businesses, and so forth. We cannot staff those with our on-duty resources. So it's our intent to use the dollars to conduct those missions. The only difference that I saw on the fine print was instead of using one of you for our decoy, we're going to have to use a police officer. It says no citizen volunteers on that, so I'm sorry about that.

Hales: Oh, well.

Saltzman: We don't get any overtime, huh?

Davis: And there is a minimal amount of match time that goes with this grant, but that will be achieved through our regular one crosswalk mission per month. And the educational piece of this -- and you probably already know this -- the first-time offenders that are cited for the crosswalk violations are given an opportunity to share the road safety class in lieu of prosecution on their

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citation. So that's where the education comes in. The feedback on that class is overwhelmingly positive.

Hales: That's great. Are you the same team for the ODOT grant as well?

Davis: Yes, we are.

Hales: Why don't we read that one, too, and while we've got these guys here we can get any explanation we have for that one as well.

Item 439.

Todd Davis, Police Bureau: This grant's a little different than the ones that we normally come to you with. This is the third renewal of this grant. It's been an incredibly successful program. This allows us to form a partnership with Multnomah County Circuit Court and the DISP program, which is the DUII Intensive Supervision Program. That is the worst of the worst DUII offenders. These are repeat offenders, these are drunk drivers that injured folks. They go into the DISP program and report directly to a Multnomah County Circuit Court judge. It's a very strict program, it requires full participation. The DISP case managers do not have arrest authority. So our partnership -- when they have a client that goes into warrant status, they will notify us directly and we will send a team of officers out to locate them and to get them into custody. It's not uncommon for us to be able to locate an offender within 24 hours and get them into custody, and that's crucial. Because we can get to them soon enough, there's a good chance there will be some sanctions, but they can get back into the DISP program. And also the other part of that is the sooner that we can get them, the less chance that they're going to reoffend and possibly get behind the wheel of a car and injure somebody. The one thing that might jump out at you -- it looks like there is an inordinate amount of match time on this. But the match time is actually just taken from on-duty traffic division hours that are already worked, not specific warrants and so forth, but just hours that are already going to be worked.

Hales: OK, yeah, good, appreciate knowing that. Other questions for them on these two grant acceptances?

Saltzman: I would like to take this opportunity to note that Lieutenant Davis, this is your last week. This has to be your last appearance at city council.

Davis: It probably is, I've got 35 days left on the job.

Saltzman: I wanted to thank you for your service. You have always been very responsive to questions that we've had, and really appreciate your service to our city.

Davis: Thank you, sir.

Hales: We sure do. This man's passionate about traffic safety, and you've made a big difference.

Davis: Thank you.

Fish: Can I ask you one question about what you called the worst of the worst? Is there any pattern in terms of contributing factors with the worst of the worst? That is, are these individuals that go to package stores, buy alcohol, get in a car, or go to a bar and get to a car, or home drinking, get in a car, is there any?

Davis: I think the common thread is these are all pretty much hardcore alcoholics. Whether they're buying it at a bar or at home, I'm not sure. But that's the one common thread. It's not somebody that makes a mistake once or twice. These are folks who routinely drink and drive and we've caught them two or three times and got them into this program.

Hales: Thank you. I did a ride-along not long ago and met one of those folks. They're out there. Thank you both. Thanks very much. Is there anyone signed up to speak on either of these?

Moore-Love: I didn't have sign-up sheets.

Hales: Let's take a roll call on the first of those.

Item 438 Roll.

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

Fritz: Thank you for your work. Aye.

Hales: Aye.

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Item 439 Roll.

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

Novick: I also wanted to thank you for your service and note that both of these are evidence-based practices. There was a recent article in the New York Times about various efforts to improve traffic safety, and they highlighted decoy crosswalk enforcement actions as something that we know works. We also know that intensive supervision and swift and certain sanctions, which includes apprehending people quickly, is sort of the cutting edge of criminal justice in general. You want to have intensive supervision and swift and certain sanctions, rather than sort of random severe sanctions. So I think these are both good examples of evidence being put to work. Aye.

Fritz: Aye.

Hales: One indication here, one of the reasons why we've had Todd Davis here a lot -- in whatever rank he was at the time -- is that this division has been very good at seeking grants and getting them to augment whatever we appropriate with ODOT money or federal money, or wherever we can get it. Thank you for being relentless about seeking funds to do the work. Thank you. Aye. [gavel pounded]

Item 440.

Hales: OK, so you're the designated hitters for this one. Come on in. Initially had Mike Marshman down for this. You drew the short straw. Welcome.

Greg Stewart, Police Bureau: Apologies. A poor substitute for the Captain Marshman, but I will do my best. My name is Greg Stewart, Mayor, council people. I spoke with Dr. Renauer, who is the head of Portland State University's criminal justice policy research institute. That institute is also the state-sanctioned policy research institute for the state of Oregon. He is the lead researcher on this. He apologizes, but he recently had a severe illness and is unable to attend. I have a letter he emailed to me which I can provide you or just read for the record. Which would you prefer?

Hales: Let's just have it put in the record. You just have it put into the record rather than read it, unless there are questions.

Stewart: This is to extend an earlier intergovernmental agreement with Portland State. And just to provide some history. Initially upon that settlement agreement with the Department of Justice, that agreement called for us to run a representative community-wide survey around issues of police legitimacy and trust within 90 days of the signing of the agreement. Technically, conducting such a survey takes more than 90 days to prepare. It's quite a significant endeavor. To meet that requirement in a timely fashion, we began immediately exploring how we accomplish that, began working with Portland State. In the interim, obviously the agreement has not been signed. However, it was our understanding that the commissioners wanted us to proceed and began implementing such steps that we could. According to the agreement, this survey was to serve as a benchmark or baseline to gauge our progress. If we were to begin implementing the agreement, presumably that would change public perceptions around the police. So it was important that we had a timely assessment of public perceptions of police legitimacy and trust prior to beginning to implement all the changes we have been embarked on. The agreement also specified that the survey work with the COAB and COCL -- the designated groups from that agreement -- however, those groups have not been formed as of yet. To allow a baseline survey, last year the council approved the survey. We've run it and we do have a baseline. Portland State is continuing to partner with us and work towards subsequent surveys with the aim of improving how we engage the community and increase their trust. They are open, of course, to changing the survey or modifying it as soon as they have a COCL and COAB to interact with. However, at this time we don't. We feel there is significant value in the survey even in the absence of a signed agreement, because it allows us to look at what we're doing, look at areas where we're improving, areas where we need to improve at a community-wide level. I know there have been some concerns that this is not representative of each segment of the community. While that is true in the general sense, certainly this should not be the only metric to

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assess community interactions with the police. The survey itself goes to great lengths to over sample census blocks with high concentrations of persons of color, disadvantaged persons, younger persons. In fact, the survey itself was able to attain a response rate of African Americans commensurate with the representation of the city of Portland because of that oversampling. And again, that's not to say that we don't need to conduct more significant direct outreach. But as one metric amongst a range of metrics, the bureau feels that this survey could be a powerful tool to help us improve how we interact with the public. Would like to continue the relationship.

Hales: Good explanation, thank you. Questions for Greg? None now, OK. Well, stand by and see if we have anyone signed up to testify.

Moore-Love: Yes, we have six people signed up. The first three please come on up. Lightning, Joe Walsh, and Jo Ann Hardesty.

Hales: Come on up. Lightning, I think you're on first this time.

Lightning: Thank you. My company is Think Lightning company, my name is Lightning. I'm going to take a different perspective, probably, on this. My position is that, number one, I don't like to see this being paid out of the general fund, which I know was in the budget and transferred to the police department. I think when we're talking about some type of research surveys and gathering data, why is there not a grant that is going to pay this off? Why does the public have to pay for this? And I'm really surprised on that, that a grant is not paying this. And this is coming from the public. The public has to pay for this. Why I'm stating that is that, is the public going to have access to the data? My understanding is that they will not. Now, are you going to have access to this data? The commissioners, and the mayor and the police commissioner. Now, I would have to say that that might be in question. Because one of the things that they have basically on this agreement is the ownership of work product. All sets of the identified data collected under this agreement shall be jointly owned by PSU and PPB. Neither party will shall release or otherwise share the raw data compiled data sets with any third party outside of PPB or PSU, except with prior written consent of each party. Now, the way I read this agreement, unless they agree to provide you that data, you will not receive that data. Why I have a problem with that, again, this is public money paying for this research, and they don't want to provide it to the public. They don't want to provide it to you. Well, if you want to do that, get a grant and pay for it yourself. Thank you.

Hales: Have an answer for that. Go ahead.

Joe Walsh: My name is Joe Walsh, I represent individuals for justice. One of the first times I noticed that you brought something to us that's not an emergency. It's not classified as an emergency. The lead time is, from what I understand, at least 30 days that you can implement this survey. So, the argument that you just heard was, well, you know, we really need to do this. So, the thought occurred to me -- because I'm very sensitive about you using the emergency clause in the council, which you're all aware of, because I have criticized you a number of times -- this one's not. And I can't figure out why it wouldn't be classified as an emergency if you want to do this survey. The other part that we have is, again, as with the other items, we are very sensitive to the fact that there is a decision coming down from the federal judge and we're asking you not to spend any money until that federal judge makes his decision one way or the other. And that is coming down. And if you do this stuff and he says go to trial, everything's going to be opened up. Nobody even knows what that is. Even the judge doesn't know what that means, because it's going to be appealed. So nobody knows where we're going, and you keep spending this money on these surveys and doing these things with PSU. And then there's the secondary question of, who's involved in the survey? What are the questions? How do we get the data? As Lightning pointed out, we may not be able to get this data. You may not be able to get this data, which would be absurd -- that you're paying for something that you can't look at or we can't look at. It's important to have the survey, but it's also important to have the guidance of this federal judge that holds the decision in his hands. So, again, we object to it. It doesn't make much difference that we object to it. You can do it anyway.

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I'm just telling you that if you do this and the survey is not available under the Freedom of Information Act, then we will blow our tops again and we'll be back here yelling at you one more time, and we would really like to spend a couple of weeks being nice. Thank you.

Hales: Joe, we will get an answer that access to data question. But you've raised the point a couple of times, and just -- you need to understand. If we were going to not spend money before the judge rules on the settlement agreement, you're way too late. We have police officers riding around with mental health professionals in the car with them right now. They're on the payroll. Go way back in time. We've been spending money to implement this settlement for a very long time. So, that's not today. It was a long time ago.

Walsh: It came to us that you were already doing this. That's true.

Hales: A whole bunch of things.

Walsh: All I can do is comment on this, what I have in front of me here.

Hales: I understand.

Walsh: And people watching this on television need to understand that you are asking them to do something that you're already doing.

Hales: We've been doing it for quite a while.

Walsh: And if that's acceptable to people that are watching this, then they need to study a little bit more. You should ask first before you do something. It works that way. It's called the horse and it's called the cart. Ask and then do it. Not do it and then ask.

Hales: OK. Thanks. Go ahead, Jo Ann.

Jo Ann Hardesty: Good afternoon again, Mayor, city council members. For the record, I'm Jo Ann Hardesty. I am disappointed that Commissioner Novick and Commissioner Saltzman won't hear this particular piece, but maybe their staff will relay it to them. I am here to speak in opposition to this. I want to point out to you page 55 of the settlement agreement, item 146-A states within 90 days of the COAB selection, the city, in consulting with the COAB, will conduct a reliable, comprehensive, and representative survey of members of the Portland community, including civilians and Portland Police Bureau officers regarding their experiences with and perceptions of Portland Police Bureau's prior community outreach efforts and accountability efforts, and where those efforts could be improved to inform the development and implementation of a CEO plan. That is direct language out of the settlement agreement. Nowhere in the settlement agreement does it say that the Portland Police Bureau will go out and conduct a community survey to figure out how people feel about Portland police. Nowhere in the settlement agreement does it say that Portland Police Bureau gets to set the standard for what people's perceptions are of Portland police. And so I hear a lot coming out of Portland Police Bureau about what they're doing, because they have to do it, because it's a settlement agreement. And we've seen the first survey. Let me tell you the flaws of the first survey. The initial flaw is the way that Portland police has developed this survey is that all the minority population is in one pile. We know that African Americans are killed and terrorized by Portland police officers more consistently than anybody else in this community. Yet, the survey clumps everybody together. So if you're trying to find out, what's the experience of recent immigrants to this community and how do they relate to the police, you won't know that by the survey that Chief Reese did. If you want to find out, are African Americans actually feeling really skittish, and not calling police because they are fearful of what will happen if they call them, you won't find that information from this particular survey. In fact, the survey that currently was just released by Portland State University under this agreement actually has information in it, like cameras, that didn't come from the people that they talked to. These were ideas that the chief wanted, and he had Portland State University add it to the survey. So I'm telling you information that as commissioners and as the mayor -- I know Commissioner Fritz knows, because she was in the same meeting I was in when we asked these questions directly from the people who conducted the surveys at Portland State University. And so, I will stop by saying there is no mandate for

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Portland police to do a survey of community attitudes. It's a mandate from the settlement agreement that the COAB and the city cooperatively develop a survey tool, after they implement that survey tool, consistently check to make sure attitudes are improving or not. The Portland police are not the people to tell us what the community's perception of Portland police are. Thank you.

Hales: Thank you. OK, next.

Moore-Love: Crystal Elinski, Dan Handelman, and Charles Johnson.

Hales: I think Dan's the only one here. Come on up, Dan.

Dan Handelman: Good morning again, Mayor and Commissioners. I'm Dan Handelman with Portland Copwatch. I want to echo what Jo Ann was saying. I completely support what she said about what's written in the DOJ agreement. I'm also concerned that this agenda item is to give Chief Reese the ability to engage in in this contract, and modify the contract, and essentially have the final say over what's going to be in the survey. Which does seem to not only go against was the DOJ agreement suggests, but it goes against common sense and what the community has been saying for many years: that we do not trust the police to oversee themselves. So, I do hope you set aside this agenda item. There's no emergency. They did the survey last year without any public input into it, and it should really wait until we figure out what's going on with the DOJ agreement. The survey itself -- which I did not find anywhere on the city's website, by the way, I found through the Oregonian which posted it last month -- it is written in a very positive way to talk about how over 50% of Portlanders have a good feeling about the bureau. But the scale that's used is from one to five, and three represents average or fair or no opinion. And with the exception of whether people said they would call the police if there was an emergency in their neighborhood, nothing went above the 4 level, which is good. So everything was mediocre or better, with a couple of things that were down underneath good, which had to do with whether people thought that police treated people with mental health issues fairly or whether they used race when they're stopping people. I think that this is the symptom of the police hiring the people to do the survey that it comes out and kind of skims over the more serious questions that the survey raises. Do we have a good police bureau, or kind of a meh police bureau that's somewhere in the middle, just about 3.0 out of 5? The issue of spending money before the DOJ agreement has been finalized -- I have raised this again and again. And I keep getting criticized by Commissioner Fish about this same thing. You keep saying, let's go, let's go, let's change, then you say don't spend money. Well, just be clear, this is the kind of reason why we think you should wait. Because this is not the appropriate way to do it. If you haven't listened before, I urge you with this particular item. Wait on this contract until you've got the final decision about what's going to happen. And I'm really hoping that the city will go forward with the DOJ agreement and those annual hearings with the judge.

Hales: OK, thanks. Let's get Greg back up and address a couple questions here. Access to the data, having the bureau issue this, do the survey workers vs the COAB. Could you address those?

Stewart: Yes, sir. The access to data is a relevant question, actually one of the reasons we went with Portland State. There are a couple of methods you can conduct surveys. Portland State requires that agreement about the data, because they don't want to be a research shop. Were we to go to a private contractor, we would have considerably more influence over the questions and over the process because you're paying a private business to do it. Portland State University is an enormous entity, and the money we're providing for this service is not going to -- they are not going to modify their standards around data collection for us. And one of their standards is this co-ownership of the data, because they don't want to be a business that gets hired to collect data. That was a requirement they put in. Oftentimes you don't have access to the data. We did put in this joint ownership clause so we could get access to the data. For instance, when we've partner with other academic entities to do this work they have not provided us that access, so we have a higher level of access to the data than is the norm in this instance. That was something we thought about, because we thought there might be interest in that. In regards to the input. These questions aren't just generated at random. There's a

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huge body of national research by Tom Tyler and others around police trust and legitimacy. What Portland State did is survey this large body of work on issues related to the public trust in police, where a number of other validated surveys have been conducted, and used questions specific to trust and legitimacy that have been basically validated in other surveys nationally. There's a certain methodology to conducting the survey and forming the questions that they adhere to. And again, that's their academic rigor. This is again the state's -- I think these concerns would be significantly more valid had we gone with like a private contractor who we could have more control over, but this is kind of the state's criminal justice policy research institute, and we wanted to go with an outside entity that had that independence. The reports themselves are posted on the crime justice policy research website, and available. The questions -- if you've had an opportunity to review the questions, they are not easy questions. I would ask the folks, go and look at the questions that were asked of the public, and I think you'll see they were very hard-hitting, direct questions. And questions that we didn't anticipate doing particularly well on in light of the Department of Justice. When you're asking the public after something like that settlement agreement, questions like this, you don't anticipate doing as well as you would like. The purpose of asking those questions at that time, however, is that we're committed to improvement. And if we're to improve, we have to know where we're at initially. Which was again -- I don't want to say it was an emergency but the urgency around conducting this survey was we wanted to have a baseline prior to implementing all these different agreements so we could know if we're improving or not, if we're on the right track.

Fritz: Mayor, I supported that approach to do the initial survey, but I don't support what's in here. As Ms. Hardesty read from the settlement agreement, it's supposed to be the Community Oversight Advisory Board who does the survey with the Community Oversight Compliance Liaison officer who is answerable to the whole council. So if there's one entity that gets to look at the data, it should be the COCL and therefore the council, and not the Portland Police Bureau deciding who disseminates that information. Similarly, there needs to be a much more inclusive process than we had to do the initial survey to Portland-ground-truth the questions. Yes, this is national data, but all of us on the council who are politicians who do polls know that the wording really matters. It matters specific to Portland. So Mayor, I'm not comfortable with moving forward with this right now. I don't see the urgency to do it, and I don't know that the Portland Police Bureau -- although the funding is lodged there and we appreciate your willingness to be good partners, it's a council responsibility to get this done.

Hales: Some reason why we wouldn't wait for the COAB to be appointed?

Stewart: From the Police Bureau perspective, we would like to see the results of what we have done so far, particularly as you look at questions of funding. As with anything else -- and again, I'm not saying this is final grade, I'm saying that like with any other source of data you triangulate. This is one measure by which we look at how we're improving or not improving, which I think would be obviously be very important. And those questions are really directly related. Very specific questions around like police use of force with persons with mental illness. So we would be interested in having access to those data to inform all our strategies moving forward. Again, given the sums of money involved, we think it's important we are able to really plan out how we approach this. In regards to the data themselves, the council I'm sure -- if the council tells the police bureau to do something -- I'm not a politician, I don't know your processes. But I assume we wouldn't say no to the council if there was a sense that the data needed to be released to somebody. And I can't speak for Portland State, but as long as it didn't violate -- this process goes to an ethics review, and I suspect they would be very willing to work with the council on any sort of release of data up to the point it violated their ethical -- they have an ethical code, it's a process where they review and have to carry certain standards which I'm sure they wouldn't budge on. Otherwise, I think they would be very willing.

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Fritz: Mayor, we need a much more active engagement by people with mental illness in our Department of Justice process before we should be moving forward with anything. We did have some input from the Albina Ministerial Alliance coalition on the previous survey, but we did not have people with lived experience in mental illness. We didn't have leaders at the mental healthcare providers, organizations. So it's really not appropriate to move forward with another survey until we have those folks engaged and at the table. As the chair at the city coordinating committee that's looking at the Department of Justice settlement, I don't feel we're ready to move forward on this.

Hales: OK. Well, this is not an emergency ordinance. It comes back for second reading. That will give us a chance to have more discussions about the questions raised here. They're good questions. Then we can decide next week whether to proceed or not.

Stewart: Thank you very much.

Hales: Thanks, Greg. This comes back for second reading. [gavel pounded]

Item 411.

Hales: Second reading. Roll call.

Item 411 Roll.

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

Item 442 & Item 443.

Hales: Good afternoon.

Anna Kanwit, Director, Bureau of Human Resources: Good afternoon. Thank you, Mayor, Commissioners. Anna Kanwit, Director of the Bureau of Human Resources. Cathy Bless, manager of our benefits and wellness office is with me and is going to present the ordinances. Just briefly, one is to amend the six contracts we administer around our health plans, and the second authorizes plan design changes that have been recommended by our labor management benefits committee. As Cathy is going to explain, those changes are being recommended to balance out costs associated with the Affordable Health Care Act mandates. Before I turn it over to Cathy, I just want to note for you the work that this office has done for the city in terms of not only managing our health care plans, but also implementing employee wellness programs. But also, Cathy is taking a very strategic approach to how we're implementing the mandates from the Affordable Healthcare Act will be coming back to each of you to talk about those in detail, but it is a large body of work. And I really commend her for putting this forward.

Hales: Thank you. Hi, Cathy.

Cathy Bless, Bureau of Human Resources: Good afternoon, Mayor, Commissioners. I am Cathy Bless, benefits and wellness manager for the city of Portland. As part of the annual enrollment process, council items 442 and 443 amend health and welfare contracts in support of the benefit program, and also establishes the city of Portland employee benefits program reflecting all the necessary administrative changes and planning and design changes for the upcoming fiscal year. The city of Portland employee benefits program identifies provisions of the premium payment plan, allowing for pre-tax deductions on healthcare benefits and flexible spending account elections. The document also identifies the provisions of the city's self-insured and insured healthcare plans, including administrative changes required by health care reform. As you know, the LMBC, the Labor Management Benefits Committee is a collaborative group that meets monthly to discuss employee health, vision, and dental plan options offered to employees. The LMBC's charge is to make recommendations to council each fiscal year, and this is a culmination of that process. This year, the changes include modifications to the city core out of pocket maximums, chiropractic changes, cost-saving programs in support of end stage renal disease, and other changes that are required by health care reform. The ACA requires that all co-pays, deductibles, and co-insurance apply towards a plan participant's yearly out of pocket maximum. And while this change is important to reform efforts and participants, it's also an adjustment that we must balance against the overall cost of the plan and the future cost in relation to other health care tax requirements

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beginning in 2018. For this change to be cost neutral to city core, it requires us to increase the current out of pocket maximum to include the deductible from \$2500 per person to \$3500 per person. The city core medical rate component will increase 6.6% for this year. There is no increase to the self-insured dental plan, and we've been able to hold those premiums flat since we went self-insured with our dental program in July of 2012. There is a 4% increase to the vision plan, because a fee is required by the ACA reform. We were also successful at holding the city net plan offer to PPA-covered sworn police officers at a zero percent increase for medical and 10% decrease on the ODS dental side. Kaiser plan increases were .92% and 1.7% on medical and dental for the larger group. Separate for sworn PPA members, there was a 2.69% increase on the medical side and a 14% increase on their Kaiser dental program. We expect Kaiser's ability to control its costs increases to be unsustainable in the near future as more ACA requirements are implemented. Significant plan design changes within Kaiser are expected over the coming renewals. Finally, last year I told you we had worked with Moda to develop an intensive chronic care management program that would significantly address our high risk population and provide them with goal-oriented care and support to improve their quality of life, motivation, and self-responsibility. Healthy Foundations was launched October 1 of 2012 by sending out 20 invitations. Last spring, there were 40 participants. Last fall, when I came to report to you on the first year results, we had 77 participants. Currently, we have 119 participants within the program, and more invitations going out. We also little have graduates of that program, and great peer support within that group. I look forward to coming back to you in the fall for our second year results and to discuss how the city continues to support well-being of employees and their dependents. Plan design, cost, and chronic disease management continue to be difficult issues that our office looks to balance with appropriate solutions. Thank you for your support and your time today. If you have any additional questions, I'm happy to answer them for you.

Hales: Thank you. Questions for Cathy or Anna? Is there anyone signed up to testify?

Moore-Love: I did not have signup sheets for these two.

Hales: OK, let's take a roll call on both. They're both emergency ordinances.

Item 442 Roll.

Fish: Aye.

Novick: I just want to say, as always, how much I appreciate your creativity and dedication in the work you do. I'm really glad that the Healthy Foundations program is as successful as it is and has gotten positive attention. I hope other people will be modeling it. Again, thank you very, very much. Aye.

Fritz: When I was assigned to be the liaison to the wellness program in 2009, I attended several Labor Management Benefit Committee meetings and was completely impressed. And I know that we have a lot of both labor and management folks working very hard to contain costs. The costs of healthcare are staggering, half a billion dollars for city workers and their participants over the next five years for 8900 participants. Because we cover, of course, employees and their families in many instances. That's about \$10,000 per year in health care costs on average. So it's really evident that the Affordable Healthcare Act is necessary and that we are going to need to make changes in light of that. It's interesting to hear that Kaiser Permanente is looking at making changes also. It's an amazing improvement in the system that we're all embarked on, and I feel very confident with Cathy in charge, with Anna's oversight, and with the Labor Management Benefit Committee that we are getting wise use of taxpayers' money for the benefits for city employees. And I very much appreciate your work. Aye.

Hales: At a time when there's general criticism of government inefficiency and costs, and here we have a city where, thanks to these two women and their teammates, we've brought in all of our labor agreements with a .9% cost of living adjustment against a cost of living increase twice that, and we've kept healthcare costs under control while providing people excellent benefits, which is what

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every employer should do, in a very dynamic healthcare landscape. So I really appreciate the good work on all fronts. Thank you. Aye.

Item 433 Roll.

Fish: Aye.

Saltzman: Aye.

Fritz: I also want to thank all of our employees in the city of Portland in the sense of shared sacrifice. That there are increased out of pocket costs incorporated in this, and a recognition by our staff that everybody needs to make their contribution to make things more cost effective. Aye.

Hales: Thank you. Aye. [gavel pounded] Now we just have a series of remaining second reading items. Let's go through those.

Item 444.

Hales: Questions? Discussion? Roll call.

Item 444 Roll.

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

Item 445.

Hales: Questions? Roll call.

Item 445 Roll.

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

Item 446.

Hales: Roll call.

Item 446 Roll.

Fish: I'm glad, Mayor, we had a chance last week to have a hearing on this last week. I was contacted recently by a reporter who was looking at a series of potential cuts in the future that would have an impact on rates. And I was chagrined to hear that there's some consideration from some about reducing programs which benefit low income older adults and allow them to stay in their home. And I'm very pleased that this council has been a steadfast supporter of those worthy discount programs. Aye.

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

Item 477.

Hales: Roll call.

Item 477 Roll.

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

Item 448.

Hales: Roll call.

Item 448 Roll.

Fish: Commissioner Novick, I want to thank you for your leadership on this. This is an issue that has been seeking a solution for a long time. You rolled up your sleeves, you engaged the community, you came up with a common sense approach which has broad support. And that is what leadership is all about. And I'm pleased to support your approach. Aye.

Saltzman: I too want to thank you, Commissioner Novick, for tackling this issue and bringing it to a good, pragmatic solution. If PBOT needs help in posting warning notices I'm available to help do that -- [laughter] -- warning people about the new program taking effect. Aye.

Novick: Thank you, Commissioners. I want to thank again the Portland Commission on Disabilities and the Disabled Parking Task Force for the assistance and support they've given us on this issue. And thank PBOT staff, including Nolan Mackrill, who's here today. Thank you very much. And just to say, there's a lot of cities in America that have wrestled with this issue and haven't come up with any proposal. Of those that have, I think that we're the only one to take some extra steps to accommodate people with disabilities, such as offering an on-street permit at cost equivalent to the

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cost of parking in a garage. So I hope the people who need that take us up on that. Again, I really appreciate the work of everybody on this issue for these many years. Aye.

Fritz: Thank you, Commissioner Novick and staff, for bringing this to its next phase, and particularly the Commission on Disability and Disabled Parking Task Force who gave us good insights from people who use the system and need the system. And so, I rely on those folks who are engaged in the process, who gave it their blessing, and who are continuing to participate in looking at which sidewalks and crosswalks need accessibility improvements, which I know that Commissioner Novick is also dedicated to. Thanks to everybody for your engagement. Aye.

Hales: This is a problem that no one's figured out a solution for until now, so thank you. It's an elegant solution. It involves the community. Although no good deed goes unpunished, I think a lot of people will say, well, that's things that we want to see fixed. Those are the kind of solutions we want to see, humane but sensible, and restores the credibility of the program for people that really genuinely need that assistance. So, I think this is a great set of solutions. I really appreciate the good work. Aye.

Item 449.

Hales: Roll call.

Item 499 Roll.

Fish: I'm excited about this particular action because I think it will both help facilitate traffic circulation, but I think equally important is it's public safety issue. I'm delighted that Commissioner Novick and Andrew and others have brought us to this point. Aye.

Saltzman: Aye.

Novick: I appreciate the chance to vote on something that involves the term mast arm, because it makes me feel like a seafaring man. Aye.

Fritz: I appreciate Andrew Aebi and Commissioner Novick demonstrating twice in recent months that it does make a difference if you show up and testify at the last hearing, even on something that's been in progress for a long time. The fact that this local improvement district now adds undergrounding in response to the concern that was raised in the hearing is excellent. Aye.

Hales: This is another good one. We had some fun teasing our modest leader, Andrew, on this good work. My image is that he's some sort of positive pac-man figure, chomping his way around the city, eating little problems one by one until we have a much better transportation system for everybody. So, well done. Aye.

Item 434.

Hales: And who wanted this pulled?

Fritz: I asked for this to be pulled because I'm concerned about the level of subsidy in relation to the public benefits. It looks to me like the subsidy is \$10,800 per affordable unit per year, plus the rents are in the nature – rates plus utilities are in the nature of about \$1000 per month. So that's \$22,000 as the cost of these affordable units. And I'm just not seeing the particular level of public benefit. In particular, I had a question about the gathering space that it got five out of ten points for having a bench in the right-of-way. I'm wondering is there somebody from the Housing Bureau can help walk me through why that is so significant that it got five out of the 10 points.

Andrea Matthiessen, Housing Bureau: I think it's technically afternoon, Mayor, Commissioners. Andrea Matthiessen, Portland Housing Bureau. I just want to respond to your questions, Commissioner Fritz. In terms of the public subsidy that's being put into these units. I think two points to my response, the first is that this is a very large project, 196 units, that are approximately affordable at 130% median family income. And so, the rents are being regulated down to 80% in an area that would not otherwise have rents at that level. So just want to be really clear that that's kind of the differential in terms of the MFI that we're looking at in terms of both market and affordable units. In terms of the public benefit and the bench that you referenced, I believe there are other areas

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that were calculated into that determination of public benefit to arrive at the five out of the 10 possible points.

Fritz: The other spaces are all private spaces. And my understanding of the criterion was if there was community gathering space, it's supposed to be community gathering space that the community can use it, not just for the inhabitants at the apartments.

Matthiessen: I think that's a correct assessment. All that I have available to me, unfortunately, right at this moment is the write-up that was also submitted with the ordinance that does only reference that specific bench in terms of being accessible to the public.

Fritz: I'm wondering, Commissioner Saltzman, if you'd be willing to pull this back to your office so we could have more discussion on it. Because that's one of the things that pushed it over -- it has to have over 50 points in order to be able to be eligible for the subsidy, and it just doesn't seem to me that it meets the criteria.

Saltzman: I'm not unwilling to set this over. I think this is also something there is a clock ticking, a fiscal year clock under which the multi-exemption has to be granted. Am I correct?

Matthiessen: The developer in this case has to wait for council approval to be able to pull permits.

Fritz: What's the ongoing affordability after the 10-year tax abatement?

Matthiessen: The tax abatement is only for the ten years, and after that 10-year tax abatement period, there is no guaranteed ongoing affordability.

Fritz: I just don't think \$6 million for 10 years' worth of however many units it is 30, 39 units --

Matthiessen: 30.

Saltzman: It's not \$6 million.

Matthiessen: It's \$6 million approximately over ten years in foregone revenue for the entire tax exemption, only a portion of which is absorbed by the city of Portland. It's also shared with Multnomah County and the school districts.

Fish: Can I ask my friend a couple of questions so I better understand her concern? This is the new multi-unit tax abatement program, post Big Look. So it has been -- thanks to you for the work you put into helping align the city-county better. As I look at this, there's a couple of questions. One is, does it meet the minimum score? And you're raising a question about whether it should have scored as it scored for the bench, but number one is, does it meet the minimum score? This document says it does meet the minimum score. Second, does it operate within the cap that we agreed to with the County? The document tells me there were not sufficient applications to actually trigger the cap, so this falls within the cap. Number three, the question I would have, perhaps more than most is, does it meet the affordability guidelines? Given its location, up to 80% is appropriate under the revised guidelines we developed, so it does qualify on the affordability. The other question you're raising in my mind is, you know, this age old question about whether the tax abatement program is the best tool to get the affordability. Because there's not the same kind of correlation dollar for dollar as if you applied this more strategically, like just said you'd waive the taxes on just those units which are affordable. Our program says you get a pass on the whole building, and that's the incentive plan. But we in our Big Look looked at that and felt reasonably comfortable with continuing this program. So if the question boils down to the scoring, I want to just caution us to go too deep into that, because my understanding is the scoring is done by a separate body -- you'll tell us, Andrea, how you set that up -- but I don't know that the council has in the last five years second guessed a scoring, unless they had a smoking gun. Can you tell us, who did the scoring?

Matthiessen: So the initial assessments of the application is done by a Portland Housing Bureau staff person. From there, it goes to the Housing Bureau's investment committee for review and they receive the same write-up that's attached to the ordinance as an exhibit. And then from there, it also goes to a public hearing in front of that Portland Housing Advisory Committee. So there's a variety of checkpoints along the way in terms of bringing this to you today for approval in terms of second guessing that scoring and providing input. But I'd also like to clarify my previous statement to

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Commissioner Fritz, which is that the gathering space component, which received the five out of 10, is technically defined -- I'm reading it in more detail now -- as gathering space, not public benefit. So all of the scored components collectively are defined as public benefits and they include affordability, equity, accessibility, unit size, location, access to amenities, special needs populations and how it's served, but the five out of 10 possible points that was of concern to you is actually under the category of gathering space, which is not technically defined as public gathering space.

Fritz: So then why didn't they get 10 out of 10, since it has multiple gathering spaces for the tenants?

Matthiessen: In deference to your concern, I think that was probably one of the valid factors in giving it five out of 10 was that it didn't have more public space. So it had lots of gathering space, but very little public gathering space. I'm assuming that factored into the assessment and the score.

Fritz: I'd like to see the language that you just read to me and the rest of the proposal. Thank you.

Matthiessen: It's in the middle of page three.

Fritz: No, I mean, where is the criteria about the gathering space?

Hales: The criteria against which that score was tabulated.

Saltzman: Page three of the document.

Fritz: But that doesn't list what the specific language is.

Hales: You're looking for the actual criteria they use when weighing the score.

Fritz: Correct.

Hales: Probably don't have that here with you.

Matthiessen: I don't, I apologize.

Hales: Since you don't have that here with you, do you want to set this over a week, Dan? What's the pleasure here?

Saltzman: Are you a representative of the developer? Would you like to address us on this matter?

Peter Wenner: Thanks for inviting me up here. My name is Peter Wenner, I'm with the Molasky Group of Companies, and we are the developer of this project. We're very happy to be in the city of Portland. We built your FBI building out at Cascade Station. Had such a good time that we came back for some more. With regard to your concerns about the gathering and the scoring, I think there was some other issues, including the retail component that may have gone into the gathering because there will be a restaurant going into that facility. There will be other retail things that we're looking for, such as an urgent care or dental facility or something along those lines. We have about 14,000 feet of retail that will be available to the public. As far as gathering space, there are sufficient numbers between a library, a game room, outdoor common areas, the bike storage area, all those kinds of areas were what they were looking for in this particular area. The other issue is the \$6 million is really a misnomer, because it doesn't address the lost rent. So what that is is, by reducing my income on the rental units, I drop about \$3.5 million in rent over the same period. So the effect of benefit is less than the \$6 million, so --

Fish: Sir, you don't have to sell us on that. That's actually how we constructed the program.

Wenner: OK, yeah.

Fish: The question is whether you got a sufficient score, not whether you're entitled to the benefit. Because the program gives you that benefit if you meet the score and you are under the \$1 million cap.

Hales: So under the other criteria, affordability, accessibility, all of the others -- why were no points earned on affordability given that some of the units are?

Fritz: Minimum.

Hales: Oh, it's the minimum. No extra points for that, OK

Saltzman: So just from a practical point of view, if we set this over one week and vote next week, is this going to affect your schedule?

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Wenner: From a practical standpoint, no, but I don't think we can go any further past that because of the deadline for having to get the funds out. The only thing it's delaying is our ability to file for a permit. We're just sitting around, waiting to get started.

Saltzman: OK.

Fish: Perhaps, Mayor, we can set it over and Commissioner Fritz can get a briefing on it.

Hales: OK. And at that point we can remove the emergency clause if you're still unable to vote for.

Fritz: That's actually what I suggested.

Hales: Thank you. Set this over --

Moore-Love: Lightning wants to testify.

Hales: Oh, come on up. Get the last word.

Lightning: My company is Think Lightning company, my name is Lightning. As you know, on some of these projects I would probably be the first one to speak out as far as them showing public good, as far as them needing these type of tax exemptions. But this project that I see right now I'm definitely for, and the reason -- let me state this -- is that what we have over there right now is just a rundown old building. They're going to build a nice structure there. And we're always talking about housing. We're talking a large number of housing units being built here. Yes, they are going to get that tax exemption, but you know what? There's a lot of unknowns for this developer that's going to try to develop this property. He's stepping up to the table. He's going to put up a tremendous amount of money to do this project. Yes, he's already calculating in 39 units on his project to try to drop them lower to make them affordable. But remember, on this new development, he still needs to make his numbers work at the ends of the day. He can't drop so low but he's using that tax exemption to make his numbers work and make this project to where he can develop it and bring the people in to get the job done. He's offering a lot of nice amenities on this project. If you look at the square footage of the unit, he's going for the bigger units. He doesn't have to do that. He could drop those units down to smaller units and try to save money but he's going for the bigger square footage units, which is very unusual in a market that we have right now to do that. Not to try to turn it into some condo conversion, which he's not trying to do. He's locking into this tax exemption, which actually restricts him from being able to do that, so there's a lot of benefits to the public for him to drop some of his units down, to build a good quality project, to provide the housing for tremendous amount of people, and I'm all for this project. I have read up a little bit on Mr. Wenner and his group. Very creative group. I hope they start looking at some other possibilities to build some units and also we're looking at trying to get some lower unit prices on other structures. I hope you take a look at that and keep proceeding forward. Thank you.

Hales: Thank you. We'll hold this over one week. We are recessed until 6:30 p.m. tomorrow.

At 1:16 p.m., Council adjourned.