



CITY OF  
**PORTLAND, OREGON**

**OFFICIAL  
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **28<sup>TH</sup> DAY OF MAY, 2014** AT 9:30 A.M.

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

Commissioner Fritz left at 12:30 p.m.

OFFICERS IN ATTENDANCE: Susan Parsons, Acting Clerk of the Council; Ben Walters, Chief Deputy City Attorney; and Jim Wood, Sergeant at Arms.

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

The meeting recessed at 11:40 a.m. and reconvened at 11:45 a.m.

	<b>Disposition:</b>
<b>COMMUNICATIONS</b>	
<b>485-1</b> Request of Lynnae Berg to address Council regarding Clean & Safe programs (Communication)	<b>PLACED ON FILE</b>
<b>486</b> Request of Doreen Binder to address Council regarding Transition Projects Street Outreach Team funded through Clean & Safe (Communication)	<b>PLACED ON FILE</b>
<b>487</b> Request of Ed Blackburn to address Council regarding Central City Concern partnership with Portland Business Alliance around the Clean & Safe program (Communication)	<b>PLACED ON FILE</b>
<b>488</b> Request of Timothy Desper to address Council regarding Portland Rescue Mission partnership with Clean & Safe (Communication)	<b>PLACED ON FILE</b>
<b>489</b> Request of Roy Carter to address Council regarding how Clean & Safe changed his life (Communication)	<b>PLACED ON FILE</b>

**TIMES CERTAIN**

**490 TIME CERTAIN: 9:30 AM** – Approval of the FY 2014-15 Budget for the City of Portland (Mayor convenes Council as Budget Committee) 45 minutes requested

**Motion to add budget note to Attachment D, Portland Parks & Recreation – Surplus Property Sales, that Council removes the requirement for \$400,000 in annual Parks property sales from revenue projections and directs the City Budget Office to increase the Portland Parks & Recreation current appropriation level target by \$400,000 starting in FY 2015-16:** Moved by Fritz and seconded by Fish. (Y-5)

**Motion to add budget note to Attachment D, Bureau of Development Services – Inspections & Distressed Properties direct City Budget Office to increase the Bureau of Development Services current appropriation level target by \$286,048 starting in FY 2015-16 in order to provide ongoing funding for Housing and Nuisance Inspection Services and the Extremely Distressed Property Enforcement program:** Moved by Fritz and seconded by Fish. (Y-5)

**Motion to amend budget note to Attachment D, Portland Parks & Recreation and Bureau of Development Services – Tree Code Implementation to delete budget note on Tree Code:** Moved by Fritz and seconded by Novick. (Y-5)

**Motion to amend budget note to Attachment D, Portland Water Bureau and Office of Management & Finance – Expand Monthly Statements Consolidated Statement for City Services to delete the first paragraph and keep the second paragraph which maintains the Office of Management and Finance lead responsibility to convene those bureaus and to vet the options of expanding monthly statements:** Moved by Hales and seconded by Novick. (Y-5)

**Motion to change the funding source for 5.0 Officers and 1.0 Sergeant in the Police Bureau Drug and Vice Division, 1.0 Captain from the Records Division and 1.0 Lieutenant from Personnel Division. The funding Source changes from General Fund ongoing to one-time funds. All positions will be converted from regular full-time to limited-term full time positions. The Portland Police Bureau’s General Fund Current Appropriation Level for FY 2015-16 is reduced by \$783,456:** Moved by Novick and seconded by Fritz for purpose of discussion. (Y-2; N-3 Fish, Saltzman, Hales) Motion failed.

**Motion to approve budget adjustments and amendments in the City Budget Office change memo and the above approved amendments:** Moved by Hales and seconded by Saltzman. (Y-5)

**Motion to approve the budget as amended:** Moved by Mayor Hales. (Y-5)

**Motion to approve the tax levies:** Moved by Fritz and seconded by Novick. (Y-4; Fish absent)

**PLACED ON FILE**

**491 TIME CERTAIN: 10:30 AM** – Approve the Annual Budget of the Portland Development Commission for the FY ending June 30, 2015 (Mayor convenes Council as Portland Development Commission Budget Committee) 15 minutes requested

(Y-5)

**PLACED ON FILE**

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<p><b>*S-492 TIME CERTAIN: 10:45 AM</b> – Authorize a loan contract with the Oregon Infrastructure Finance Authority to assist in the financing of the Columbia River Levee Project engineering analysis (Ordinance introduced by Mayor Hales) 30 minutes requested for items 492-493</p> <p><b>Motion to accept substitute ordinance:</b> Moved by Hales and seconded by Fritz (Y-5)</p>	<p><b>SUBSTITUTE 186598</b></p>
<p><b>*493</b> Authorize cost-sharing Intergovernmental Agreement for Columbia River Levee Project engineering analysis (Ordinance introduced by Mayor Hales)</p> <p>(Y-5)</p>	<p><b>186599</b></p>
<p><b>494 TIME CERTAIN: 11:15 AM</b> – Authorize network hut license agreement with Google Fiber Oregon, LLC (Ordinance introduced by Mayor Hales) 20 minutes requested</p>	<p><b>PASSED TO SECOND READING JUNE 4, 2014 AT 9:30 AM</b></p>
<p><b>CONSENT AGENDA – NO DISCUSSION</b></p> <p><b>Mayor Charlie Hales</b></p>	
<p><b>495</b> Authorize an Intergovernmental Agreement with the Oregon State Board of Higher Education through Portland State University for \$25,000 to identify improvements related to the Peninsula 1 and 2 drainage district levees (Ordinance)</p>	<p><b>PASSED TO SECOND READING JUNE 4, 2014 AT 9:30 AM</b></p>
<p><b>Bureau of Planning &amp; Sustainability</b></p>	
<p><b>*496</b> Amend the contract with JLA Public Involvement, Inc., to include an additional funding of \$30,000 and extend expiration date to facilitate Southeast Quadrant Stakeholder Advisory Committee Meetings, plan public outreach events and provide additional outreach services (Ordinance; amend Contract No. 30003382)</p> <p>(Y-5)</p>	<p><b>186587</b></p>
<p><b>*497</b> Authorize an Intergovernmental Agreement with Portland State University Community Environmental Services in the amount of \$15,000 for Curbside Garbage and Recycling Collection Renter Outreach (Ordinance)</p> <p>(Y-5)</p>	<p><b>186588</b></p>
<p><b>498</b> Authorize a three-year Intergovernmental Agreement with Portland State University in the amount of \$135,000 to execute the Multifamily Recycling Project (Second Reading Agenda 458)</p> <p>(Y-5)</p>	<p><b>186589</b></p>
<p><b>City Attorney</b></p>	
<p><b>*499</b> Amend contract with Ogletree, Deakins, Nash, Smoak &amp; Stewart, P.C., for legal counsel (Ordinance; amend Contract No. 30003759)</p> <p>(Y-5)</p>	<p><b>186590</b></p>
<p><b>Office of Management and Finance</b></p>	
<p><b>*500</b> Approve the Mt. Hood Cable Regulatory Commission's FY 2014-15 budget (Ordinance)</p> <p>(Y-5)</p>	<p><b>186591</b></p>

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<p><b>*501</b> Approve an Intergovernmental Agreement with Portland State University for the Hatfield Resident Fellows Program for training and leadership development for candidates interested in the public sector (Ordinance) (Y-5)</p>	<p><b>186592</b></p>
<p><b>*502</b> Approve an Intergovernmental Agreement with Portland State University for the Oregon Fellows Program for training and leadership development for candidates interested in the public sector (Ordinance) (Y-5)</p>	<p><b>186593</b></p>
<p><b>*503</b> Authorize an Intergovernmental Agreement with the Multnomah County Sheriff's Office to provide inmate work crews to the City of Portland in the not-to-exceed annual amount of \$150,000 (Ordinance) (Y-5)</p>	<p><b>186594</b></p>
<p><b>*504</b> Authorize a five year contract with Otis Elevator Company to provide elevator preventive maintenance, repair and inspection services for a not to exceed amount of \$1,839,748 (Ordinance) (Y-5)</p>	<p><b>186595</b></p>
<p style="text-align: center;"><b>Commissioner Nick Fish</b> <b>Position No. 2</b> <b>Bureau of Environmental Services</b></p> <p><b>505</b> Authorize grant agreements or Intergovernmental Agreements with thirteen community groups related to the Community Watershed Stewardship Program up to \$95,000 total (Ordinance)</p>	<p style="text-align: center;"><b>PASSED TO SECOND READING JUNE 4, 2014 AT 9:30 AM</b></p>
<p style="text-align: center;"><b>Commissioner Dan Saltzman</b> <b>Position No. 3</b> <b>Portland Fire &amp; Rescue</b></p> <p><b>506</b> Authorize a contract with Pierce Manufacturing, Inc. for the purchase of one Quint fire apparatus, for a total not-to-exceed of \$645,000 (Ordinance)</p>	<p style="text-align: center;"><b>PASSED TO SECOND READING JUNE 4, 2014 AT 9:30 AM</b></p>
<p><b>507</b> Authorize a purchase order with Pierce Manufacturing, Inc. for the purchase of three tiller trucks, for a total not-to-exceed of \$2,989,667 (Ordinance)</p>	<p style="text-align: center;"><b>PASSED TO SECOND READING JUNE 4, 2014 AT 9:30 AM</b></p>
<p style="text-align: center;"><b>Commissioner Steve Novick</b> <b>Position No. 4</b> <b>Bureau of Transportation</b></p> <p><b>*508</b> Accept a grant in the amount of \$106,032 from Oregon Department of Transportation for the Tryon and Stephens Headwaters Neighborhood Street Plan Project and authorize an Intergovernmental Agreement (Ordinance) (Y-5)</p>	<p><b>186596</b></p>

<p style="text-align: center;"><b>Commissioner Amanda Fritz</b> <b>Position No. 1</b> <b>Portland Parks &amp; Recreation</b></p> <p><b>*509</b> Authorize application to the Oregon Parks and Recreation Department for a grant in the amount of \$473,000 for Phase 1 development of the Cully Park Project (Ordinance)  (Y-5)</p>	<p><b>186597</b></p>
<p><b>REGULAR AGENDA</b></p> <p><b>Mayor Charlie Hales</b> <b>Bureau of Planning &amp; Sustainability</b></p>	
<p><b>510</b> Revise residential solid waste and recycling collection rates and charges, effective July 1, 2014 (Second Reading 483; amend Code Chapter 17.102)  (Y-4; Fritz absent)</p>	<p><b>186600</b></p>
<p><b>Bureau of Police</b></p>	
<p><b>511</b> Authorize application to the U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Assistance for a grant in the amount of \$483,619 for the Edward Byrne Memorial Justice Assistance Grant Program FY 2014 Local Solicitation to prevent or reduce crime and violence (Ordinance) 15 minutes requested for items 511-513</p>	<p><b>PASSED TO SECOND READING JUNE 4, 2014 AT 9:30 AM</b></p>
<p><b>512</b> Authorize an Intergovernmental Agreement with the City of Gresham for the use of U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Assistance FY 2014 Edward Byrne Memorial Justice Assistance Grant Program funds (Ordinance)</p>	<p><b>PASSED TO SECOND READING JUNE 4, 2014 AT 9:30 AM</b></p>
<p><b>513</b> Authorize an Intergovernmental Agreement with Multnomah County for the use of U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Assistance FY 2014 Edward Byrne Memorial Justice Assistance Grant Program funds (Ordinance)</p>	<p><b>PASSED TO SECOND READING JUNE 4, 2014 AT 9:30 AM</b></p>
<p><b>514</b> Authorize a five year grant agreement with Volunteers of America for the purpose of assisting victims and survivors of domestic violence (Ordinance)</p>	<p><b>PASSED TO SECOND READING JUNE 4, 2014 AT 9:30 AM</b></p>
<p><b>515</b> Extend an Intergovernmental Agreement with Oregon City and TriMet for Transit Police services for one year (Ordinance; amend Contract No. 30001546)</p>	<p><b>PASSED TO SECOND READING JUNE 4, 2014 AT 9:30 AM</b></p>

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<p><b>516</b> Amend an Intergovernmental Agreement with the Multnomah County District Attorney to reimburse the Police Bureau for overtime costs of officers assigned to the District Attorney Office as investigators (Second Reading Agenda 468; amend Contract No. 52562)  (Y-4; Fritz absent)</p>	<p><b>186601</b></p>
<p><b>517</b> Amend an Intergovernmental Agreement with Multnomah County District Attorney Office for child abuse investigations to increase funding by \$60,000 and extend the term (Second Reading 469; amend Contract No. 30001158)  (Y-4; Fritz absent)</p>	<p><b>186602</b></p>
<p><b>518</b> Authorize a five year grant agreement with Catholic Charities/El Programa Hispano for the purpose of assisting victims and survivors of domestic violence (Second Reading Agenda 470)</p>	<p><b>CONTINUED TO JUNE 4, 2014 AT 9:30 AM</b></p>
<p><b>Office of Management and Finance</b></p>	
<p><b>519</b> Authorize a Price Agreement for Uniformed Security Officer Services for a not to exceed yearly value of \$1,380,714 and a five year contractual total not to exceed \$6,903,569 (Procurement Report – RFP No. 116370)  (Y-4; Fritz absent)</p>	<p><b>ACCEPTED PREPARE CONTRACT</b></p>
<p><b>*520</b> Pay claims of Cayla and Jaikyla Wilson in the sum of \$816,263 involving the Portland Police Bureau (Ordinance) 15 minutes requested  (Y-4; Fritz absent)</p>	<p><b>186603</b></p>
<p><b>521</b> Amend right-of-way use agreement granted to New Cingular Wireless PCS, LLC for mobile telecommunications services (Ordinance; amend Ordinance No. 185789)</p>	<p><b>PASSED TO SECOND READING JUNE 4, 2014 AT 9:30 AM</b></p>
<p><b>522</b> Amend and extend term of limited right-of-way use agreement granted to Verizon Wireless (VAW) LLC dba Verizon Wireless for mobile telecommunications services (Second Reading Agenda 476; amend Ordinance No. 180379)  (Y-4; Fritz absent)</p>	<p><b>186604</b></p>
<p><b>Commissioner Nick Fish Position No. 2 Bureau of Environmental Services</b></p>	
<p><b>523</b> Revise sewer and stormwater rates, charges and fees in accordance with the FY 2014-2015 Sewer User Rate Study (Second Reading Agenda 484)  (Y-4; Fritz absent)</p>	<p><b>186605</b></p>
<p><b>Water Bureau</b></p>	
<p><b>524</b> Authorize an Intergovernmental Agreement in the amount of \$45,000 with Portland Public Schools to reduce district water usage and save money for schools (Ordinance) 10 minutes requested</p>	<p><b>PASSED TO SECOND READING JUNE 4, 2014 AT 9:30 AM</b></p>

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<b>525</b> Authorize the Water Bureau Administrator to execute Intergovernmental Agreements and grant agreements in support of the Lead Hazard Reduction Program in the amount of \$375,000 per year over a five year period (Ordinance) 10 minutes requested	<b>PASSED TO SECOND READING JUNE 4, 2014 AT 9:30 AM</b>
<b>526</b> Amend a contract with Baseline Industrial Construction, Inc. for additional rock excavation to complete the Alder Creek Fish Passage Project for an amount not to exceed \$137,898 (Second Reading 465; amend Contract No. 30003442)  (Y-4; Fritz absent)	<b>186606</b>
<b>527</b> Authorize a contract and provide payment for the construction components of the Road 10 MP 0.6-1.8 Project as defined in the Bull Run Roads Asset Management Plan at an estimated cost of \$685,000 (Second Reading Agenda 477)  (Y-4; Fritz absent)	<b>186607</b>
<b>528</b> Authorize the rates and charges for water and water-related services during the FY beginning July 1, 2014 to June 30, 2015 and fix an effective date (Second Reading Agenda 485)  (Y-4; Fritz absent)	<b>186608</b>
<b>Commissioner Dan Saltzman</b> <b>Position No. 3</b> <b>Portland Fire &amp; Rescue</b>	
<b>529</b> Amend fee schedule associated with Fire regulations (Second Reading 479; amend Portland Policy Document FIR-12.01)  (Y-4; Fritz absent)	<b>186609</b>
<b>Commissioner Steve Novick</b> <b>Position No. 4</b> <b>Bureau of Transportation</b>	
<b>530</b> Revise transportation fees, rates and charges for FY 2014-15 and fix an effective date (Second Reading Agenda 481)  (Y-4; Fritz absent)	<b>186610</b>
<b>Commissioner Amanda Fritz</b> <b>Position No. 1</b> <b>Bureau of Development Services</b>	
<b>531</b> Amend fee schedules for building, neighborhood inspections and sign permits (Second Reading Agenda 456)  (Y-4; Fritz absent)	<b>186611</b>

At 1:25 p.m., Council recessed.

May 28, 2014

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 28<sup>TH</sup> DAY OF MAY, 2014 AT 2:00 P.M.

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

Commissioner Saltzman arrived at 2:06 p.m.

OFFICERS IN ATTENDANCE: Susan Parsons, Acting Clerk of the Council; Lisa Gramp, Deputy City Attorney and at 3:30 p.m. Linly Rees, Deputy City Attorney; and John Chandler, Sergeant at Arms.

		Disposition:
532	<b>TIME CERTAIN: 2:00 PM</b> – Accept the report of the Chief Administrative Officer for the Quarterly Report of the Technology Oversight Committee (Report introduced by Mayor Hales) 30 minutes requested  <b>Motion to accept the report:</b> Moved by Saltzman and seconded by Fish. (Y-5)	<b>ACCEPTED</b>
533	<b>TIME CERTAIN: 2:30 PM</b> – Accept the Lents Town Center Urban Renewal Area Five-Year Action Plan and direct staff to implement through budget recommendations (Resolution introduced by Mayor Hales) 30 minutes requested  (Y-5)	<b>37075</b>
534	<b>TIME CERTAIN: 3:00 PM</b> – Consider the proposal of Rich Attridge with the City of Portland Office of Management and Finance and the recommendation from the Hearings Officer for approval, to change the Comprehensive Plan Map designation from Medium Density Multi-Dwelling Residential to Mixed Employment and the Zoning Map designation from R1 (Residential 1,000) to EG2 (General Employment 2) at 2730 SW Multnomah Blvd (Hearing introduced by Commissioner Fritz; LU 14-104931 CP ZC) 1 hour requested for items 534-535  <b>Motion to tentatively adopt the Hearings Officer’s recommendation of EG2 designation, as modified by applicant’s additional proposal dated 5/28/14 to limit the height to 75’ and permit increasing the height above 75’ through a Type 2 adjustment:</b> (Y-3; N-2 Hales and Fritz)	<b>TENTATIVELY ADOPT HEARINGS OFFICER’S RECOMMENDATION AS MODIFIED BY APPLICANT’S 5/28/14 PROPOSAL; CONTINUED TO JUNE 26, 2014 AT 2:00 PM TIME CERTAIN</b>
535	Amend the Comprehensive Plan Map designation and amend the Zoning Map for property at 2730 SW Multnomah Blvd, at the request of Rich Attridge with the City of Portland Office of Management and Finance (Ordinance introduced by Commissioner Fritz; LU 14-104931 CP ZC)	<b>CONTINUED TO JUNE 26, 2014 AT 2:00 PM TIME CERTAIN</b>

At 4:15 p.m., Council recessed.

May 29, 2014

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 29<sup>TH</sup> DAY OF MAY, 2014 AT 2:00 P.M.

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

Commissioner Saltzman left at 5:40 p.m.

OFFICERS IN ATTENDANCE: Susan Parsons, Acting Clerk of the Council; Ian Leitheiser, Deputy City Attorney; Wayne Dykes and Mike Cohen, Sergeants at Arms.

The meeting recessed at 5:40 p.m. and reconvened at 5:51 p.m.

	<b>Disposition:</b>
<p><b>S-536 TIME CERTAIN: 2:00 PM</b> – Amend City Code to create a Transportation User Fee paid by both businesses/non-residential and households/residential to fund Portland’s transportation needs, primarily transportation maintenance and safety needs (Ordinance introduced by Commissioner Novick) 2 hours requested for items 536-537</p> <p><b>Motion to accept substitute ordinance:</b> Moved by Novick and seconded by Fritz. (Y-5)</p> <p><b>Motion to amend Exhibit C: Transportation User Fee Rate Schedule to set rate for Single Family Residential Use at \$6 for the first year, \$9 for the second year; third year remains the same at \$12; other rates are proportionately decreased:</b> Moved by Fritz and seconded by Novick. (Y-5)</p>	<p><b>SUBSTITUTE PASSED TO SECOND READING AS AMENDED JUNE 4, 2014 AT 9:30 AM</b></p>

At 7:35 p.m., Council adjourned.

**LAVONNE GRIFFIN-VALADE**  
Auditor of the City of Portland



By Susan Parsons  
Acting Clerk of the Council

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

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## Closed Caption File of Portland City Council Meeting

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

Key: \*\*\*\*\* means unidentified speaker.

**MAY 28, 2014      9:30 AM**

[roll call taken]

**Hales:** Welcome, everyone. We have a busy day here at the city council today and we look forward to your participation. A few ground rules, we have some people signed up at the beginning of the council for communications and we have a proclamation and welcome to a delegation visiting from Japan, so those will be our first items of business. Then we'll get to the regular calendar. If you're here to speak on the regular calendar items please come up and state your name. We typically give people three minutes to speak. You don't have to give your address and phone number, just your name. If you're a lobbyist representing an organization please disclose that and let us know who you are representing. Please testify only to the matter at hand. If we're on a given item please testify about that, not some other. So that everybody feels welcome, we have a tradition here of if you agree with someone and want to support their comments raise your hand. If you don't keep silent or give a thumbs down but we ask that you not make verbal demonstration so that everyone has a chance to speak. Disruptive behavior is not tolerated and you'll be asked to leave. If you have any handouts please give them to our clerk for distribution. Welcome. First we have a proclamation to read. I'll read that first. I think we have Jean Gigler being Valeri Elke, from Multnomah County here.

Please come up and as you do I'll read the proclamation. Whereas on February 15, 1864, what is now Multnomah County Library was incorporated under the name of Library Association of Portland beginning a local love affair with literature, reading and libraries that's lasted 150 years. Whereas on June 1, 1864 the first library opened at 66 1st Street as a subscription library. On March 10, 1902 the Library Association of Portland became a tax supported free public library and extended service to all residents of Multnomah County in 1903 and whereas on November 6, 2012 voters approved formation of a library district to provide dedicated, stable library funding. Whereas in fiscal year 2013, central library and 15 neighborhood libraries in Portland circulated 9 million items, filled 2.2 million holds, answered nearly 500,000 reference questions and held 11,000 programs for people of all ages. Whereas Multnomah County Library supports learning, education, work force and economic development, liveability and healthy, democratic society and whereas Multnomah County Library provides targeted and proven services for youth, families, seniors, immigrants and for those with the fewest resources. And based on three pillars, free access for all, trusted guide for learning and leading advocate for reading. Whereas as needs within our diverse community shift and evolve over the next 150 years and beyond our library will remain adaptive and dedicated to the city of Portland and its people. Therefore I, Charlie Hales, Mayor of Portland, Oregon, the City of Roses proclaim June 1<sup>st</sup> 2014 to be Multnomah County Library Sesquicentennial Day in Portland and encourage all residents to observe this day. Congratulations and let's hear it for our library. [applause] welcome.

**Jean Gigler:** Good morning. Mayor Hales, commissioners, I'm Jean Gigler, a member of the Friends of the Library Board. The Friends of the Library help our library thrive to advocate, support and fund-raising. We're presenting this proclamation in honor of the 100 -- 150th anniversary of what is now Multnomah County Library. As we celebrate this important milestone we recognize Portland as a community in which reading, learning, and curiosity are also cause for celebration. Thank you very much for helping us this morning.

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**Hales:** Thank you.

**Bailey Elke:** Thank you, mayor hales, commissioners. Nice to see you this morning. This sunday as you indicated will mark a significant anniversary. On June 1, 1864, when Abraham Lincoln was president of the United States, the first library in the city of Portland opened not far from where we sit today. Since then our community and libraries have evolved and changed together. Today 16 of 19 libraries serve Portlanders with free and equal access to information, entertainment, assistance and resources to improve lives. What has not changed over the 150 years is the way in which Portland and surrounding communities are enamored of reading and books. Even 150 years ago it was evident something big was happening in what was then an isolated outpost with muddy streets and wooden sidewalks. April 15, 1864 Oregonian it was noted, the building is one of the finest Portland can boast of and when the rooms of the society are fitted up and furnished they will compare favorably with kind red associations in much larger cities than ours. I thank you all today for celebrating this community asset. My hope is that libraries will enrich and expand the lives of Portland's residents for the next 150 or more years. Thank you so much.

**Hales:** Thanks very much. Can we do a photo with the council and you, please, to celebrate?

**\*\*\*\*\*:** Certainly.

**Hales:** Congratulations. Thanks very much. 150 years. That's pretty impressive. There's not much older around here in terms of public institutions. That's quite a run. I love the sense of the next 150. You're already thinking about that. So next before we get to communications I want to welcome a couple of guests here who are under the wing of first stop Portland, of course, both from Tsukuba city, Japan. You're a former city council member and you are involved in city government and in the business community there. Just wanted to welcome you and give you a chance to say hello. I know you have been studying Portland, put you on the spot here this morning in calling you up, but you were telling me about a project he's led involving disabled people and getting them involved in the local economy. If you could take a minute to tell the council about that, because frankly we have nothing like that here and I love what you're doing. So welcome.

**\*\*\*\*\*:** Thank you very much, Mayor Hales and commissioners, for sparing your precious time during the session. From Tsukuba, it's located northeast of Tokyo about 60 kilometers. We are known as a science center of Japan. We have about 300 national and private. [audio not understandable] we are very international city as well, about more than 130 countries people are coming to the city and living there. I had served on city council for eight years. Always I wanted to visit Portland. We're only here for three days. Still, I already feel I'm falling in love with the city. [audio not understandable] this is just an honor to introduce my project to you. I originate from Secuba city where the majority of the people work so there are not working opportunities for challenged people in Japan and there are no working people in agriculture so I was trying to connect the two issues into one solution. So we are now selling boxes nationally. Most learning about Portland is as Mayor Hales said before, it's all about the culture. Not like system -- it's not all about system or institution. It's all about culture and people that Portland makes so different from other U.S. cities. So I really appreciate this great opportunity. He was kind enough to support my visit. He wants to say thanks as well.

**Hales:** Welcome.

**\*\*\*\*\*:** I run a real estate company agency. I'm supporter of this man. Cherry Hills. Thank you very much.

**Hales:** How many people are employed?

**\*\*\*\*\*:** We have 17 now and we are expanding.

**Hales:** They sell the produce locally and nationally?

**\*\*\*\*\*:** Both. We have so many supporters.

**Hales:** We have some great nonprofits here like Goodwill where disabled people are employed but it's mostly in products and services, not necessarily in agriculture. It's a really interesting model.

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**Fish:** We have a commission style form of government, the last of any city our size in the country. How is your local government structured at the city level?

\*\*\*\*\*: We have mayor, of course. City council. It's not a big one. We have 28 city councilors. Actually, it's like rubber stamping politics. Basically mayor decides everything and probably a bit different. You have this commission system. Mayor has a strongest power in the local government in cities in Japan.

**Fish:** How big is the city?

\*\*\*\*\*: We have 220,000 people.

**Fish:** Each city councilor represents a district?

\*\*\*\*\*: No, we have one district.

**Hales:** Interesting. So many structures. The issues of sustainability and local economy and equity are so common around the world. We all make these structures work one way or the other.

\*\*\*\*\*: I hope one day in future I can work with you to make world a better place. Thank you very much.

**Hales:** We wish you well in doing just that and to your leadership and both of you for being great embassaries to Portland. We look forward to returning the visit. [applause] enjoy the rest of your time here. Thank you. We appreciate being able to start with both of those great moments. Now we'll get to some folks who signed up for communications. 485, please, sue.

**Item 485, 486 and 487.**

**Hales:** You're bringing some of the others as well.

**Parsons:** Read the others as well?

**Hales:** Yes, please.

**Parsons:** 486. 487.

**Hales:** Welcome.

**Lynnae Berg:** Good morning, Mayor Hales and Commissioners. I'm Lynnae Berg, executive director of downtown clean and safe. I'm pleased to be here with our key partners in joint efforts to provide treatment, housing and jobs for many members of the community who suffer from addiction and poverty. One of these efforts you'll hear more about is our new panhandling outreach initiative with transition projects successful in moving chronic panhandlers off the street into housing. Since its inception clean and safe has included a homeless to work component in our mission. Our partnership with Central City Concern has enabled many individuals to move from the street into housing and living wage employment. Each week our cleaners remove 20,000 graffiti tags, pick up over 23,000 bags of garbage and respond to bio hazard cleanups. Without that downtown Portland would look very different. Our security work has been in partnership with social service agencies, the city, residents and businesses. Portland Rescue Mission could not be here today but sent you a letter describing their positive experience with clean and safe security, and I would like to read a short excerpt. For the past four years Clean and Safe has joined us to work for people in need. Every week Monday through Saturday representatives help to wake up individuals sleeping on the streets and in doorways, clean sidewalks and assist with our security. In particular, Clean and Safe Officer Jim Berry has provided exceptional service to the community. Officer Berry initiates conversations and builds relationships with people living on the streets of Portland learning their names and background. More over, he uses his relationships to work through conflict before it escalates, promote a positive environment. Officer Berry is one of many clean and safe employees whose commitment and consistent presence has truly been an asset in creating a more vibrant community. Portland Rescue Mission holds great confidence in clean and safe in their work throughout the community. This type of security service is emblematic of the respectful way we ensure public spaces are accessible and clean for all in downtown. We have people from all over the world who come to see how we manage our enhanced service district. Visitors from Japan, Oklahoma and our neighbors to the north in Seattle have met with us in the past few months to learn

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about the strengths of our partnerships, innovating programming and collaboration. One unique aspect is the partnership with the Portland police bureau where we support funding of four Portland bike officers. Over the past two years we have had many conversations with you regarding negative behaviors that occur in public spaces downtown. These behaviors are not attributable to a single group but are often exhibited by individuals who are service resistant chronic offenders. My board and I are very supportive of the efforts of bob day and his team, increased visibility of officers on foot patrol provides increased opportunity for interactions with citizens to help make downtown safer and more welcoming. I thank you for your support of our many programs. The members who have gone into the enhanced service district care deeply about the city and provide additional resources to make this one of the best downtowns in the nation.

**Hales:** Thank you. Good morning.

**Doreen Binder:** Good morning. Mayor Hales, commissioners, pleasure to be here with you. I want to tell you how happy transition projects is to have been part of this innovative program. Linea has been wonderful and our relationship with clean and safe and Portland business alliance. Between this and social services it's been at times rocky over the years, but I think the three of us sitting here together represent the changes made over the years and how well we have worked together. Not only in social services but with the businesses. It's incredibly important and it was one of the questions that I -- when people were running in the last mayoral election I believe I asked you, how would you -- I think I asked most of you how would you work to get social service and businesses working more hand in hand together because it's the only way we'll move forward. I think that what you have before you is an example of how well it can work. We have this program that Lynnae came to us and asked how we would work with people on the streets who are panhandlers. Could they get into housing. What we did was to take on this challenge, but we did it in a more unique way. I think we talked about getting maybe seven people engaged with seven people but not necessarily up the street. We got almost 19 people into housing. That's not true. Seven went into treatment, but hopefully into housing after that. But what we did in the unique way, we have a program in our facility, in our agency, that's a mentor program and, Dan, if you could hand those books to me, people who have successfully graduated from our program, some of them came into our mentor program and those were the people, four of whom we hired to work on the streets. They know people better than we do. I met with our mentors a few months ago and said to them, as I was talking to them I said, why you? What is the difference? How do we get people off of the streets? As we talked, they said they made decisions to do that. But it has to be agencies like central city concern, transition projects who are available for them to have those services. We don't change people's lives, we offer opportunities to change their own lives. I said to the mentors, can you please put it in writing for me? They created this book. I didn't do it. They literally wrote this book. I found a few typos, but that's okay. They did an incredible job. I'm so proud of them. These are the people working on the streets, working with each other to help people get off the streets. I'm proud of the work, that we have the relationship we have with the business alliance, with other programs, but I'm particularly proud of the staff who have run on the streets to help each other change. Thank you.

**Hales:** I see one of your volunteers here. A grand marshal of the starlight parade this year. Named a building after him. Bud Clark.

**Binder:** I know. You don't know how lucky we are to have Bud on our board. He's been on the board about ten years. He's just a gift. Two of the people that are mentors in the program work for central city concern and they are terrific employees. Just really it's been a pleasure working with the population. There are people living on the streets who really just really need that support to get off of the streets. We need more housing. We need more resources. Certainly more housing, more mental health support, but it's remarkable what people can do when they have the support. Thank you.

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**Hales:** Thank you.

**Ed Blackburn:** Mayor Hales, city council, glad to be here. Lorraine, that was very nice. The partnership with the clean and safe board and TPI, and join, Bud Clark Commons and all of the providers downtown is pretty unique. We get visited by representatives from different cities and different countries and they are always very interested to see this relationship and how it actually works to solve problems in the downtown. So I do think we're advanced in that sense. I'm here to talk about the clean program, which in my mind has become a cornerstone at efforts to end homelessness in the city of Portland. We have been doing the clean programs as a contract with the business improvement district since 2004. We have hired over 700 formerly homeless people. Almost all in recovery from addiction into the clean program where many of them start as trainees. It includes 14 regular positions that are represented positions. They are paid at a livable wage. The training positions are just above minimum wage at this point. The good news is we'll be able to give them a raise this year, however, we have graduated in 2013, 53 trainees. 80% of them we are able to place in jobs in the community. At a much higher wage level. So they are also receiving housing from us while they are trainees and as long as they need it when they are employees. They receive alcohol and drug treatment, mental health and health care. Especially now with the enrollment of the OHP expansion they have much more access. So last year, they picked up 29,295 bags of garbage. They cleaned up 30,782 bio hazard sites. 28,385 graffiti tags and stickers have been removed. It actually works. It's one of the reasons why people comment I think a major reason why people comment how clean our downtown is compared to other downtowns. We're also ending homelessness and people are making remarkable transformations in their lives. So just very happy to have this capacity to help people get off the streets and change their lives.

**Hales:** Thanks for the good work.

**Binder:** I always have to have the last word. I will tell you to these wonderful visitors that were just here, I took my grandson on a trip to Japan six months ago. If you haven't been there it's a wonderful, wonderful place to visit.

**Hales:** Thank you. Appreciate you being here. Let's call the next one, please.

**Item 488 and 489.**

**Hales:** Mr. Desper is not here but Mr. Carter is. Good morning.

**Roy Carter:** Mayor, staff. Thank you for having me. Whew: I'll keep it short and simple. They told me I only have three minutes and I have a long story. First I would like to thank the mayor and his staff for having me.

**Hales:** Mayor and council.

**Carter:** Thank you. Jay McIntyre. Without their belief in me I wouldn't be sitting here today talking to you. On August 5th of this year I'll be off parole for the first time in my adult life. That's a milestone for me. I owe it all to staff and central city concern and their programming. Through their programming I was able to get into their community volunteer corps program. I was able to get into their employment access program, to work on my resume and cover letter so when I applied for a job I didn't look like a fool. That was a big thing for me because 10 years in prison is a long time. When I got released all they handed me was a packet and a book with resources and told me to see my parole officer. I was devastated. 10 years is a long time to be thrown back into the public. A gentleman at the state told me to go to employment access and get into the community volunteer program. I asked a couple of major councilors there in the state building run by central city concern. They took me there and I enrolled in the community volunteer corps. I was just biting at the bit to do something. I had been incarcerated for ten years. Everything was dictated what I do, when I do and how I do it. I was lost. Literally lost. The volunteer corps, giving to my community that I took so much from was just a god send. It gave me pride, self-worth, made me be part of something bigger. After three months of doing that program, I finished it in two months. That opportunity then arose to become a part-time employee downtown clean and safe, which is a six-month

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program. After 90 days of work they were able to get another job or to become something else. As I was progressing forward jay mcintyre and matt smiley saw in me a potential for an employee and i'm here to tell you i'm a full-time employee of downtown clean and safe. I ride a bike around downtown cleaning up feces, urine, broken glass, vomit, needles, you name it. I'm on call from 9:30 in the morning until 6:00 at night. I'm proud to do what I do. Without that I wouldn't be sitting here. I don't know what I would be doing if I hadn't gotten involved in their programming. They are no fools. They can see through you. They know if you really want to get your life together and they will help you. They will bend over backwards to help you but you have to commit. You have to want to change your life. That was my goal. Most of my adult life on parole, probation, that's no future for nobody, you know. Like I say, I can't say enough for central city as a whole. I went to them as an ex con, now i'm part of the family. I believe wholeheartedly they consider me part of the family. For that i'm truly thankful. Thank you guys for your time.

**Hales:** We hear a lot of testimony in this room but seldom as compelling as you gave us today. You did very well. I have had the privilege of going out with this man on part of his shift. We have a really good ambassador for our city in roy carter.

**Carter:** I have met with quite a few constituents from other states. I have actually got employee of the year from mrs. Fritz. Life is good today and i'm not complaining. I'm housed at central city concerns state building run by central city. I moved from the second, third and fourth floor small rooms, I got air conditioner, I can watch my favorite sports on weekend. Jay and matt, whatever they asked me to do i'll do. I told jay, you can ask me to unload a dump truck full of manure with no gloves on and i'll do it. [laughter] that's how dedicated I am to this company. I look forward to a future with them.

**Hales:** We appreciate you. Thanks so much for your good work. [applause] I think we might be motivated for the long council day we have today. Thank you all. Let's move to item 490. Sorry, consent. We have time certain and did it again. One of these days. See how long it takes me, commissioner Fritz. I believe we have no requests for removal of items from consent. Is that right? None from the community as well. Let's take a roll call on consent as printed.

**Roll on Consent.**

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

**Hales:** Aye approved. 490, please.

**Item 490.**

**Hales:** Thank you. Mr. Scott and mr. Patton are coming up to walk us through the revisions in the budget based on public testimony, council deliberation and great staff work, I just want to as we get started on this item today thank first the council for a lot of great discussion and advocacy for a better budget. I appreciate the improvements that we made in this budget thanks to some of your particular recommendations and suggestions. I also think we had an extraordinarily valid public process in the budget this year in terms of quality and engagement of the testimony we had. I have been remarking on this over and over again. I think it was you, commissioner Fritz, someone asked at our hearing at david douglas how many people had come to their first public meeting and about a third of the people raised their hands. I think that was a high watermark for me in terms of hour getting people engaged in community life that we had that many people coming to a budget session and who testified and were influential in what we ultimately did. Hopefully they feel as validated by that as I think we do by what we heard from them. This has been a good process. I appreciate get work. Turn it over to you to walk us through the change memo and action before us this morning.

**Andrew Scott, Director, City Budget Office:** I'm just going to explain it and you can take it from there. You should all have a packet with the changes in front of you. What the mayor will do is convene council as the budget committee. We'll have a hearing on possible uses of state shared revenue and there will be testimony for anyone interested. We'll then go into the approved budget

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process. There will be an opportunity again we'll walk through the changes between the proposed and approved that were filed. There will be an opportunity for additional amendments then at the end we will approve the tax levies as well. With that, mayor, i'll turn it over to you.

**Hales:** So i'm going to adjourn this meeting of the portland city Council [gavel pounding] and reconvene as budget committee of the city of Portland. [gavel pounding] I don't think -- the rest of my script. Is there anything else I have to read into the record?

**Scott:** We now go into the state revenue sharing.

**Hales:** Here it is. I'm opening a hearing to discuss possible uses of state revenue sharing. This is being held by the city council of portland in compliance with the provisions of state revenue sharing regulations ors 221.770 to allow citizens to comment on possible use of funds in conjunction with their annual budget process. As proposed for council adoption fiscal year anticipates receiving \$14,535,088 from state revenue sharing. As has been the case in priors years it's proposed it be allocated in equal parts to support fire prevention and police patrol services. Is there anyone that wants to speak on this particular item of the state revenue share?

**Parsons:** We have two people sign up. Lightning and crystal elinski.

**Hales:** This is on state revenue sharing in particular.

**\*\*\*\*\*:** Good morning.

**Hales:** Good morning.

**Lightning:** Good morning. I represent think lightning company. I'm lightning. The only issue I have on the state revenue sharing is that we have police and fire, and I want to stress that I think we need to have the Portland housing bureau involved on this to where it's divided up three ways because what we're dealing with on the police and fire is we need to fund toward Portland housing bureau to again try to end chronic homelessness throughout the city. That's as important of an issue in my mind as the police and fire. It should be a three-way split, divided up three ways on this. Again, ending chronic homelessness will drop the costs in other areas, especially on the service providers, and again, it needs to be our focus point on trying to end chronic homelessness through Portland-Multnomah county. Thank you.

**Hales:** Thank you. Is ms. Elinski here? No one else who wishes to testify i'll close the public hearing on the possible uses of state revenue sharing. Now we'll take up amendments. Yes.

**Andrews:** Not quite.

**Hales:** Sorry, i'm looking at my batting order here, andrew.

**Scott:** At this point you need a motion that will consider changes to the proposed budget as are presented in the memo you received last friday. We need a motion and second and then i'll walk through the changes.

**Hales:** First move the change memo then take up amendments.

**Scott:** Yes.

**Hales:** I would like to consider a motion adopt the proposed budget as presented in the memo approval of the budget for the city of Portland. Is there a motion?

**Saltzman:** I'll make that motion.

**Fritz:** Second.

**Scott:** I'll just walk through the major changes in, again, the approved budget memo that you have before you. There are a number of changes in here that are technical. A lot of bureaus between the proposed and approved budget move money in and out of fund contingencies for different purposes. There's the budgeting of carry-overs previously approved and then updating their funds estimates and so again they do a lot of that. In terms of the substance and this is attachment b, we walk through every change and every bureau but I will highlight four or five that are policy changes from the proposed budget. One is fully funding the tree code implementation. That shows up on page 4 of the memo under bureau of development services and then towards the end in Portland parks and recreation on page 10 of the memo as well in terms of the two different pieces of the tree code

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implementation. Another thing that I will note is -- pc economic development grants for \$100,000 were included. That's on page 9. There was new funding for a fire safety chief position, \$154,782, also on page 9. Symphony in the park for \$190,000 was added as well as the regional arts and culture council's add package for \$250,000. Those things were paid for by combination of reducing the support for the specific animals we pay the county about \$56,000. Carry-over of unspent '13-'14 contingencies this is one time dollars from the current year that were unspent of about \$440,000, then finally reduction in 2014-15 contingency \$100,000 of ongoing and \$275,000 of one time. Those are the offsets to pay for the adds I talked through. Those are the major policy changes. I'm happy to answer any other questions about anything in attachment b. If there are no other questions the mayor would allow for individual amendments to the memo. Those amendments should note the amount the bureau, the purpose and the funding source. Each amendment needs to be moved and seconded to be discussed and then we would generally have a vote on each. Traditionally council puts all the amendments on the table and discusses them but you could take each individually.

**Fish:** Today we are approving the budget and then in June we're adopting it?

**Scott:** That's correct.

**Fish:** Can you explain that?

**Scott:** Absolutely. Today council approves the budget. After budget approval it's due to the tax supervising and conservation commission tomorrow. Then they have 21 days to review the budget. They will hold their own public hearing in mid June and come back for final adoption by council second to last week of June.

**Fritz:** For clarification, after testimony we could propose other amendments if we are so moved?

**Scott:** Yes. I believe so. I'm going to actually -- [speaking simultaneously] again, this is a little bit of a byzantine process in state law, but we get the amendment and then after each gets voted on council needs to vote to put the entire package before the public. So you will actually take a vote on the approved budget after the amendments prior to testimony. It's not a vote to approve the budget but a vote to say all of these attachments plus all the amendments are now on the table for testimony. You'll get that testimony, and there could be further amendments.

**Hales:** We take that omnibus motion to adopt as amended prior to taking testimony.

**Fish:** My recollection in the past is with respect to amendments and different budget notes, we first test to see if there's a second to put it on table. You're saying we vote on the merits before we take testimony? We would normally put the amendments on the table, take testimony, then decide which to adopt. That's how we would normally do an amendment process.

**Scott:** In this case in the way the process is laid out in local budget law the budget committee, you discuss those amendments, approve them. You are not actually approving -- you're approving them to put them on the table essentially as part of this entire package. There would be opportunity I guess to come back and either add new amendments or remove those.

**Fish:** Just thinking out loud, what --

**Scott:** I would love local budget ought to be more user-friendly.

**Fish:** Assuming the mayor has a big hand under Robert's rules, what would be the harm in having amendments offer, test whether there are seconds, placing it on the table, then take testimony and then come back and decide which ones we're going to adopt or not?

**Scott:** I'm rapidly approaching the point where I'm going to defer to the city attorney on this. My understanding from a process standpoint, though, is that the entire package needs to be essentially -- there needs to be a motion and vote to approve budget adjustments and any amendments prior to that public testimony. It's not formally on the table until then.

**Fish:** If there's some item that we hear compelling testimony what do we do procedural?

**Scott:** Procedural at that point you would then make further amendments to the budget, removing or adding.

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**Hales:** We package it once, take further amendments if any, then -- if none are adopted the previous vote stands?

**Scott:** Again, you approve b, c, d as amended, have public testimony and vote to approve. The first is to take the entire package and formally put it forward.

**Fish:** It's at the beginning of a very long day. I'm trying to figure out --

**Scott:** I'm trying not to make it any longer.

**Fish:** Technically we can reconsider our votes after taking public testimony?

**Scott:** Yes. At that point council could make further changes to the approved budget.

**Fish:** Just so the public knows we're not seeking testimony in the nature of a futility, we're required to put together an omnibus package but council can come back and take further action.

**Scott:** My assistant budget director has been hijacked to answer some questions but the purpose, we have a proposed budget put forward by an executive. Council acting as the budget committee now in terms of the budget committee needs to say we're formally putting forward these budget changes to that. That's why we go through this preliminary process.

**Ben Walters, Chief Deputy City Attorney:** Just to point out that the council is meeting as the budget committee and therefore there are slightly different technical procedural requirements identified by state law and, yes, the purpose of it is to present a package of a budget to the public which the public has an opportunity to weigh on. The council has the opportunity after receiving that testimony to go back and rejigger, reconfigure, tinker with, then have a final approval vote on an amended budget after receiving the testimony. So yes, it is kind of a little backwards or different from the way you would ordinarily procedure as council but that's because the procedural rules are slightly different under the state budget law.

**Fish:** That's helpful for me. Thank you.

**Hales:** As I recall, we can structure this I believe we have the opportunity to structure this to take substantive amendment proposals and proposals to changes to budget notes in that order.

**Scott:** Yes, all amendments including budget notes should come forward during this process.

**Hales:** Substance changes first then budget notes second to keep it straight in my head. All right. Now let me call on the council if there are any proposed additional amendments to the package as now in front of us.

**Fritz:** Mayor, I have passed out some budget note amendments.

**Hales:** Can we -- we can take them in order. That's fine. We don't have to wait and do budget notes second. I was going to suggest jet we do substantive ones first.

**Fritz:** Happy to do that. On the budget notes, for Portland parks and recreation surplus property sales council removes the requirement for 400,000 in annual park property sales from revenue projections and districts the budget office to increase the portland parks and recreation current appropriation level by 400,000 starting in 2015-16. The reason for this amendment is because during the recession, parks was told to find \$400,000 worth of property per year to sell to make ends meet and not only has that been challenging but also our goal is not to sell off parks property except when it's indicated for other reasons from the budget. That's the reason for this budget note.

**Fish:** Second.

**Hales:** Then we discuss and take action on these individually.

**Scott:** Council can either go through each individually or take all of them and then you have to have a separate vote on each but you can bring them all forward.

**Hales:** Let's take them all then return to them in order.

**Fritz:** The second is bureau of development services for inspections and distressed properties program. The council directs the city budget office to increase the bureau of development services current appropriation level by 286,048 starting in financial year 15-16 to provide ongoing funding for housing and nuisance inspection services and extremely distressed property enforcement program.

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**Fish:** Second.

**Fritz:** Thank you commissioner fish. This is a program we have been one time funding started by commissioner Leonard. It is in particular designated areas if one tenant complains about problems in an apartment the entire apartment complex is inspected so that first the tenants are not targeted, second problem one apartment there may be problems in other apartments. We have been one time funding it up to this year. This year development services is dipping into reserves and the program. The level is set at 286,000 by advice of the budget office at the current request is \$386,000 but historically they have not used the full 200,000 for nuisance cleanup. It may be if this appropriation level is not enough we can come back next year, whoever is in charge of development services will be coming back next year to ask for additional allocation, but we certainly need this much to keep the program going.

**Hales:** That was seconded.

**Fritz:** Third budget note is for Portland parks and recreation and development services for tree code implementation. When the mayor was thinking of only partially funding the tree code there was a budget note said we would see how it's going. And ask for more. Since we now have full implementation money we don't need that note. We will of course bring a note to council during the budget season in 2016 to see how it's going. The tree code implementation starts January 2015. I move to delete that note.

**Hales:** Second? To delete that?

**Novick:** Second.

**Hales:** Thank you. Those three on the table. Are there any others? I have one. A budget note changes. Let me find the budget note. Sorry. Thank you. I found it finally. So there's a budget note entitled Portland water bureau and office of management and finance monthly statements. I'm very interested in having us energetically explore the question of monthly statements for our city utilities. That requires a multi-bureau effort of the office of management and finance, water bureau, bus, perhaps other bureaus as well. Want to foster that discussion. I think the early version of this budget that I wrote was too directive and I would rather say we're serious about this, we're going to make sure the conversation and discussion and options are vetted for the council. So my proposal is to delete the following language, the Portland water bureau is directed to expand monthly statements to all retail customers for water, sewer and storm water sewer services by January 1, 2015. Any costs associated with it shall be absorbed within current bureau resources and shall not result in any rate increase. In addition the office of management and finance is directed to report on options for consolidating statements of all city services shall identify relevant bureaus, services and statements, potential costs and implementation timeline. My proposal is to delete the first paragraph and keep the second which maintains the office of management and finance's lead responsibility to convene those bureaus. That's my motion.

**Fish:** Second.

**Hales:** That's on the table as well. Any others?

**Novick:** Budget notes or substantive amendments?

**Hales:** Either one.

**Novick:** This amendment changes funding source for 5.0 officers and 1.0 sergeant in the police bureau's drugs and vice division. 1.0 captain from the records division and 1.0 lieutenant from the personnel division. The funding source changes from general fund ongoing to one time funds. All positions will be converted from regular full-time to limited term full-time positions. The Portland police bureau's general fund current appropriation level is reduced for FY 2015-16 is reduced by \$783,456.

**Fritz:** Second for purposes of discussion.

**Hales:** Any more? All right, we should take --

**Scott:** Five amendments.

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**Hales:** There's five. In order. Let's take up first the commissioner Fritz's motion on surplus property sales. Further council discussion?

**Fish:** Mayor, on each of these, I would benefit from council discussion in particular knowing if these have the support of either the mayor or budget office. Some of these I have not seen before. Before we take to a vote I could use some guidance as to council view.

**Hales:** I'll give the budget office a chance to speak and then I will too.

**Scott:** Nonvoting member of council?

**Hales:** Trusted resource.

**Scott:** Specific question on these. The first one, surplus property sales, again, as commissioner Fritz noted a couple of years ago parks in lieu of an additional budget cut they included that they would sell \$400,000 of property every year for five years. With this budget note, it goes ahead and deletes that, adds 400,000 to their current level target starting in 2015-16. You know, essentially again this property sale was done in lieu of additional budget cuts. So I think one way to look at this, it is an add back for parks for budget cuts taken again in the current year. From a process standpoint in terms of adding cal targets that has been done by councils in the past and I think it will be done in the future. It does essentially say the first dollars that are available are actually whether dollars are available or not 400,000 will be added. The forecast is exactly on. This would drive \$400,000 in cuts in 2016. If we end up with \$400,000 of additional resources it says those additional resources less first go to parks rather than any other add packages. This is similar to what council did with the housing bureau and office of economic development to essentially move funds from one time into ongoing. That drove some of the \$21 million of reductions we took in 12-13.

**Hales:** Commissioner Fish, I appreciated your question. We have an independent budget office and he's always free to disagree with me in public as well as in private. I wanted to make sure to reinforce that principle. In this case I do think this is an appropriate amendment. As Andrew said the budget office is wary and always needs to be wary and I as mayor and developer of the proposed budget in pre-committee for future budget years but there are cases when this is appropriate. In this case council may be at a moment of being up against it. Specified that we would rely on surplus property sales in parks to keep the store together. Maybe that was a good idea for the short run but it's not sustainable and I don't think we should stay in a place where we in effect have a gun to the head of the parks bureau saying sell some property to keep your staff. It may have been necessary in the short run but in this case I'm willing to pre-commit future budget resource to parks to get them out of this particular situation.

**Fish:** I appreciate the opportunity for the public to see Andrew Scott and the budget office disagree with us in public because Lord knows he does enough of it in private. It's the function of an independent budget office that he gives his best advice and gives an historical context and we're the ultimate decision maker. So thank you.

**Hales:** Let's take roll call on including that amendment in the revised budget.

**Fish:** Aye. **Saltzman:** Aye. **Novick:** Aye. **Fritz:** Thank you very much.

**Hales:** Aye, approved. Let's take up the inspector positions as well. This is also increasing the cal target in the future. These are positions I don't know if you explained this being funded in the short term by reserves that ultimately need to be funded otherwise.

**Scott:** These are long time -- long term one time funded positions that we have ever year figured out a way to do it, very similar to the prior budget notes in other bureaus that say we're going to move this to ongoing in the future. Same concerns I raised with parks are on the table but council wants to fund these on an ongoing basis this is a mechanism for doing so.

**Fish:** Used to call them serial one time. Have we rebranded them?

**Scott:** No serial one time works.

**Hales:** Other discussion? Let's take a roll call please.

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

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**Fritz:** Thanks to the community alliance of tenants who year after year after year have come to advocate for this program and to my colleagues for supporting it ongoing. Aye.

**Hales:** I'm going to support this for several reasons. One, this is a program that is so critical. I was at east precinct for roll call and a police officer at east precincts talking about the 200 problem houses they were dealing with and how essential this program is for public safety. Not a new idea but to have them personally reinforce that increased the importance of this program. Although we haven't fully gotten there but with the budget office itself and with council's discipline we are trying to get out of the business of serial one time expenditures and we're almost there. I hope that by the next budget or the budget after we have in effect cleaned up that problem for the duration and that things that we're going to do year after year after year after year are in the base budget and that things that we're doing on an occasional basis are one time expenditures, which is what I think people have a right to expect. Perhaps for understandable reasons in bad budget years some of that got fuzzed up but we're trying to make that clear and simple and also give people reassurance that these programs will be around and obviously give people that work in the programs the assurance that their jobs will be around. Aye. Next item, deleting the budget note on tree code. Further discussion?

**Fish:** You're the author of the budget note, mayor. Do you consider this a friendly amendment?

**Hales:** I do. Further discussion or questions? Then roll call.

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

**Fritz:** Thanks to all the citizens and urban forestry commissioners who came to testify on the tree code. Aye.

**Hales:** Aye. Okay, now we're to the change in the budget note with respect to monthly billing where we're simply keeping the statement we're going to ask omf to lead the effort and report to us with potential options, costs and implementation. Further discussion?

**Saltzman:** Is there a date?

**Hales:** I did not set a date in the second paragraph of the budget note but I think I have fred miller's assurance this will get priority treatment so I don't feel a need to set a date in the budget note. It falls to me to make sure my bureau gets the work done timely and gets it to us so far in advance anything that has to be done by next fiscal year we have a chance to do it.

**Fish:** If I could add one comment, mayor, because the water bureau has already rolled out monthly billing, anyone in our listening audience can go online and sign up for monthly billing with the condition you have to agree to receive a bill electronically and pay electronically, which is a barrier to some. One option will be how to have a not just a paperless system, operate within a prudent cost structure but it would be my expectation in january-february to have a work session to evaluate options that are developed. It underscores the urgency.

**Hales:** Obviously we need to be working in concert on this because it's primarily your bureaus that have to figure out how to bill people this way with revenue support. Other discussion? Then roll call on that amendment, please.

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

**Hales:** Aye. Then the final amendment is commissioner novick's amendment with respect to the police bureau. Further discussion there?

**Novick:** With regard to the drugs and vice division we had a conversation with them where the captain said approximately half of their investigations relate to drugs but also other crimes such as violent crimes. He said approximately half their work is they are going after drug dealers because they are drug dealers. Other crimes are not involved. 40 years of experience and research related to the war on drugs indicates that arresting drug dealers simply because they are drug dealers is not an effective strategy, that if you get rid of one drug dealer another one pops up as long as there's a demand there will be a supply. So I think that it's appropriate to reduce the amount of resources that we're dedicating to an ineffective strategy. I also am partly compelled to offer this amendment

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because 26 firefighters have been told that towards the ends of next year they could lose their jobs. I think that the work those firefighters perform is more valuable than chasing drug dealers. So I preferred to put the two bureaus to some extent on a level playing field going into next year because I would rather preserve several firefighter jobs than preserve all of these drugs and vice positions. The rest of the amendment relates to command staff. Commissioner Fish and I oversaw a committee which investigated span of control issues throughout the city. We're looking to see if there were supervisors who don't supervise very many people. Particularly we were focused on supervisors who supervised three people or fewer. Human resources analyst visited all the bureaus and there were issues with a lot of bureaus. Most of the bureaus indicated that they recognized there were span of control issues which they were willing to work on. The police bureau did not seem particularly concerned with the span of control issues, and our researcher identified 23 commander management positions that could be eliminated and six supervisory positions reclassified in furtherance of getting larger spans of control. This amendment makes a very modest move towards implementing those suggestions. In the personnel division, there is a lieutenant to whom only two sergeants report. So we are suggesting making that position one time phasing it out after this next year. I also discovered in research comparing command staff positions in the past and currently that in 1993, we had eight captains and a police force about the size it is now. We now have 13. That's a pretty significant percentage increase when you have a police bureau as a whole that is staying pretty much level. I noted that in 1993 we did not have a captain heading up the records division. It doesn't seem appropriate or necessary to have sworn captain heading up the records division which in the past been occupied by a civilian so i'm suggesting making that one time as well. It's my assumption over the course of the next year in the course of retirements, et cetera, that this amendment would not cause layoffs. These positions would be phased out by attrition.

**Hales:** Let me comment on a number of things. First of all we as a council act in several capacities. We are talking about our unique form of government with our guests. This is one way in which we express that. We are each leaders of our own bureaus and ceos for the bureaus that we lead. That's an important role each of us play. We're also a policy body that adopts budgets and policy but we're also a board of directors. Although I don't support the proposed amendment it's always appropriate to look carefully at everything we do in all of our bureaus regardless of turf. That's why I appreciate the spirit of you raising these issues and raising these questions. It's okay for us to raise uncomfortable questions about how we do business so we can think about it, consider alternatives and improve. That's something that I know our staff supports but definitely makes people nervous. It's a role we should play. However, number of reasons I don't want to make this move now. That is there are allocations of work in the police bureau that I want to carefully consider and in some cases reconsider. We should be doing more in traffic safety than today and all thought police bureau proposed to add additional officers we ultimately did not include that but I do want to look for ways and means by which we assign more officers to do more work in traffic safety because we killed 35 people with cars last year and we had 16 homicides. So obviously traffic safety is a critical public safety issue. The chief knows this. His leadership knows this. The traffic division comes and explains the ways and means of how they are trying to address it but we're not doing enough. You raised legitimate questions about the role of the drugs and vice division and efficacy of what we're doing and I want to carefully look at those questions and reexamine what we do, but I think it's important in this budget that we provide some stability and some assurance to our bureaus that have been through some difficult budgets, not just last year but a series of budgets in which we cut the work force. Police bureau 10 years ago was 100 positions stronger than it is today. Last year we cut 50 positions out of the budget. In this budget we're adding back I think we cut a total of 142 total positions last year. We're adding back 42 positions to our work force. Cut 142 last year, we're adding back 42. Most are in parks because we're converting part-time positions to full-time. That's great. Some associated with the tree code, a few others including in my office but we're adding

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precisely one position to the police bureau and precisely one position to the fire bureau. We're adding a safety chief and an equity position to the police bureau. Though send important signals that equity is a council commitment and safety is a priority for our firefighters. I share your concern about the risk of reduction of positions in the fire bureau because we're under a two-year grant to support those 26 positions. I would like us to look at all of our options between now and the next year budget but we don't have to rob peter to pay paul now. We can give bureaus this kind of stability with what's in front of us. I'm not prepared to support the motion.

**Fish:** This budget note, which I think I saw for the first time this morning, really unpacks three issues as commissioner novick has said. It raises the policy question about to what extent is the war on drugs working and how should our bureau respond to it. It has a follow-up component around an expanded control study. And brings the question of firefighters and what happens post safer grant and sharp relief. It would be helpful to have clarity on two of the three issues put on the table. The first is span of control. Mayor, the report has been promulgated as commissioner novick has mentioned. The one area where we had some difficulty getting information was with the police bureau. The report is on your desk. What is your intention in looking at the span of control data we documented and could you give the council a sense of a timeline for further action on that particular recommendation?

**Hales:** We're beginning a staffing study in the police bureau timeline for completion is october, well before we begin work on the next budget we will have gotten the next level of detail on how the police bureau is staffed, which is really a follow-on to that span of control study which was a numerical examination. This is both qualitative and quantitative. That will be delivered to counsel by this fall.

**Fish:** Secondly we had an evening budget forum recently that had a number of firefighters testify. I believe at some point in the evening, correct me if I got this wrong, it was a long day, you said that your intent or goal was to have no layoffs.

**Hales:** That's correct.

**Fish:** I think you made that commitment. To accomplish that council has to come up with new resources and perhaps changes in the existing budget for the fire bureau. Perhaps foreseen or unforeseen retirement to honor that pledge. Do you have a sense of when the council will next take up that issue and begin to sort of plan for the end of the next fiscal year?

**Hales:** Why don't I get commissioner Saltzman's guidance as well. The safer grant is not synchronous with our budget timeline. We have an extra six months so a chance for the next full budget process to be carried out with this in mind before we run out the clock on the safer grant. So sounds like to me we have a year to figure this out. That's my shorthand characterization. What do you think?

**Saltzman:** You're correct. The safer grant extends six months beyond our next budget.

**Scott:** January 2016.

**Fish:** In the spirit of what we have done with some of commissioner Fritz's amendments could we on the question of firefighters, staffing and budget, could we have a commitment that this will be addressed substantively in the fall bump if for no other reason than to have a placeholder and a chance to begin the process of evaluating options?

**Hales:** I'm certainly open to considering it in the fall bump.

**Fish:** My sense is if we have an aspiration that it would come back to us through a formal process giving us a chance to begin to think about source of funds including any changes within the existing fire budget which would and how much we would generate to meet the pledge of a no layoff outcome.

**Hales:** The other thing I would put an asterisk on, remind us about, in both these bureaus, these big public safety bureaus, we have programmatic questions to answer. How do we do more in terms of traffic enforcement. What's the right response on drugs. Legitimate questions deserve in-depth

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work and the staffing study at the police bureau is one way council will get management information back to us about those choices. Likewise in the fire bureau we already have a budget note which commissioner Saltzman is pre-appeared to carry out, figure out our role, what our role will be for the next ten years in emergency medical service because of the enormous changes we think are under way because of the affordable care act. We're the only unreimbursed party to emergency medical response. Everybody else gets paid somehow. Medicaid, ambulance companies -- we're the one party that shows up at every incident and doesn't get paid for it. Is that the reality for the next ten years? I certainly hope not but exactly how we pay for that and what positions are funded what way we don't know yet. Fortunately we have a year to work with the county and others to start digging into those questions, which is we have this budget note. I think in both cases we have the numerical question of how do we afford to keep the firefighters that we want to keep and how do we afford to keep the police officers we want to keep. What are they going to be doing and how are we getting paid for that work.

**Fish:** Andrew when is our fall bump scheduled for?

**Scott:** Late October, early November. It's worth noting the budget that Mayor references does direct fire bureau to come back with recommendations in a council work session prior to December 31, 2014. That would be another opportunity to have a broader conversation about fire staffing.

**Fish:** I don't feel the need, Mayor, to actually pin this down other than get a sense of the commitment between the fall bump and budget note timeline we would have two conversations with fire, one about the medical savings and two about options for funding those firefighters positions.

**Hales:** I'm very willing to make that commitment. As soon as we get the information.

**Fish:** With respect to span of control recognizing sometimes reports get pushed out because of logistics, would it be your intention after the staffing study is done with respect to police in October, November, that we would have some formal council process to receive that information and discuss it?

**Hales:** Yes. It calls for a work session, not simply a pro forma presentation at council but have the chance to ask questions and I assume there's a consultant involved, bring the consultant just as we did with the office management and financial report that we received. We sat around this table with the consultant and Fred Miller and looked hard at what they suggested and that's the kind of environment we ought to have on this.

**Fish:** Thank you.

**Hales:** Other discussion? Roll call on that amendment.

**Fish:** I appreciate Commissioner Novick bringing this budget note forward and throughout our budget cycle he has been a focused laser-like on the question of how are we doing on the so-called war on drugs, and based on the data that he's brought forward not so good. Secondly, what does a modern police force need to address underlying problem and how should our dollars be spent in a cost effective way. I deeply appreciate that he's begun this conversation. For purposes of this amendment I guess I'm not comfortable through a budget note resolving that question because I think there's further discussion and debate that needs to happen. I am inclined not to support it also in part based on the discussion we just had where there will be a substantive discussion of the council on the span of control issues and firefighter layoff issues this fall which are issues of great concern to this council. For those reasons I vote no.

**Saltzman:** I also appreciate Commissioner Novick for raising this issue. I guess I think span of control issues need to be addressed. With respect to the drugs and vice division I'm not prepared at this time to support converting these positions to one time. While the literature may say the war on drugs is a failure, when I read about a house where people are arrested and all too often kids are around drugs, whether it's meth or marijuana, and even if it's marijuana which most consider innocuous in Oregon these days there's usually lots of guns and other things around as well. I'm concerned about children and the environments of drug houses. I think there's a continued role here

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for drugs and vice. At least for the time being. I'm certainly willing to take a closer look at this but I'm always going to be looking at that time through the lens of how it impacts safety and well-being of our children. So I vote no.

**Novick:** First of all I very much appreciate the mayor's cordial response to my offering an amendment to mess with one of his bureaus. Very much appreciate that. I appreciate the mayor's concern for traffic enforcement and actually I would be very much open to the idea of moving some of the drugs and vice divisions to traffic enforcement and perhaps if this were to pass dividing up the savings among the reserve fund for the firefighter positions and traffic enforcement. On the issue of the prospect that health reform might lead to our firefighters and actually boec being paid for medical response I hope that will happen. My understanding from talking to private health insurers is that that will probably only happen if medicare takes the lead. The private insurance market tends to take its queue from what medicare does. So I hope we have an opportunity to have discussion with senator wyden, who is now in position where he has a great deal of control over medicare, and medicare will move to a model where they pay on a capitated basis for emergency medical services including fire and 911 and ambulances and we divide the money appropriately but that's something that if it's happening there's not much noise about it. I intent to talk to senator wyden about it the first opportunity. I doubt it is something that will happen the next year. On the issue of reductions the police have taken recently, they have taken reductions, I believe, however, the over all force is 2.2% lower now than in 1993, and serious crime has gone down by over 30% since 1993. I think that at some point we should have a discussion about have we had a reasoned reaction to the decline of crime over the past 20 years. If you talk to chief reese he will say their role has changed with the decline in crime, but I think that we should have a discussion about whether it's been a strategic change. Have we ever asked the question crime is down by over 30%, how does our police force reform in response to that. That would be an interesting topic for a work session. As to commissioner Saltzman's point about drug houses, the drugs and vice unit has a drug house coordinator and I believe neighborhood response teams and precinct officers tend to deal with drug houses. The division and vice division focused on arresting mid and high level drug dealers and it's there where the evidence of the past 40 years suggests when you arrest one drug dealer another one takes their place as long as demand is there. I appreciate the discussion and I vote aye.

**Fritz:** The budget is the one time that we are supposed mess with each other's bureaus or look at them all and make comments and look at the operations and the line items. I appreciate commissioner novick bringing this forward. We have had lots of discussion in this budget not only drugs and vice, the traffic division, span of control but also mounted patrol. The mayor has chosen to fund mounted patrol again this year because it was a two-year deal last year. There's no such deal for next year. I appreciate that the police bureau has made great savings in overtime since commissioner Saltzman and I asked them to as part of our budget committee. I don't -- I actually don't see this amendment as taking away stable funding, it merely says that we would like to see some further economies in the police bureau. I have not yet committed to keeping all of the firefighters next year and so I think that it would be appropriate to since the fire and police take most of our budget or at least half the general fund budget that we should put the police bureau on notice that we're expecting to see some -- hoping to see some efficiencies. So for those reasons I vote aye.

**Hales:** No. Thank you for a good discussion. The amendment fails. Now I believe that we need to take a motion to adopt --

**Scott:** At this point we need a motion and second for the budget committee to put the entire package attachments b, c and d as well as these amendments that passed on the table.

**Fish:** So moved.

**Saltzman:** Second.

**Hales:** Further discussion? Roll call to accept that motion and open the public hearing.

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

**Hales:** Aye. All right, now let's call on public testimony, please.

**Parsons:** We have 12 people signed up. Will the first three come up, please, then i'll read the next names.

**Hales:** Good morning.

**Marianne Fitzgerald:** Good morning. Mayor hales, commissioners, i'm marianne fitzgerald, president of southwest neighborhoods. I want to thank you, thank you, thank you for your ongoing support for the office of neighborhood involvement community engagement program. We especially thank the mayor for restoring the neighborhood small grants program to his budget not just one time fees but for ongoing funds. I appreciate that we have certainty for planning in the future for more projects within our community. SWNI works with about 500 volunteers each year to support citizen involvement and have secured funding for playgrounds, for murals, through the fiscal year 2011-12 neighborhood small grant program a small investment of \$23,000 in those projects leveraged over \$111,000. We are continually seeing four-fold, five-fold increase in the amount of resources these grants bring to our community. High priority for oni's bureau advisory committee and we also wanted to also speak in favor of diversity and civic leadership program to build capacity with several communities of color, immigrants and refugee organizations. This helps train these people in terms of more effective engagement and so all of the bureaus can benefit from the programs that the dcls offer. We are able to work with them more effectively in the partnership with the small grants and we just really want to thank you for investing in the people infrastructure because that's just as important as the brick and mortar projects. Thanks for your ongoing support of the neighborhood small grants program and we look forward to working with you more in the future.

**Hales:** Thank you. Hi.

**Shoshana Cohen:** I'm shoshana cohen, executive director of the northeast coalition of neighborhoods. I have somewhat similar remarks. I want to start by thanking all of you for your ongoing support of Portland communities engagement system. Your support enables many programs, district coalitions, diversity and civic leadership programs help strengthen and get people involved even when they can't come downtown. Ultimately we know that strengthens our city. I also want to thank mayor hales for reinstating the small grants program. This is a really tiny program that has a huge ripple effect. We're able to take a very small amount of money and we have huge amounts of volunteer labor to implement community driven solutions for community identified problems. Our projects range from celebrations that help neighbors get to know each other and ultimately make their neighborhoods safer to we had this year a pollinator protection program, youth leadership development programs. They span a huge variety of programs that we fund with 1,000 or \$2,000 and tons of volunteer time as well as in kind supplemented donations. Each initiative is different but one common thread is creation of partnerships. Bringing a huge amount of new partnerships both to the coalitions as well as to the neighborhood associations with additional community based organizations and communities. These partnerships continue to bolster our civic engagements long after the initial \$1,000 project is over so they have again a huge ongoing life. I could go on and on but I only have a minute and 23 seconds left about the important of neighborhood small grants. I want to focus on the oni's bac's top funding priority at the moment of about \$200,000 which I believe is just about \$60,000 more than what is currently in the budget. This will be enough to fund all the amazing small grants programs and increase capacity for the diversity in civic leadership program as the coalitions are continually working extremely hard to bring more and more people into the neighborhood system we know we need our partners. The diversity and civic leadership partners, to engage in culturally specific civic engagement work so we can work more strongly together and really have equitable access to city hall. Finally I want to completely switch gears and just quickly on behalf of the board thank you for providing funding for

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the implementation of the tree policy. It was fully funded I thought it was only partially funded so thank you. Last week our board voted for ask you to do that so I can tell them that it's done. Thanks again for all your support of the neighborhoods.

**Hales:** Thanks very much

**Lavaun Heaster:** I'm pretty short but apparently not that short. Hello my names lavaun heaster and I am the vice chair on the portland commission on disability. I'm here representing them today. There were many commissioners who wanted to be here but could not. we would like to put forth our support for position that was an administrative staff position asked for by the office of equity and human rights. The office has been growing in its programs and I know as the portland commission on disability has had the support of the office we have been expanding what we do. and we also discovered how much our work is needed because we are actually starting at just beginning to let people know what the needs are in the disability community, even within the disability community many of us don't know what the needs are. And people don't know across disabilities. So we're doing a lot of really great work, but there's more and more work being put into the office, not just our program. There's the human rights commission, there is policy work being done, there's education and training being done all over the city and also with city partners. And these positions are not having the administrative support needed. There's one administrative support whose job is to support the director. But she also has been doing many other things. And we need more support, I personally put in volunteer hours, 15-40 hours per month to support my commission work. And I could use some more support so that I can continue to do the work I do on the public outreach and awareness subcommittee. I think it would be great to get an administrative support person in there, because I also believe, having worked for the county as a social worker, when I was busy typing things out and creating documents, that was not a good use of a social worker paid position. I believe the same thing goes for the office of equity and human rights as their work expands, having people doing administrative work, who are being paid at program coordinators is not a good use of our funding.

**Hales:** Thank you. Good morning.

**Beth Kerwin:** Hi, good morning, my name is beth kerwin, i'm representing health care for all Oregon. We sent you, mayor hales, a letter on april 8th requesting a meeting. And we did not receive a response. Our organization consists of over 90 organizations and 8,000 supporters that believe health care is a human right. Our group aims to create comprehensive, equitable, affordable, public funded healthcare -- i'm sorry, publicly funded high-quality universal health care. We are concerned at the lack of transparency around the renaming of civic stadium after providence health care services. We take issue with the lack of disclosure when health insurers pay a large amount in premiums and publicizes themselves, while premiums rise and health care quality and access remains limited. In order to provide transparency to the public regarding providence's priorities for spending, we are requesting that the city publicly disclose the amount providence spent for the naming rights to the stadium, in accordance with section 91 of the stadium operating agreement, with peregrine sports, dated march 2010. It is under the oregon public records law and we'd like you to disclose that. Thank you.

**Hales:** Thanks for your advocacy. Actually one of my staff is standing by the column there. If you would talk with him, i'll make sure we get a response to you. Sorry we didn't respond earlier.

**Kerwin:** Thank you.

**Hales:** You bet.

**Lisa Stiller:** Good morning, my name is lisa stiller and i'm going to differ a little from beth, same idea. As portland is the owner of civic stadium. I know the operations in your budget, we thought we'd come here with a concern that we supporters of health care for all Oregon have been concerned about the tens of millions spent by insurance companies in general on naming rights for stadiums. When moda announces they paid \$40 million for the naming rights of the rose garden we made our

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concerns very public. When providence bought the naming rights to the timbers stadium for an undisclosed amount, we were concerned about huge amounts spent for advertising versus what should be spent for patient care. We believe patients and the general public have every right to know how much is being spent on advertising and money that's not going towards patient care. This includes money that's not going to maintaining and improving employee benefits. I want to add here, having been a patient at providence, you see all the concern for the poor providence has. Yet this amount of money could easily have been spent for paying bills or helping people. The contract assigns naming rights between providence and peregrine went through the city at some point. The parties involved agreed the amount paid would remain undisclosed despite fact that this does violate Oregon's public records law. We wrote a letter to the mayor requesting a meeting to discuss the issue and received no response. We went to the mayor's office requesting a meeting or an appointment for a meeting. We were told the staff would get back to us at the end of the week. We received an email response. They claim they don't know the amount. We were told, as were the media, that the mayor is too busy with more important priorities. But finding this information if the mayor's office don't have it should take little more than a phone call. We feel that the city, being the owners of the stadium, at some point must have some knowledge of what was being paid. As residents of the Portland area and premium payers of providence, we feel we have a right to know how much was spent for the naming rights.

**Fritz:** If I might provide some historical context, the contract that changed civic stadium to jeld-wen field, it was with peregrine sports. It specified some parameters for what the naming rights could be or specifically what they couldn't sell. I remember tobacco was one of the items they couldn't have on as the name. But it didn't include the city as a third party in the naming rights. So my understanding is that the city doesn't have that information, that it's not public record and I certainly don't know that answer.

**Stiller:** Thank you.

**Hales:** Thank you. Thanks very much.

**Cliff Goldman:** My name is cliff goldman, i'm a speech pathologist and precinct committee person for Multnomah county democrats. I volunteer for jobs with justice and health care for all Oregon. And mayor hales and the commission, we believe there should be a single payer universal publicly funded health care in Oregon, everybody in, nobody out. Even with the affordable care act, would everyone be allowed to get health care? People cannot afford to go to the doctor because the high deductibles, copays and premiums. Insurance companies consider paying health benefits as a loss. Kind of interesting, isn't it? The medical loss ratio. They need to make more money than they pay out. Moda insurance paid \$40 million to rename the rose garden the moda center. You think this was unpopular with the public? Think of the health coverage that could have been provided if the blazers were still playing in the rose garden. Providence renamed jeld-wen stadium to providence park. Think of the additional health care benefits that could be provide for the money providence paid to rename the timbers stadium. How much more? We won't know because providence won't tell us and won't let us know. A probable astronomical amount. Embarrassed? Health care for all Oregon protested at providence park on opening night of the timbers season. The best chant of the evening came from the crowd, you know what it was? lower premiums, don't name stadiums. How much lower could they be? We don't know because providence is not letting us know what they paid for the renaming. It's embarrassing, unjustifiable and a breach of the agreement with the city. We want to know now, as commissioner Fritz just said, maybe there's a reason we don't have to know. But we really want to know because it's important. People -- in fact, right after the moda center was named, a guy wrote a letter to the editor and said, you know, I went to the dentist and it cost me \$300 bucks. I had to pay \$120. I guess to see my money I have to go to the moda center. That's where the money is for health care. Seems like maybe you don't have that information but I think it

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behooves you to find out what they paid. Actually that money could be used to lower premiums and not name stadiums. Lower premiums, and not name stadiums. Thank you very much.

**Hales:** Thank you. Good morning.

**Lightning:** Good morning, I represent think lightning company, my name is lightning. The Portland housing bureau budget, approximately \$90 million to \$103 million, again, I think that's adequate to cover what you basically have in the budget. But we need more development dollars' and resources toward development. If we have 1500 chronically homeless people out on the sidewalks, in the doorways, we need to get them into housing. If studies show it costs \$30,000 in publicly funded expense per person, that's \$45 million a year we're losing. We get them into housing we will cut those costs tremendously. If we have 1500 people out there and we want to try to develop microapartments at \$100,000 per unit, we're talking \$150 million we need to come up with. We need to offer more incentives to the developers. We need to keep them at the table. We currently have 23,000 permitted units that will come on line. There's approximately 130 affordable housing units. We need come up with some type of resources and have the developers fill these units and get the chronic homelessness people into these housing units. It's a mental health issue, it's a safety issue. It's a longevity of life issue. This is the number one priority in this city, is to end chronic homelessness throughout Portland and Multnomah county. It can be a reality, it's happened in Utah and other states. It can happen. We need to just focus on developing more units to get people into housing. It saves the city more money, businesses will increase their revenue, publicly funded services will begin to decrease. All the data and studies show that. We have business licenses pulling in \$82 million. I want to see more funding directed toward the Portland housing bureau from that direction. I'm proposing on the google franchise fee, the 5%, I'd like to see 50% of that funded towards the Portland housing bureau for development. One issue on the Randy Leonard code violation request for additional funds, I find it a little difficult to understand how, if one person has a problem with their unit, all the other units have to be inspected. That falls under landlord-tenant laws. Certain people may not want that to happen. That's a case by case analysis and I don't think there should be any additional funding for that. Thank you.

**Hales:** Thank you. Thank you very much.

**Hales:** Good morning, and welcome. Linda, I think you're on first.

**Linda Castillo:** I am. Good morning, Mayor Hales and commissioners, my name is Linda Castillo, I am the director of civic engagement and participation and leadership programs at the Latino Network. The Latino Network has been a participant in the Community Connect project which led to the development of DCO Partnership, of which we are an original partner. We are building capacity among the Latino community to engage in important city issues and participate in numerous work groups, boards, commissions, advocacy, efforts that shape city policy in ways that we were otherwise left out. First, we'd like to thank you for keeping the vital City Partnership in the proposed budget. For many, this is the only avenue that engages the population we do. We know you see the value in this important program. While we are very appreciative we must point out on behalf of these same people, there still remains a very large and noticeable equity gap in resources. When comparing the work and engagement of the seven neighborhood coalitions. The seven coalitions receive approximately \$2 million annually for neighborhood passed engagement. The five DCL partners which must work citywide receive \$423,000 annually and this is only 21% of the coalition's allocation currently. The gap here is huge. More than \$200,000 less for each partner. And this year only requested to move closer to parity, something that's been attempted for the last eight years. We asked for \$350,000 to bring us closer to parity with the neighborhood coalition. Instead, we received \$40,000 for this process development moving in this direction. The neighborhood coalition has received \$140,000 in additional ongoing community grants. We must point out the glaring disparity. The neighborhood coalition's addition of \$140,000 for outgoing funds supports the expanded capacity and \$40,000 in one-time allocations does not fill the same capacity among the

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dcl partners. This actually increases the equity gap among neighborhood coalitions and dcl partners. In a time when the city is rapidly changing demographics and becoming more multicultural, the gap makes it that much harder to provide voice within the important work of the city. Time after time as council you have voiced and demonstrated your commitment to equity and providing voice to our city in the most unrepresentable of this community. We urge you to continue in this work, and reconsider the gap for underrepresented voices. We're moving closer to a more equitable allocation, demonstrate your value in community engagement for all people. Again, we appreciate your continuation of the existing resource and for partnering with organizations like latino network and other dcl partners. We hope to work with you to continue to build community capacity under communities of color. Thank you.

**Hales:** Thank you. Good morning.

**Crystal Elinski:** Good morning, i'm crystal elinski and I represent 10,000 maniacs. It is budget time again and I just noticed that compared to last year, when there was a lot of criticism in the media of cuts that seemed arbitrary or awfully limiting when there was another balance in funding found that we can use later. I'm hoping that would be a blue cross and a mistake. We have again cut a lot of great agencies that it just depresses me to point out about I was really priced to see that go. I worked for cultural center for organizing and we worked really hard to get our advocacy through, and all of the work we had been successful on and how we needed the continuing grants. But we didn't get it. So I know it happens. And it seems a bit arbitrary but every year we get the same funding for emergency services, the police and fire, and they are -- also have funds from the federal and the state. I don't understand why we don't work with proven agencies that could bring in a more visible change to, like we were talking with the underrepresented groups. We know that some of these agencies work very hard on very little money. If you could just find it to give them a little bit of money you might see better results than the harassment of the police. At least in my neighborhood where I don't see any improvement. If that money was given to the boys and girls clubs, and other groups like cio, it would go much further. I learned today, I always learn something when I come here -- that moda paid \$4 million for the naming rights. That's pretty shocking to me. That's my insurance company. I always wondered why they changed their name. It used to be ods, and I thought maybe it's because their name sounds like odious. I think it's just odious how we throw money away. If you look at the agenda today, we are talking about the budget but also intergovernmental agencies and grants, things we promise like the universities, that again, this kind of money could be given to smaller nonprofits or on the ground work like r2d2. Why don't we start looking at governmental agreements along with the budget and try to figure out a better budget for next year. I can't say much because you've already voted the budget in.

**Hales:** Thanks very much. Welcome, good afternoon. Good morning.

\*\*\*\*\*: I came a week ago.

\*\*\*\*\*: He came a week ago?

\*\*\*\*\*: Yeah. I have a problem with these people. How many people with handicaps have been killed. All right. So I know this is budget time, it wouldn't take a stretch of the imagination to see how this relates. This is something that laddie wrote with one of his staff and i'm going read it. It's called police and people working together. Why are the police sent to medical emergency calls with emts or paramedics? It makes sense that an officer should be available in such a call but they seem to lead in such situations, ready to shoot first and ask questions later. Let me play devil's advocate this. Operating procedure is not a good idea. It doesn't work. People needing help can end up dead. According to various news sources a man was possibly overdosed of heroin in the bathroom of the red and black cafe in Portland, Oregon. The owner asked only paramedics show up, not police officers. Later he said definitely the emt and the ambulance driver could have handled it. I kind of feel like I don't know what they were doing there, except maybe waiting to see if they could bust the person or something, he and I am not down with through, unquote. Is there any wonder that people

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with disabilities are afraid to call 9-1-1? Especially if the disabilities include a speech impediment or those with other communication issues. That is me. How can the police are trained not fear civilians? A week ago I waved down a patrol car. The officer started to have a nice conversation until I asked why are the police shooting so many unarmed people. Suddenly the officer remembered he was on call and quickly drove off that. Day happened to be the start of national police week when folks are encouraged to show appreciation. That would be nice but the police seem to want us to be afraid of them. The office shot and killed a family's pet dog. The officer was immediately fired. Why doesn't the same thing happen for shooting people? I care about animals. My cat heidi is 14. When she passes away no city will hold any service for her, neither the mayor nor the police chief will call with condolences. Our society cares more for dogs than humans. When I think of how to fix this problem, perhaps it is better to tear it all down and start fresh. By laddie reed.

\*\*\*\*\*: You have a question?

\*\*\*\*\*: Yeah.

\*\*\*\*\*: Okay. Our time's up so quick. What do you got?

**Hales:** Thank you, we appreciate you coming in and we hope you leave a copy of your letter for us. Thank you so much. Thank you.

\*\*\*\*\*: You have a question? What are you going to do?

**Hales:** We're going to read your letter and get back to you. Thank you.

\*\*\*\*\*: That's what he's really good at, getting back to people.

**Hales:** Have any others signed up?

**Parsons:** That's all.

**Hales:** Anyone else who would like to testify? If not, we'll close the public hearing [gavel pounding] and bring our staff back up. We'll reopen our council discussion. Or for a motion if we're ready.

**Fritz:** Mayor, could you state on the record your reasons for funding the position for equity and police, despite three other bureaus having funded equity positions within their current resources?

**Hales:** I'll put it simply. I think the police bureau is making great progress. I want to make it clear that commitment to equity in this bureau is something that the council supports, and we're prepared to support with not only rhetoric but dollars. We cut dozens of positions and we're adding back one. Budgets are values turned into dollars. If you look at this budget overall I think you see some values from this counsel, yours includes that we're expressing well. We're taking care of vulnerable people and we have a strong focus on kids. We've made a commitment to planning and we've made a commitment to equity. We haven't been able to do everything that all of us would like to do in a budget only adds half or less than half of the dollars back that we cut last year. I think as I said earlier, both the substantive and symbolic value of adding a single position to the fire bureau for safety and a single position to the police bureau for equity is a way this council expresses its value in dollars.

**Fritz:** Thank you. I appreciate that and I agree there's a lot in this about budget that I like a lot. I'm concerned the office of equity and human rights in the testimony we heard from the portland commission on disability and in particular you and I have had discussions about a mental health advocate, which if we were to fund the administrative position in the office of equity and human rights that could perhaps be a dual function of that new staff person. So i'm wondering if \$61,000, I'm wondering if we could find the money to fund that administrative position which would help the tiny office of equity and human rights?

**Hales:** You're not the only one that's raised this concern. The director of the agency is here, dante is doing a great job as is his team. I manage that bureau and i'm not insensitive to that need. I'm not interested in amending that position to the budget now, but I am interested in continuing that discussion and looking for opportunities to give this bureau, this agency, the office of equity the

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support that it deserves. Again, we've added back 42 positions after cutting 142. I'm happy with where we are in terms of our return to improvement rather than decline in city services and support for what we do. But we couldn't do everything in this budget.

**Fritz:** I'm going to support the budget, but I can't be true to myself and not move the amendment that we add \$61,000 for an administrative position in OEHR even if it's only one-time funding.

**Hales:** There is a second? Thank you for raising the concern. Thank you. Any further council discussion?

**Fish:** A question for Andrew. Last year we had to cut very deeply. This year we had some surplus that we had to allocate. Which is the harder budget cycle?

**Scott:** I think cutting services is always extremely difficult because of the impact of those on the front line. Adding can be difficult as well particularly when you cut almost 6% which is what council did in the 13-14 budget. We now have about 2.5% to add back. While that's better news, as the mayor has mentioned we're not adding back everything that was cut, in fact not even really getting close. If you go back through the entire recession, bureaus took multiple cuts.

**Hales:** Fair enough. Further discussion or a motion to approve?

**Scott:** If there are no other changes you can move to a vote.

**Hales:** If there are no other amendments then will take a roll call on the budget as amended.

**Fish:** This is the end of a long process. I want to thank Mayor Hales for his leadership and guiding us to this point. Not only did you skillfully balance the competing demands of your colleagues and city bureaus, you also brokered a realignment package with acting chair Madrigal. Which does some very significant work around realignment and putting people and program the city and county cares about on a more solid footing. I think you appropriately incorporated feedback that we received from our budget hearings in the final proposal you submitted. Let me begin by offering you my thanks and kudos. There are a number of procedural changes that we did this year that I think were support and we should build on. One of them was using these terrific facilitators in our budget reforms. I hope that's in part of our budget process, I think the benefits were manifest but in particular I think the public felt they were heard better with neutral facilitators guiding our processes. I also want to say we got a lot of positive feedback from the rate review hearing which I think will now become a regular part of our diet every year. Where we'll go out in the community, this year Parkrose to explain how we do rate-making. This budget which were about to approve reflects some very significant council values as well as some things that I hold very dear and I want to acknowledge the additional \$100,000 dollars for economic development that was placed in the final budget that you submitted. Which ensures that we can do investments in neighborhood prosperity without cannibalizing existing programs. The additional \$100,000 for fair housing which responds to an overwhelming message we heard from the community and in particular community alliance of tenants. Full funding of the tree code, which has been about three years in the making I think. I think it's a milestone, Commissioner Fritz thank you for your tenacious leadership in pressing that and Mayor, thank you for funding it. Putting \$250,000 back in the budget for race with a note that they were to address their funding under policy I think is appropriate. The additional funding for sun schools is reflected in the grant bargain that you structured with the county, the official money for housing particularly, the placing of short-term rent assistance on more solid footing, which in my opinion is the most successful investment in affordable housing. Reupping the east Portland action plan which has been such a productive vehicle for engaging our friends and neighbors in east Portland. I could go on and on but there are some terrific things and also through the budget deal. Placing senior rec on stable footing, they will be funded with ongoing money at a higher rate hopefully in perpetuity. Thank you, Mayor, and thank you, colleagues, with what for me has been a very enlightening and productive and positive budget process. To our independent budget office to Andrew and your team thank you very much for your good work. You're an independent budget office meaning you give us your best advice, and sometimes we

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accept it sometimes we don't. But because you're independent we know that you're always giving us your best advice. I cannot think of a forum that's had a bigger impact on our budget process than generally the budget office. So thank you. To the bureau staff and to the folks in the public who I want to say thanks to all that spoke, I also want to acknowledge everyone who's worked so hard to get the feedback back from the public and helped work with our colleagues to shape this budget. This is a good solid budget and I hope, mayor, it is a signal as the economy continues to rebound that we can continue to focus our new dollars on investments where they really matter. Which is serving the interest of vulnerable people in our community. Today i'm proud to vote aye.

**Saltzman:** I want to thank everybody, including my colleagues who have worked very hard on this budget. The budget office for providing us with great advice staffing our hearings. I really appreciated having some independent facilitators. I felt the hearings moved a lot more smoothly that way. Ditto my comments for that. I'm very thankful the fact that this budget will fund additional sun schools, help young people stay in school and succeed in school, stay safe. Grateful for the continued investment in earl boyles early childhood learning center a model of early childhood learning development and helping families. I appreciate the last minute addition of the fire bureaus safety chief. I think that's a crucial position for the portland fire and rescue bureau. With respect to housing, very appreciative of the half million in ongoing money for assistance to help people get off the streets or stay off the streets in the first place, for the \$1 million onetime investment in additional affordable housing development, something that is sorely needed in our city at this time. I appreciate the discussions with the fighters and the safer grant and the expiration. The near unanimous commitment to look at how we can save those 26 positions before the safer grant expires. It's been a good budget and it's a budget based on growth and it's good to have an economy that is growing again because not only does that help us in who we address and who we serve, It also means that more people are working and fewer people are unemployed and hopefully soon we will have people making more than minimum wage that currently is around here. So thanks, mayor haless, particularly to you. I think if you have another career in you it may be perhaps as an orchestra conductor or a maestro. So good job. Aye.

**Novick:** I also would like to express my appreciation to my colleagues, the mayor, commissioner fish, commissioner Saltzman, commissioner fritz for a collaborative approach in designing this budget. I'd like to thank my staff and the budget office and my bureau directors, carmen merlo, lisa turley and Leah Treat. I'd also like to say how I hope all of the media stories on this budget will start, I hope that they will all start by saying, the city of Portland approved a budget and as usual the vast majority of the general fund budget went to police, fire, parks and housing for people in need. We tend to talk a lot about the details the shifts from one budget year to another. I think it's very important for the public to know that the vast majority of the money year after year goes to police and fire and parks and some for housing for people in needs. There's a perception out there that all governments spend a huge amount of their money on random, other unimportant stuff. And none of us up here agrees with everything in this budget. I think each of us could find some little thing that we would rather remove. But I think that all of us here agree it's appropriate for a city to have a police force, a fire bureau and parks. And to spend some money ensuring that there's housing for people in need. That is what we spend the bulk of our discretionary money on. Those I think are priorities the community has and I think it's important to tell you, this year, of all years, that's where the money goes. Thank you. Aye.

**Fritz:** Creating and passing the city budget is an exercise in compromise perhaps more than any other action we take in council. It's also an action that we take it with a lot of community input and a lot of staff input. We look at all of the bureaus more than we do any other time of the year. So as usual there are aspects of the budget I don't agree with and others that I am ecstatic about, particularly increased funding for survivors of human trafficking. Mayor haless worked with chair marissa madrigal to put into ongoing funding. I'm very pleased we don't have to have that battle

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again and we are providing funds for people who are battling that challenge. Also pleased with the ongoing funding for housing inspections and thank you mayor for supporting that and for the service coordination team which we heard a little bit about the clean water program during citizen's communications. Both housing inspections and service coordination team were initiated by commissioner randy leonard. He and I had some differences but on this one I'm really glad that one of his legacies is that those two programs are continuing on to provide help for people in need. We are going to implement the tree code on January 1<sup>st</sup> of 2015. I very much appreciate the funding at the requested level. The burden is now on parks and development services to make it work. We will be inviting citizens to participate in an oversight committee very shortly so that we can get started with that planning. Particularly thank commissioner Fish and commissioner novick for staying true to that funding throughout this process. I agree the funding for the schools uniting neighborhoods is terrific and another step into providing equity for families in our communities. We heard so much about that program, and it's wonderful that parks is part of that. And then the additional ongoing resources for parks & recreation at \$250,000, so it's now \$1 million 250,000. We're edging up. We had \$300,000 in the bump last year. The ongoing needs for major maintenance in parks are \$36 million. So there's a huge gap. That brings me to my final point, Commissioner Novick mentioned that most of our money goes to fire, police, parks and housing. Certainly in parks and housing there are huge gaps in what we need vs what we have. We know there is also a big gap in what we need for transportation funding. Which doesn't get very much of the general fund. We as a community need to have ongoing conversations not just at budget times about what do we want to buy and how do we want to pay for it? If we don't have the funds then we can't buy everything that people need. We need to grapple with that, and I know there are still folks who believe there's a hidden bucket of money somewhere whether the department of waste and squandering that we could just cut that and everything would be dandy. I've been looking for I for six years and I haven't found it. I think actually if it was there to be found, mayor adams would have found it. I am resigned to the fact that the money we have is the money that we have, use it as wisely as possible. One way that were using our money more wisely in parks is we're funding 22 additional full time permanent positions. Changing seasonal positions that the only benefit they get is paid sick time, thanks to this council's actions. They will now be having permanent positions. Primarily in our community centers we had a contract which commissioner Fish ended during his tenure as parks commissioner. So now it's only fair to provide those workers with permanent jobs, so that's what we're doing. Part of that comes from the general fund, part from resources within parks, the revenue gathered by fees. When you're paying your community center fees you can know some of that money is providing people with full-time jobs with city benefits and living wages. I'm very, very pleased about that. It's one step in the right direction. Certainly there are many, many other positions and funding channelings, particularly within parks where we have so many seasonal workers. Obviously we could all go on and on, so I won't. Thank you, mayor hales, for your leadership on this project. Aye.

**Hales:** Thank you all. Let me start with thanking the council, it's been a good debate, discussion and dialogue and a community process as you mentioned. Andrew, you and your staff have once again done great work. This is a huge project which you always manage to do with flair and no drama. We appreciate your good council all the way through the process. You and your team have once again done a great job for us. My own staff, gail shibleys here others have worked really hard to bring this budget together. I want to thank all of you. I want to mention some themes in this budget. Particularly want to thank chair marissa madrigal whose service as an elected official or rather as an appointed official is about to end, but who has done a great job working with us as partner and is starting to sort things out between the city and the county. Set the bar very high for her successor. As I said earlier, budgets are values turned into real things, namely dollars. I think if you look at this budget as whole you see a lot of things that are expression of our values as a community and that we as elected leaders has translated into this document that i'm very proud of.

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We are doing more for vulnerable people whether they are homeless or victims of domestic violence or sexual violence. We're doing more for people that need help and i'm proud of that. We're doing more for kids. The commitment to sun schools is again something that chair madrigal and I were both committed to and the county has likewise stepped up. There will be more sun schools in Multnomah county and portland and that's a great thing. The earl boyles center is something that we're proud of and is creating a model that I hope will be great locally and nationally. We made a greater commitment to planning. We had the possibility of actually reducing the workforce in the planning bureau this year because of expiring grants. We funded those positions to continue to support neighborhood planning and grant programs for both neighborhood businesses and neighborhood grants as have been mentioned. We're a responsible employer. We are making the commitment to equity in the police bureau and safety in the fire bureau and our own workforce in these positions have begun moving from part time not really full-time which is what they are actually. We have more of that work to do. We made a greater commitment to the arts, not a lot but a little bit. This is the first budget where we get to do more in a very long time as a city. Again, we started this work between the city and county sorting out what each of us does, what are core responsibilities are and what we expect from our partners. I'm very proud of that work as again, chair madrigal made it happen with me. I look forward to chair kafoury being a similar colleague. I'm meeting with her Friday so that work begins. I'm optimistic we will continue to do that good work together. Thank you all for a great process and a great result. The city will be stronger and better as a result of this budget. Aye. [gavel pounded]

**Fish:** Can we take about a three-minute break?

**Hales:** Yes. We'll reconvene as the budget committee and do the rest.

**Scott:** We just need to do the tax levies. We'll do it when we come back. We'll take a five-minute recess and come back. [gavel pounded] [recess]

At 11:40 a.m., Council recessed.

At 11:50 a.m., Council reconvened.

**Hales:** The budget committee will come back to order. I guess we are still the budget committee, and we have more work to do as the budget committee before convening as city council. Now we have to approve the tax levies and I need to read this script into the record. The city has levied its full permanent raise of 4.5770 dollars per thousand of assessed value, and \$12,609,590 for the payment of voter approved obligation bond principle and interest. And \$136,883,230 for the obligations of the fire, police disability and retirement fund. And .4026 dollars per thousand of assessed value for the children's levy. Furthermore, the city shall levy the amounts listed in attachment e for urban renewal collections. I now need a motion. It doesn't require four but requires three to approve the tax levies. Is there a motion?

**Fritz:** So moved.

**Hales:** Is there a second?

**Novick:** Second.

**Hales:** Dan, we're just taking the roll call on approving the tax levies that support the budget. Unless there's further discussion we'll take that roll call.

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

**Hales:** Aye. [gavel pounding] So now I will adjourn the budget committee and reconvene as the city council. Actually were going to be reconvening as the budget committee of the portland development commission. Would you read 491 or maybe gina will read 491.

At 11:55 a.m. Council convened as the Portland Development Commission Budget Committee.

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**Item 491**

**Hales:** Thank you, Gina. I think you need to call the roll.

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

**Hales:** First of all, call for a motion to consider the changes to the proposed budget as presented.

**Fish:** So moved.

**Saltzman:** Second.

**Hales:** Any discussion? Roll call on considering the changes.

**Roll call on considering changes to the proposed budget.**

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

**Hales:** Now I will welcome our chair and our director to describe the changes in the budget.

**Scott Andrews:** Good morning, it's still morning by a minute, I think. Thanks for convening as our budget committee today. I'll turn this quickly over to Patrick, it won't take him long to walk through the very minor changes that we have been told to make after our May 14th meeting. Before I do, though, I do want to say thank you for all of the courtesies you have shown me over the last six years. This is the sixth that budget I've had the opportunity to work with city council on. While we have not always agreed we have always gotten along and gotten to a good end result. Thank you very much.

**Hales:** Thank you, Scott.

**Patrick Quinton:** So you all have the memo that we submitted to you with regard to our changes. Very few changes. I'm going highlight these and couple of them are fairly noteworthy. The first one I want to highlight was a clarification that was provided after our May 14th work session regarding the \$20 million in additional dollars for affordable housing in the Interstate urban renewal area. We've had subsequent conversations and want to be very clear that all that money will be subject to the set-aside policy. It doesn't in any way suggest what projects it'll go on and those kind of things. It'll still leave plenty of opportunity for community input on how those dollars were spent. We kicked that off last night with the community meeting. The dollars are subject to the current set-aside policy. And then the second related change is with regard to the \$6 million of affordable housing money within the Oregon Convention Center urban renewal area. We had proposed in our budget that money be transferred to the property redevelopment line. That money will be moved into the affordable housing line for the fiscal year 14-15. So that money will count as well towards the set-aside in a similar fashion. I think we've talked with Commissioner Saltzman's office about coordinating how those dollars are spent to see if we can accomplish some mutual objectives around catalytic projects around the Convention Center area. There's a couple of other changes that I won't really go into it, but some of it is just balancing out our budget with the City's budget, and the dollars that are appearing in the Portland Housing Bureau budget, money that's not going to be spent this year and we're moving forward to next year. Then the last change -- or I guess the two general fund changes are the addition of \$100,000 to our budget from the general fund to fund the three additional main street start-up expenses, the Lents, Old Town and MLK main street initiatives. I think there's a \$15,000 adjustment that's moving the expenses related to the City's participation in the C-40 program that will go to the Bureau of Planning and Sustainability. So that's the extent of our changes.

**Hales:** All right. Questions or Scott or Patrick on those changes? And then before we take public testimony, are there any proposed amendments that need to be moved and seconded for consideration, beyond the changes that have already been described? If not, then I'm going call for any public testimony. Anyone signed up, let's call on them now, please.

**Wiedrick:** We have one signed up, Crystal Elinski.

**Hales:** Ms. Elinski, are you still here? Doesn't look like it. Anyone else? We'll close the public hearing on the PDC budget [gavel pounded] and call for a motion to adopt as amended.

**Fish:** So moved.

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**Saltzman:** Second.

**Hales:** Further discussion? Roll call, please.

**Item 491 roll.**

**Fish:** Mayor, I believe this is the last hearing where we have a chance to thank Scott Andrews for his service. Six budgets, a strategic plan focused on jobs, a wonderful collaborative leadership style, so much time in this building briefing us that at some point many of us wondered if he had a day job, and a tremendous sense of the possibilities of PDC, and a deep devotion to the mission of the organization and the tasks that he took on. I did not know Scott well when I first began to serve on the council and he came in as the new chair. But I've developed enormous respect for his service and his leadership. And he has led PDC through challenging times with grace and with focus and with a smile. And you will be greatly missed. I think you have set the bar very high for future chairs and I personally want to thank you, sir, for all that you've done to our city. On the budget, I'm pleased to support it and I thank Director Quinton for the clarifications and work done subsequent to our last hearing on a number of issues that were very important to me. Thank you for your good work on that. And I'm pleased to vote aye.

[indistinguishable]

**Hales:** Joe, please, no more. That's disruptive. You don't get to vote, we do. No more. Thanks.

**Saltzman:** I appreciate the changes to the budget since our last hearing on this, and also want to add my thanks to Chair Scott Andrews for six years of leadership at the PDC. He's done a great job. I really appreciate the fact that he show up at every check-in. I think you've set a standard now for the future chair of PDC. It was something that, beforehand, didn't always happen. We used to meet with staff a lot but with you, you were always there, too. That really shows a high level of the commitment to the job. I want to say I really appreciate and respect that. So thank you all, and this is a good budget and I'm pleased to support it. Aye.

**Novick:** I'd also like to thank Scott for his service. And the only silver lining is that there will no longer be email confusion between Andrew Scott and Scott Andrews. But that's not enough to make up for your departure. Aye.

**Fritz:** Remember when the Portland Development Commission and the Portland City Council used to be at odds? And these hearings were completely filled with fire and brimstone and gall and doom and destruction? That doesn't happen anymore. And thank you Scott Andrews for your leadership over the six years working for us with Mayor Adams and now with Mayor Hales. And for Patrick Quinton, for your leadership at the bureau at a time when you had to make significant cuts in staffing, which is always very painful. I appreciate it very much. I thank Tim Crail on my staff, who's my budget analyst, and he wrote much of the long speech I gave for the city budget. For the talking points for this he says, go, team. I think that's indicative of how we do work as a team. I particularly want to thank you for the work over the past year with me for the Right 2 Dream Too rest area, and for being very noble in helping us look for solutions, which I know you all continue to do with us. So thank you very much. Aye.

**Hales:** Scott, thank you, your service is amazing. I'm sure you're not done being a volunteer on good things in this community, but maybe at a little less time commitment than this one took. Thank you for your help. I just want to say, the City's been through difficult years financially but so has PDC. And Scott and Patrick have done difficult work, right-sizing, or down-sizing, however you want to describe it, whatever euphemism you want to use, it was laying people off so that we had the number of workforce to match the numbers in the budget. And that's hard stuff to do and I appreciate it. They have also been excellent in crafting and shaping and diplomatically explaining and negotiating these changes in the urban renewal system that we've just taken up as the council. There was a lot of behind-the-scenes work done by both of these gentlemen on behalf of that important change and I appreciate that good work as well. A lot of good work being done and, again, a lot of successful collaboration with the City. Finally, in addition to thanking them for great

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work, I want to thank Ed McNamara, also here in one of his last weeks on City staff. He volunteered to work two jobs to continue to have his business on nights and weekends and to work for me. He found out that sleep was the casualty in that equation and is going to go back to having one job. But we're going to miss him, as well. Thank you, Ed, for all the good work you've done with PDC and in our office. Aye. [gavel pounded] Thank you very much.

At 12:08 p.m. the Portland Development Commission Budget Committee adjourned.

At 12:08 p.m., the Portland City Council reconvened.

**Hales:** Thank you very much. Okay. We will attempt to catch up to ourselves a little bit and move on to items 492 and 493.

**Items 492 and 493.**

**Hales:** I need to move the substitute for that one. Maybe you could move the substitute.

**Fritz:** I'll second your moving of the substitute.

**Hales:** There's a motion to adopt a substitute a new version of the ordinance which as soon as it's distributed we'll take roll call on adopting the substitute. Then we'll call on these gentlemen.

**Fritz:** Before you do that Mayor I need to note that I do have an excused absence starting at 12:30. If this item is supposed to be 30 minutes. If I leave before you're done it's not that I was bored.

**Hales:** Okay. Unless there's further council discussion then a roll call on placing the substitute before us.

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

**Fritz:** I believe the substitute has some technical amendments and the staff will talk about that. Aye.

**Hales:** Aye okay. Good afternoon. Do you want to go through these, first the loan agreement and then the intergovernmental?

**Jonas Biery, Debt Manager, Office of Management and Finance:** I think taking them both as a single item.

**Hales:** Please.

**Biery:** Thank you, mr. Mayor, commissioners, jonas biery the city's debt manager. Two associated ordinances, i'm going walk through what they do and hand off to steve greenwood from oregon solutions to walk through a brief presentation. The substitute ordinance just for a point of reference, the original submitted ordinance used an inaccurate statutory reference. So the substitute ordinance replaces that with the correct statutory reference for a loan contract with the state infrastructure finance authority. Fundamentally it's an administrative correction, the loan itself remains structured exactly the same. I should mention maybe before I get started so I don't forget we do have a number of partners in the room. We talk about owners and representatives from the port, from the Multnomah county drainage district, metro, peninsula district 1 and 2, here in the room today. I just wanted to acknowledge that they are present. The first ordinance authorizes the city to enter into a loan with the state of Oregon infrastructure finance authority via the special public works fund program. The loan will pay for a portion of the engineering analysis of the columbia river levees and drainage facilities. The maximum loan amount is \$1.4 million. It'll be secured by the city's available general funds. The first payment is not due until december 2016 until the balance is prepaid prior to that date. The final payment will occur december 1, 2022. While the city will formally be the applicant for the loan. The project involves a number of partners and those partners have some shared responsibility for payment of the loan. The second one before you authorizes an intergovernmental agreement that does two key things, first, the iga describes the responsibilities of the Multnomah county drainage district with regard to management of the contract the loan is funding. Second and importantly, the iga describes the obligations of various parties related to repayment of the loan. Each party has agreed to be responsible for a portion of the \$1.4 million cost.

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The city is responsible for \$600,000. If we choose to amortize beginning in december 2016, we can pay the loan over the next seven 2016 to 2022. The annual cost would be about \$110,000 to the city. The Port of Portland and metro have each -- each can be responsible for paying \$300,000 each of the loan. Peninsula district 1, peninsula district 2, each responsible for \$100,000. The sum of those amounts are the \$1.4 million loan. The city will be responsible for making the payments. Our partners are responsible for getting us of funds, their allocated portion when those payments are due. Any party including the city may choose to repay their allocation at any time prior to that 2016 date. Before I get to steve, pending approval, these ordinances today we're standing ready to submit the loan application to the state tomorrow or by the end of this week so that we can receive funding in july and facilitate the timing of the engineering analysis. I think it may make sense to have steve go through his presentation first before we take questions.

**Hales:** Please proceed then, steve.

**Steve Greenwood, Oregon Solutions Program:** Good afternoon, mayor hales and commissioners. Steve greenwood from the Oregon solutions program. I am privileged to be here this afternoon to represent the Oregon solutions collaborative team of stakeholders that are addressing the columbia river levee accreditation issue. I wanted to just give you a very brief context for the action this afternoon. First of all, I just wanted to emphasize again that the levy accreditation is in fact a regional priority the way it works is without accreditation the area behind levee would be mapped by fema as a significant flood hazard area, and that would have a number of ramifications economically that I think the region does not want to see. Fema requires documentation in order to get that accreditation. And part of that documentation is what they call a certification by an engineer, which is often short handed to simply certification. The governor last year identified this as an Oregon solutions project, and asked mayor hales to help convene the group of stakeholders so they have been meeting and looking at this issue. We want to emphasize that the fema clock has not started yet but it could start at any time. It's really their choice when to do that. But the first step, first critical step in this accreditation process is the engineering review. And simply put, it's really about figuring out how big a problem do we have here? Are we really is pretty good shape or do we have major things that we're going to need to take care of? What we've found is that after already spending \$1.5 million last year to do the first part of that study that we were short to complete the study, we were short \$1.4 million. And we had already taxed the -- the capacity of the two drainage districts, peninsula 1 and peninsula 2, and it was really a little late to incorporate any kind of new proposals into the 2015 budget process for folks. So the challenge was, how do we complete the study? How do we get the information we need about the size of the problem. So what happened is that a group of the stakeholders came together and figured it out. And I think that what they came up with was a fairly simple but elegant solution. It started with the state of Oregon's infrastructure finance authority, providing or offering a low-interest loan that they said the term would be seven years for payment. And that they would be willing to defer payment for two years so people could put the repayment into their regular budget process. As jonas said, there are a number of parties to this agreement. The others of which have already committed the funding for this. Peninsula 1 district \$100,000, peninsula 2, \$100,000, port of Portland \$300,000 and the other partner \$300,000. We have representatives from all of those except unfortunately the representative from metro had to leave a little bit earlier today. He was here earlier. But that's the solution. The actual total cost for completion of the study is a little more than \$1.4 million. Those costs about \$160,000, will be covered by the two drainage districts, peninsula 1 and peninsula 2. And I would just end by saying in terms of next steps, once this study is complete and we expect it to be complete by settlement of this year, that we then need to look at finalizing approaches to governance and funding. And we need to begin the regulatory process for improvements. It could take years for us to go from where we are today to actually doing the improvements, and putting the levee system in a position where it

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is accreditable. With me here today is one of the key partners of this collaboration, reed wagner from multnomah county drainage district. We're here to answer any questions you may have.

**Hales:** Anything further to add, reed wagner?

**Reed Wagner, Multnomah County Drainage District:** No, I think steve covered most of it except for the fact that I would say across the country we've been looking at communities that have been challenged by this. We have seen communities that have been successful. There's hope, it's possible to reach accreditation. The economic impact is pretty devastating on the community. I'm very proud of the collaboration in this community to work towards a solution. I also appreciate the fact that the commissioner's office, the mayor's office and the bureaus have been very solutions oriented when it comes to this. Thank you.

**Hales:** Thank you. I know we have our governmental partners here and the Columbia corridor association, as well. Questions for the group?

**Novick:** I'm pleased the city could step up and take a leadership role and ensure we could wisely finance the [inaudible] phase. I commend the mayor for his work on this. I do understand the long term cost of mitigation could be substantial. I just want to make it clear, the iga does not bind us for the cost of the mitigation, only the engineering analysis?

**Biery:** That's correct. I'll answer the question. I direct you to, commissioner, I believe section 18 of the iga has language describing this is not intended to be precedent setting from that perspective.

**Hales:** Any other questions? Thanks very much. Do we have folks from the other departments standing by?

**Parsons:** We have crystal, is she here? I believe she's left.

**Hales:** Anyone else who would like to speak on this? Come on up, lightning.

**Lightning:** I represent think lightning company, my name is lightning. One of the concerns I have on this, you stated it might not be accredited for a few years. What really happens in that time? Another issue I have on this situation is pertaining to any trees on the levee, it's my understanding it's going to be expected if there's a concern about the trees they will want to have those removed possibly. And the costs will be shifted off to the owners of the property that are located next to the levee or part of the levee. I'd like to maybe have an understanding on how the property owners are going to be affected by this and also affected by the point, it might not be accredited for several years. I'm talking primarily near marine drive where the airport is, in areas through there where a lot of property owners own the land that is basically -- has trees on it. Are they expected to remove those trees by the engineers? And will they have to do that or can that be challenged? Thank you.

**Hales:** Good question, I might get one of you to respond. Do we know yet about tree removal? And I think the assumption is wrong that the property owners will automatically be charged that cost. What do we know today?

**Wagner:** That's correct. Accreditation, we are still accredited and we will remain so until we would be remapped and de-accredited if we are not moving forward with progress on fixing the levee. When it comes to trees there are cases where through the accreditation process trees have been proposed to be removed. Certainly we will have to balance between public safety and our community goals and values and determining how we move forward with decisions. That's something that we have not yet addressed and we will address once we get the investigation results back from the engineers. When it comes to charging the property owners, we haven't yet figured out how to address the costs associated with remediation. That's something that we'll be walking through over the next 12 months.

**Greenwood:** If I could just add, one of the aspects of the Oregon solutions process is that we have both of the neighborhood organizations that are represented and are definitely full participants in the Oregon solutions team, as well as the columbia corridor association. And all of those will be part of working through those issues ass with move forward.

**Hales:** Further questions? Then roll call on the first of the emergency ordinances, 492.

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**Roll on 492.**

**Fish:** I'm pleased to support this, mr. Mayor. Just like cryptosporidium triggered a federal rule called It2, katrina triggered some rule-making around levees. The future is a potential hit to our community that's like a financial katrina. And I would on the basis of this hearing urge that as we craft our legislative agenda in the fall, that we put this levee issue near the top of our Washington agenda, and seek to take full advantage of having a chairman of an appropriate senate committee, because we are going to be whacked with some regulations. They are likely to bankrupt levee districts and, by default, local governments throughout the country. And I think we have to draw a line, superfund, It2, all of these things have something in common. Unfunded federal mandates, laudable as they are, this is a great way to fund these short-term obligations. I can't think of a better partnership than Oregon solutions and all of our other partners. But it's not financially sustainable. I hope this continues to be a priority on our legislative agenda to get some federal relief for the real costs to follow. Aye.

**Saltzman:** I appreciate the work of Oregon solutions, the drainage districts, the city, the metro, the port, the columbia river corridor association. It's a great first step on maintaining our levees, very important. Aye.

**Novick:** I second everything that my colleagues have said. It used to be my privilege to see steve greenwood every three months at the environmental council of oregon. We haven't seen nearly enough of each other for several years, and we need to remedy that. Aye.

**Fritz:** People at home might be wondering why the city is responsible for this. The answer is we hold the federal emergency management association administration maps. That makes us responsible as the regulatory body. And we're also the largest property owner in the district. It's a good deal for everyone. In fact parks is one of the largest property owners there and obviously the drainage districts don't have the capacity to front the bond. Very much appreciate the neighbors having worked with us since the decision was it two budgets ago about the drainage districts and how property owners within the districts are now also paying stormwater fees with the rest of the city. So that's an important consideration. The loan demonstrates good faith to fema that means property owners and home owners don't lose their flood insurance even though the levee is currently not in compliance. And they can continue to develop their property and that's very important. Very much thank the governor and the Oregon solutions team. This is a good approach. Thanks to the drainage districts and the port for being good government partners with us. And thanks to patty howard on my staff who was instrumental spotting the need for the substitute. And Jackie Dingfelder on the mayor's staff who's been coordinating this. Aye.

**Hales:** Yes, thank you, jackie, it's great having her here as a resource on this issue and many others. This is a big deal. It's not just a compliance exercise. It could be -- it will be expensive, we just don't know exactly how expensive yet. We do have experience with federal mandates turning into big costs here in the city of Portland. We have a \$1.4 billion big pipe that is one proof of that, and also a successful outcome. We have a superfund listing and we're not sure what solution or the cost is going to be. This is about real stuff, too, not just a compliance exercise. The 1996 flood tested our levees and got close to overwhelming them in a couple of cases. As climate change progresses and floods are more of a threat, and as the federal government responds to katrina, as you said, commissioner Fish, we have to make sure they actually work. It's not just a technical exercise. Our airport and 2200 businesses, 2200 businesses, and a bunch of city property are all affected. So this is a big deal. The only hope we have is by working together. And that's why having the Oregon solutions team as convener and organizer of this work is so helpful. Reed, thank you. We know this was a bigger task than the drainage districts could take on but you've been a great facilitator and leader in this early stage of the work. Lot more work to come. Classic illustration of one of my favorite ben franklin's statements, if we do not hang together we will most assuredly hang

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separately. So we better hang together and figure this one out. Thank you all for the good work. Aye. Then the second item, the cost sharing agreement.

**Item 493.**

**Hales:** Any further discussion? Anyone want to testify on this item? Then roll call.

**Fish:** I might have left out Jonas and his crack team, thank you for your good work and shepherding this through the council. Aye.

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

**Hales:** Hear, hear, thank you Jonas. Aye. [gavel pounding] Now we are too item 494.

**Item 494.**

**Hales:** Ms. Henry, welcome.

**Mary Beth Henry, Office of Community Technology:** Thank you. I'm Mary Beth Henry, office of community technology. We're here today for the first reading of the Google Fiber Hut License Agreement. The Hut License represents the final piece of the Google Fiber Checklist responded by the city. As you know, Google is considering deploying a gigabit symmetrical network here in Portland.

We have the checklist including construction permits, the right of way, detailed GIS mapping and an assessment of city assets such as conduit and real estate that might be leased for fiber related huts.

The complex network would be efficient and less disruptive to the community. The council held the first reading on a proposed franchise to build and operate the fiberoptic network system on May 7th.

This is a companion piece, to authorize the potential use of city property for precast concrete crutches to house technical equipment and fiber connections for system operations. City staff working with representatives from the five other metropolitan cities developed this agreement. The agreement has two parts. The first consists of an overarching agreement with basic requirements addressing compensation, insurance, indemnification and termination. The second consists of a site specific agreement which the city will approve for each of the specific proposed locations for fiber huts. No proposed locations have yet been identified by Google. Google anticipates needing one hut per 20,000 households. AT&T anticipated completion of build-out, 15 sites in roughly 130 square miles of Portland. The bureaus will evaluate any proposed sites and determine if there are site specific appropriate conditions, including site security or environmental contamination concerns or other factors. As I said at this time, no specific sites have been proposed for use by Google. Google plans to design the network over the next few months. And at that time, if they are interested in any city parcels they will approach the city and the site specific conditions will be negotiated. I am happy to answer any questions that you have.

**Hales:** Great. Any questions for Mary Beth?

**Saltzman:** The last time you were here I asked you will the same conditions be afforded to other providers of internet services, I guess Comcast, CenturyLink, will they be afforded the same access to city owned property for –

**Henry:** Yes commissioner. Similarly situated providers would be offered the same opportunity.

**Saltzman:** Regardless of the speed of service their offering?

**Henry:** That is to be determined. One of the motivating factors for the city in this particular agreement is that it is gigabyte symmetrical fiber to the home speeds. That are far and away faster than any of the existing providers offer right now in Portland. But it's certainly something that staff would consider.

**Saltzman:** That decision presides with staff not us?

**Henry:** We would have to come back to council with any specific license agreement for any other provider. This one is specifically with Google, and we would, if approached by other providers, come back to council for approval of that license.

**Saltzman:** I presume, I'm not sure what megabyte speeds are available right now, but I assume there's quite a leap. Gigabytes are up there, that's great, but I'm sure there's head room between

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what's offered now that would still be considered a considerable improvement in internet access speeds.

**Henry:** Certainly. Yes.

**Saltzman:** So I just want to clarify, are you saying you would not favorably recommend a request to use public property for a similar a pertinence to what google is asking for if it's less than a gigabyte?

**Henry:** We would be open to any proposals, and we would happy to discuss it with any providers that come forward.

**Saltzman:** So you're open to proposals, meaning you would be open to a favorable recommendation for something less than a gigabyte of speed.

**Henry:** certainly. 100 megabits is also good.

**Saltzman:** Thank you.

**Hales:** Other questions? Thank you. I believe we have a panel of three and we also have darcy from google fiber here to answer questions if needed, but I don't think you were planning on testify. We have rob wilcox, don west light --

**Fish:** Is she here to answer questions or make an announcement?

**Hales:** That would always be allowed.

**Fish:** The media is here.

**Hales:** Could the three of you come up please? I appreciate you being here and your patience in waiting for this. Good afternoon. Take it away.

**Don Westlight:** I'm don. Welcome. Thanks for having us. We are here to talk about neighborhood fiber distribution hut strategy. Most people wouldn't think of this as a very exciting topic, but maybe we can make them artistic and make them cool. Today you guys got to decide on what your strategy is going to be, or soon, I guess. It's up in june. I'm not going to talk about ohsu's interest, I believe dr. Ellenby has already done so. Broadband in the home is useful for health care serving the aging in place population, among other health care needs. Broadband is also useful for education outreach, civic involvement and indirectly the Tax base. I'm here about infrastructure. I've delivered several successful broadband projects over the past 16 years. I was the lead engineer for Portland's internet two bid in '98, in 2000 I cofounded the regional internet exchange which ties the various public and private networks together to improve internet quality in the region. And in 2007 I wrote the technical plan for the Oregon health network, which is one of the most successful programs of its type in the country, deploying across multiple providers to over 300 underserved areas around the state. So I have an idea what is involved and at stake in the proposal. I'm sure there are aspects of this franchise agreement that some among us don't like. It was much the same in the 1800s when the country was building the great railroads. In simple terms, the towns did not get a railroad. The towns that did not get a railroad deal are either gone or quaint places to stop on the way to somewhere else. Those with railroads have the opportunity to develop into the 20th century and many are still viable today. Portland among them. The google deal is a good deal. Even though it won't initially serve everyone and you, wouldn't necessarily be looking at google as a direct source of revenue. Truthfully you're not going to get a better deal. Nor does Portland have the Resources to do this ourselves. Something about roads and the length of the school year. Anyway, Portland recently went through the exercise of developing a civic broadband plan. Very first stated goal in the plan, Portland attracts broadband intensive businesses and institutions. This goal was placed first because it would enable all subsequent activity in the plan. Google can help you do that. All they need is a place for some junction boxes and permitting. Please make it happen. Thank you.

**Hales:** Thank you. Appreciate ohsu's engagement in this, and yours as well. Thank you. Welcome.

**Rob Wilcox:** I'm rob wilcox, policy and technical consultant in optical communications, and utility infrastructure. There were no human made structures in our area before about 30,000 years ago, but today we have streets, utility poles, fire hydrants, sign posts, and our right of way, all dedicated to

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the public good. And we have buildings in our parks and on city lands dedicated to the public good.

I support this measure to add cabin to the city right of way and equipment buildings to city properties. To do so is the greatest benefit Portland can provide to every Portlander for public good.

A fiber network to our homes with expanded bandwidth with google's laser focus on cost sufficiency, speed, and quality, Makes possible well-paid jobs including professionals seeking quality of life who telecommute to companies out of town. Telecommuting reducing carbon footprint and wear on roads. Better quality online education and job retraining, a greater fidelity for video exchanges between parents and children who are separated by time and space, greater fidelity -- a boost to our start-up community which can prototype new applications, creating new businesses, and reliable path for cloud management, energy efficiency, security services and more. Council and the bureaus mediate between residents who want no change and those who want rapid change. Its role is to listen to each and chart a path that benefits the overwhelming middle looking forward to the future. Yes, these cabinets will be in front of about 250 Portlanders' homes, i've spoken to friends who would volunteer for curbside cabinet in front of their homes. We need to reach out to homeowners who may have cabinets in the city right of way near their property and create a harmonious solution. The equipment should be a point of pride. Gateway to the internet and something to be protected by the neighborhood and celebrated. We support the bureau of transportation program to develop a library of options to harmonize the cabinets with the neighborhood, including photographic landscape or art wraps, plantings, adjacent owner benefit and more. We believe they will do so. I'm proud of Portland for its change from baseball speed to basketball speed, and city approval processes to bring better internet connections to our neighborhood. Thank you for the opportunity to provide experience to council.

**Hales:** Thank you. Thanks for your help. Good afternoon.

**Sheldon Renaught:** Hi. I'm Sheldon renaught, I was born at good sam quite a while ago, and this city has changed quite a bit since then. I came back to this city in 2008, but i've been coming up to consult for intel and other -- various start-ups. And it's changing even more now. The needs of the city and the needs of the people who work here are changing enormously too. The basic issue is I don't want to talk about numbers, because it seems to me you guys have had to sit through the same presentations, the same figures, the same arguments time after time for as long as i've been back, and before that. And you all have done a lot of of -- made attempts to get us where we need to go. But the fact is that the world has changed substantially, and you can't stay ahead of it with good enough speeds and technology. What broadband meant in 2008 is not what broadband means today. And not what it means -- needs to mean in the near future. The basic issue is basically something that I think you understand better than most of us at this table, and that is complexity. As Portland grows, and as it changes, the complexity grows, and the demands -- the only way an organism, and the city is an organism, can survive with good communication between the various parks, so you have a situation, like happened recently where we had a water problem, it took four hours or more to get that information out. If you had proper infrastructure, that information should have been out immediately. Really. The basic issue is --

**Fish:** Can I correct that? I appreciate the point you're making, but the information did get out immediately. There were five different redundancies used to get the information out. So I appreciate your point, but since we are talking about how we communicate in a crisis, live press conference, internet, notices to people in various ways, social media, we would be happy if a typical customer got three or four different notices during that period of time.

**Renaught:** That's the way it should be.

**Fish:** We would like to figure out how to prevent our website from crashing. Apparently 200,000 people coming on the website at the same time put a strain on it. But we will fix that and the second thing we want to try to figure out is, how can we do essentially robo calls, for 50,000 robo calls more quickly with our providers than We currently are allowed to by contract? I take your point seriously,

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but we did use an array of methods to communicate with people, and we can only do better, but that was not -- that was just one of a number of tools. To your point the world has changed. Social media and other kinds of things are as important as phoning. Or is as useful at getting the word out. **Renaught:** Right. The basic thing, you've got to have an infrastructure in place that is substantial enough to handle a lot of different forms to -- because what we're moving from are networks and systems to kind of fabrics and fields of communications, which is the way reality works. In 2003 and '04 I was employed to do a new strategy technology for the state of florida. And one of the things that I discovered was that despite all the best wishes by all the people in government, there never is enough money to do the things that need to be done. But communities as a whole can often get those done working together. Social capital. Which depends on easy access communications, and being able to move things back and forth around fork things, as amber case likes to say. Is the key to making progress in almost every area where the city wants to make progress. Health, education, and economic development. Basically we really have to lower the cost of access to Communication and resources and working together as much as possible. The problem with going with people who have been in this business, telecommunications business in the past, is they work on a system of scarcity. They constrict the supply of what you need, and they charge you for every increase. And they do that whether you're paying for a movie or health services, or internet. And if the same people who control the other services control the internet, things can get very bumpy if they're not responsible, as we know. Most important thing is to make -- is to make it -- recognize the connectivity is not just a utility, it's a natural resource and it's the most important strategy we have. More importantly than moore's law for getting things done nowadays. Really the plans of the current incumbents, unless they're forced to up the speed, do not make room for all of the bandwidth which you're going to need as you move things to the digital world. And the new world that we -- Portland is facing is a world that is as much digital as it is atoms. And people like to talk about augmented technology. Augmented reality. There is no augmented reality. It's the new normal. But the only way we can get there is by leading the duck. By building, by overbuilding, by putting in the capacity so we can provide as much bandwidth as Possible, and make it available to everybody so people can work from homes, so that people can work together from anywhere, and so that people don't have to move around all the time, to have meetings or move things around. That's it.

**Hales:** Thank you very much. Questions for this panel? Thank you all very much. Appreciate you being here. Are there folks signed up to testify?

**Parsons:** We had two people.

**Hales:** Charles is here. Come on up, charles. Then we'll call mary beth back up for questions. Good afternoon.

**Charles Johnson:** Good afternoon commissioners, what a day you have. I want to thank mr. Saltzman for implying the possibility that centurylink and comcast could step up with better speeds, and that this could foster broad improvement. But I think we do need to take a moment to look at part of the reality of this situation. Unfortunately I don't have the mirror to hold up, but we have four financially secure white men, i'm not sure -- so we have four financially secure white men talking about a program to make mostly other white men rich. We do have mary beth here, and the lady from google. But we haven't had enough conversation about the digital divide, and how this service is going to reach jefferson high school and further north in Portland. And since you mentioned having staff here for Portland, i'm sure mary beth has good things if you direct that question to talk about how much of this plan, how much of the franchise -- I know we're mostly looking at the huts, hopefully we'll have a lot of huts in nopo and strategies to help this critical service, as one man mentioned, artificial scarcity. To end some of that scarcity for some of the most challenged citizens of our city. Thank you.

**Hales:** Thank you. Mary beth?

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**Fish:** I have a question for mary beth. We had some testimony earlier about the so-called huts, potentially being placed in front of homes.

**Hales:** Not the huts, the cabinets.

**Fish:** Cabinets.

**Henry:** May I clarify? I think I know where you're going with your question. The agreement today is the overarching license -- i'm reading your minds. It's the -- it's the overarching license -- agreement for the fiber huts, which they'll need approximately 15. Separate and apart, but related under the leadership of commissioner novick, the Portland bureau of transportation is looking at a policy whereby they may allow what are called telecom cabinets, which are actually being requested by multiple parties. It's not really being driven by google, but many others as well. Those are small two by two by four cabinets that may be placed in the right of way once pbot develops a process with appropriate public involvement and outreach. So there were two different things that were talked about.

**Fish:** I'm looking at the google huts photographs, and imagining that next to someone's -- the fiber huts images, and imagining that in front of someone's home. If we're now talking about the cabinets, are there any noise issues or public health issues that will have to be examined as part of next steps?

**Henry:** When I spoke to the city manager in kansas city, he indicated that the fiber huts do have air conditioning units that go on when needed depending on the weather. But they have located them, they're not very loud, according to him, he's visited all of them, and they are also located in areas of the city not close to residential areas.

**Fish:** What about the cabinets?

**Henry:** The cabinets do not have noise emitting from them.

**Fish:** Do they emit any radiation or anything else that would --

**Henry:** No r.f. emissions that i'm aware of.

**Hales:** Other questions for mary beth? This is going to pass to second reading. We're not acting on it today. But appreciate the panel here. I'm intrigued by the suggestion about citizens volunteering for a cabinet in front of their house. Which may be a factor, of course it's a system design issue, so they have to put the huts and the cabinet in the right place for the network, but i'm going to shamelessly up the ante on google who has to formally select Portland and volunteer, since I have a utility pole in my front yard, which otherwise, it will slightly block my view of a nice city park, but in order to get this done i'll volunteer for a cabinet in front of my house. Thank you. And we'll set this over for second reading next week. [gavel pounded]

**Novick:** We're thinking of and if we haven't already contacted racc to talk about how they can make the cabinets artsy.

**Hales:** There you go. Thank you very much. We'll vote on that next week. Let's move on. Council, i'm intending if we are still at it at 1:30 to take a half hour lunch break if that's amenable to everybody. Let's move on to the regular agenda, item 510.

**Item 510.**

**Hales:** Second reading, roll call.

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

**Hales:** Aye. [gavel pounded] done. 511, please.

**Item 511.**

**Hales:** There are a series of these. Should we call them all and I know we've got a couple of folks from the police bureau here.

**Catherine Reiland, Portland Police Bureau:** Captain rodriguez and wagnet are here, yes. I was going to speak to 511, 512, and 513.

**Hales:** Ok. Let's take those three together, because they're all byrne grant.

**Items 512 & 513.**

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**Hales:** Great. Thank you.

**Reiland:** Good afternoon. Mayor and commissioners, my name is Catherine Reiland, I'm the fiscal manager of the police bureau. But I'm here in the capacity of the 2014 JAG grant project manager. And I wanted to tell you about that application. On or before June 10, 2014, the city of Portland will submit an application to the U.S. Department of Justice, DOJ, Office of Justice Programs, Bureau of Justice Assistance, for the Edward Byrne Memorial Justice Assistance Grant, also known as JAG, for fiscal year 2014 local solicitation. The 2014 JAG funds will be made under disparate certification to the city of Portland, Multnomah County and the city of Gresham. The JAG solicitation requires the city to submit a joint application for the aggregate eligible allocation to all disparate municipalities and to also act as fiscal agent for the grant. Intergovernmental agreements must be executed with Multnomah County and the city of Gresham in order to obligate agencies' roles and responsibilities which are addressed in items 512 and 513 on this agenda. DOJ has notified the city that it will award a grant in the amount of \$483,619 with no match requirement. The award is allocated as follows. The city of Portland will receive \$235,548. Multnomah County will receive \$185,076, and the city of Gresham will receive \$62,995. The police bureau will use \$235,548 in JAG funding for the following two items. Number one, to retain a 1.0 FTE senior manager analyst for 14 months at a total cost of \$125,548. The senior management analyst is responsible for recommending, developing, and implementing police bureau policies and procedures to include facilitating the development of directives, applicable manuals and associated handbooks, and other written communications related to policies and procedures, conducting research and analysis of best practices, and recommending action and assisting in formulating policy procedures and legislative positions related to those best practices. And two, to contract with Lifeworks Northwest to coordinate treatment, temporary housing, counseling, and training opportunities for individuals involved in prostitution-related offenses at a cost of \$110,000. Multnomah County will use \$185,076 in JAG funding for the following three items. Number one, to retain a 0.45 FTE, North Neighborhood Deputy District Attorney for 12 months at a cost of \$61,692. Number two, to retain a 0.5 FTE parole and probation officer for 12 months at a total cost of \$61,692. And three, to hire a 1.0 FTE river patrol unit enforcement Deputy for six months at a total cost of \$61,692. The city of Gresham will use \$62,995 in JAG funding to amend their contract with Portland Opportunities Industrialize Center to provide a 1.0 FTE employee to provide outreach services to high-risk gang-involved and gang-associated youth. As part of the required solicitation review process, the police bureau posted the grant solicitation and bureau contact information on the city's police bureau webpage on April 25th, 2014. Visitors to the site were able to view a description of the grant program, the solicitation, and my contact information as the grant project manager. The solicitation was removed in the completed application was posted on May 14th, 2014, again, my contact information was listed. Visitors to the site were encouraged to contact me if they had any questions or concerns about the application or the application process. This public governing body review of the grant application document and the related intergovernmental agreements provides an opportunity for public comment and involvement which satisfies a requirement of the grant. I'm happy to answer any questions.

**Hales:** Questions for Catherine? I appreciate that. And we have folks here from the bureau if there are further questions for them. Is there anyone signed up to testify on these items?

**Parsons:** We have Charles Johnson and Crystal Elinski.

**Hales:** Come on up, Charles.

**Charles Johnson:** Good afternoon again, commissioners. I think we don't -- we don't want to overlook the most important thing about this grant. Eddie Byrne is a young man who lived in New York City and volunteered to serve his community as a police officer. A lot of citizens in Portland have a variety of opinions about some of the quality of some of our police officers, but we do know that tragically some of them die in the line of duty, and that's why there is an Eddie Byrne Memorial Grant. Two years of service as a police officer, he died. And I think that should have been

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mentioned by the police department. The other thing earlier today in the budget discussions we had some talk about the police department and administrative structure. I want to encourage you, mayor, as police commissioner, to think back to your time at hdr in the private sector and look at the management and staffing levels there and see how they compare to what some people say is a bloated, overmanaged, overcaptained police department. I know this doesn't apply specifically to this grant, any time we can get money to help the police do good things, we want to take advantage of that money. But I think that there's a sentiment in the community that as police commissioner you want to address the idea of if -- even if we have a lot of good, well-paid captains if the people would be better served with more ordinary line officers. Thank you very much.

**Hales:** Thank you. Thanks very much. Anyone else? Ok. Then these three ordinances all pass to second reading. [gavel pounded] let's take up 514.

**Item 514.**

**Hales:** Welcome.

**Derek Rodrigues:** Good afternoon. I am captain rodrigues. Portland police bureau family services decision. We're here to seek your approval for our continuation of our five-year grant for two victims advocates for domestic violence unit. And here is chris, one of the volunteers of america to give you a brief --

**Chris Billhart:** Hello, good afternoon. I'm chris billhart with home free, which is a program of volunteers of america Oregon, and we've had 15-year relationship with the Portland police bureau in providing advocates to the d.v. unit to work as a team to provide their range of services that survivors need. We are happy to redo our commitment for another five years, and we found it to be a really effective partnership in terms of police response, as well as the ability of community-based domestic violence services providers to work well with the police and assist victims in a number of different ways. A number of victims that we Contact through this partnership are not receiving services through the domestic violence community-based services, and it's a great way to have them have access to those services and get connected in. So we look very much forward to another five years.

**Hales:** Great. Thank you. Questions?

**Fish:** I want to comment, I had the honor of serving on the board of volunteers of america Oregon, which is a misnomer because they're not a volunteer organization, they're the largest social service organization in the state of Oregon. And this particular program gets national recognition for their work, and thanks for great work.

**Hales:** Thank you. Thank you both. Anyone signed up on this item?

**Parsons:** No. I did not have a sign-up sheet out.

**Hales:** Anyone want to testify? Thank you both. We appreciate the partnership. It rolls to second reading next week. 515.

**Item 515.**

**Hales:** Katherine? Come on back.

**Catherine Reiland, Portland Police Bureau:** Catherine reiland from the police bureau again. This is an ordinance that just basically syncs the Oregon city transit agreement with the prime agreement and all the other municipal agreements associated with transit. This one for some reason ended in 2014, we wanted to extend them all to 2015.

**Hales:** Ok. Easy enough. Anyone want to testify on this item? It passes to second reading as well. [gavel pounded] then let's take up the two Multnomah county items, 516, 517.

**Item 516 and 517.**

**Hales:** Any discussion? Roll call on 516.

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

**Hales:** Aye. [gavel pounded] and 517.

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

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**Hales:** Aye. [gavel pounded] and 518. You can read, that's also a second reading.

**Item 518.**

**Fish:** Before we do a roll call, I had a chance to brief your office and each of my colleagues with some concerns about this contract because of the demands of the election last week I was not able to get the answers that I sought, so I asked this be set over for one week.

**Hales:** Ok. Hearing no objection we'll set this over for a week. [gavel pounded] and move on to 519.

**Item 519.**

**Hales:** Welcome.

**Roberta Kieta:** Good afternoon, mayor, commissioners. This is actually -- i'm expecting christine to be here also to discuss the procurement side of this. I want to bring forward this contract. We did a lot of work with the seu local who represents the employees of the contractor related to the performance standards that are now included in this test.

**Fish:** We're going to have questions of this. Should we put this off --

**Hales:** Sure, why don't we just hold it for a little while and come back to it. Stand by, and let's move on to item 520 for now.

**Item 520.**

**Hales:** Good afternoon.

**Kate Wood, Risk Manager, Bureau of Human Resources:** Good afternoon. Mr. Mayor, commissioners, my name is kate wood, the risk manager. The ordinance resolves the city's obligation under our agreement with our excess insurance carrier. It follows a settlement negotiated by the insurance carrier with the plaintiffs in this case. The amount requested is -- in this ordinance is for the balance of the city's self-ensured retention. The excess liability insurance carrier took over defense of the case with the intention to settle about a month before the scheduled trial. The suit was brought against the city and Portland police bureau for failing to arrest an individual who later caused a car crash resulting in severe permanent injury to the claimants. At the time of the contact with this individual who later caused the crash, our police officer determined that he was not an immediate danger to himself or others, he was not driving a vehicle, nor was he in a vehicle. She check warrants, there were none posted she allowed him to go on, having no way of knowing what would happen later in the day. The insurer and the city agree the officer involved did not have legal cause to arrest the individual at the time of the contact. However, given the devastating impact on the innocent wilson family, the insurer made a business decision to settle this lawsuit rather than risk a jury verdict in this very tragic case. We ask that you approve this ordinance for the sum of \$816,263 to be paid to the estate of the family.

**Hales:** Anything to add?

**Jim Rice, Deputy City Attorney, Office of the City Attorney:** Nothing. I was the attorney that worked on this, and this is a tragic situation for this family, but of course we're contractually obligated to let the insurance company do what they wanted to do. They were seeking \$32 million and the insurance company, coupled with the insurance company for clackamas county, decided to settle the case right after the case had been argued to the jury, essentially it's out of our hands.

**Hales:** Understood. Questions? For either city attorney's office or risk manager? Appreciate you both. Thank you. We'll see if there's anyone signed up to testify.

**Parsons:** No one signed up.

**Hales:** We'll take a roll call on the emergency ordinance.

**Fish:** Obviously our hearts go out to the wilson family. Aye.

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

**Hales:** It was a tragic situation. This is the right thing. Aye. [gavel pounded] appreciate it. Thank you. Ok, 521.

**Item 521.**

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**Hales:** Let's take 521 and then the previous item.

**Jennifer Li, Office of Community Technology:** Good afternoon, jennifer li with the office for community technology. The ordinance you have before you today is substantially similar to the ordinance on which you heard presentations last week. While last week's ordinance proposed to amend verizon wireless's agreement to create a small cell pilot program, today's ordinance would grant a similar agreement to new cingular wireless, also known as at&t mobility, to their right of way use agreement to allow for a small cell pilot. I won't repeat last week's remarks or presentation, but i'm happy to answer questions you might have. Thank you.

**Hales:** Great. Thank you. Questions? All right. There's no one signed up to testify on this?

**Parsons:** No.

**Hales:** Ok. That rolls to second reading. Let's go back to item 519, Please. Bob and christine, come on up, please.

**Item 519.**

**Hales:** Ok. So you had questions about this commissioner?

**Fish:** I just thought since he was making a presentation and alluded to --

**Hales:** He wanted reinforcements and now she's here.

**Christine Moody, Procurement Services:** Mayor and commissioners, I apologize for being late.

**Hales:** I think we're late. You're not.

**Moody:** Christine moody, procurement services. In february 2014 I request for proposals was issued to provide routine special event security for the portland building, city hall, 1900 building, kerby building, columbia boulevard wastewater treatment plant, emergency communications center, and union station. In march 7 responses were received, the proposal responses were reviewed, evaluated and scored by a selection committee made up of city staff and a minority evaluator. The proposal from g4s was determined responsive to the requirement of the solicitation, and received the highest evaluation score. The city issued a notice of intent to warrant on april 10th, 2014 and no protests were received. You have before you a procurement report recommending an award of a contract to G5s secure solutions usa for uniform security officer services in the amount not to exceed \$1,380,713.72. And i'll turn this over to bob Kieta to answer any questions you might have.

**Hales:** Questions? Any? Ok. Thank you both. Anyone signed up to testify on this item?

**Parsons:** No.

**Hales:** So then that rolls to the second reading. No, i'm sorry, it's adoption of a report. Motion?

**Fish:** So moved.

**Saltzman:** Second.

**Hales:** Further discussion? Roll call.

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

**Hales:** Aye. Thank you. [gavel pounded] 522.

**Item 522.**

**Hales:** Second reading and roll call.

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

**Hales:** Aye. [gavel pounded] 524.

**Parsons:** 523?

**Hales:** Sorry. I skipped 523. Don't want to do that.

**Item 523.**

**Hales:** Any comments before we vote? Second reading. Roll call, please.

**Fish:** I want to thank my hard working team for all the good work they put into this. A number of them are here today. And i'm pleased to vote aye.

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

**Hales:** Thank you commissioner Fish. This is well done. Aye. [gavel pounded] 524.

**Item 524.**

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**Hales:** Commissioner Fish.

**Fish:** Director shaff.

**David Shaff, Director, Portland Water Bureau:** Good afternoon, i'm david shaff, the director of the water bureau. We were going to have jeff from Portland public schools, the building operation and energy program manager here, but he to leave a little while ago. I will try and go through it fairly quickly. As I think you know, the water bureau through its water efficiency program provides conservation information and technical resources to customers to help use their water officially and cost effectively. We coordinate with several different partners -- partnerships and programs, including education and outreach, water efficient device distribution, technical assistance, and incentive programs, and one of our partners over the years has been Portland public schools. We helped them reduce their water use and become more efficient so that additional funds are available to support education. So we worked with Portland public schools projects last year that eliminated single pass cooling in kitchen areas. And a single-pass cooling system removes heat from walk-in coolers and they transfer it to supply of clean water, which then goes directly into the sewer. That's why it's called a single pass. It's very efficient, but it use as lot of water. And in fact these units can weigh hundreds of -- use hundreds of thousands of gallons of water. So in an iga we worked on in 2012-13 with hosford middle school and arleta elementary school, we worked with pps on replacing their single pass water cooled systems with air-cooled systems with assistance from the water bureau, and in the first year since the units were installed arleta saved about 633,000 gallon and hosford 586,000. Almost \$20,000 at today's rates. So replacing those old water cooled equipment with air-cooled equipment dramatically reduces water use and saves money on operations for pps. This agreement seeks approval to enter into a new intergovernmental agreement with pps to continue to eliminate single-pass cooling equipment and replacing high-use water fixtures with more efficient ones over the next three years to help them reduce their overall water use. And jeff was going to talk about specific projects that they had in mind that they were going to be working with us on.

**Saltzman:** Do we have similar arrangements with other school districts in Portland?

**Shaff:** I don't believe with other school districts. No. With other partners, but not with other school districts.

**Saltzman:** Did we approach Portland public schools or did they approach us?

**Shaff:** Why don't we ask judi ranton the manager to come up and she will be able to answer that question. Rather than me shouting back --

**Saltzman:** We should make this great program available to other districts within the city of Portland. Regardless of whether they ask.

**Judi Ranton, Portland Water Bureau:** That's in our work plan. We have worked with -- my name is judy, I manage the water efficiency program for the Portland water bureau. We have worked with a variety of Portland public schools, private schools, we have worked with david douglas in years past, and we will renew efforts again. I believe those are the two major --

**Saltzman:** Parkrose.

**Ranton:** And parkrose.

**Fish:** We will report back to commissioner Saltzman in our efforts on that regard and notify other districts of the program. I guess it leads to another question I have for you, david, which is, why don't you explain why we believe this is an appropriate use of ratepayer dollars to invest in?

**Shaff:** Well, the water efficiency program is actually fairly significant. This is a small piece of it, and the reason why we're coming here to you is because we have to have your agreement on the iga between us and another governmental entity. But the goal is to help our customers whether they're large or small, reduce and conserve and be more efficient in their water usage. So, for instance, we worked with the widmer brothers, we worked with siltronics on helping them do technical analysis, we do Grants with low-income housing programs to reduce the plumbing fixtures. The idea being

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that the more we are able to conserve and save and use more efficiently, the better we are able to stretch the supply that is ultimately finite.

**Hales:** Great. Thank you both. Appreciate that. Any further discussion or is there any public testimony on this item? If not, then this passes to second reading. [gavel pounded] and let's take 525.

**Item 525.**

**David Shaff, Director, Portland Water Bureau:** With me today is perry cabot, with the Multnomah county health department and environmental health. He'll talk a little bit about what the county is doing with these grants, but I want to talk a little bit about the lead hazard reduction program. So I suspect you know that in 1991 the epa published the lead and copper rule to control lead and copper in drinking water. While lead and copper enter the drinking water primarily through plumbing materials, there's no known lead in Portland's system. In our area, lead in drinking water is primarily the result of household plumbing materials, especially in homes built between 1970-1985. But lead in the water is not the most common source of lead exposure in the Portland area. It's actually lead paint dust from pre-1978 homes. So since 1997, the city has complied with the epa's rule through its lead hazard reduction program developed in Coordination with state and local public health agencies. And as an aside, we've gotten several awards both statewide and national on our lead hazard reduction program. Treatment and monitoring, I think you know we adjust our p.h. In our water to reduce its corrosiveness which leads to lead and copper leaching from plumbing. We've been successful with that. We've reduced our lead at the tap by over 15% over those years. Our home lead hazard reduction program is in partnership with Portland housing bureau, and we provide local matching funds for hud grants. Lead in education, water education in testing, we provide free lead and water testing to all homes in the bull run service area. Outreach for this is targeted to homes built between 1970-1985 with children 6 and under or pregnant women living in the home. And finally, public education and outreach. This ordinance authorizes the water bureau to execute the community partner agreements that fulfill this fourth component, public education and outreach. That includes the following things. Free blood testing, workshops and hotlines for homeowners, tenants, and landlords, soil testing for gardens and yards, all of the partners we work with are selected annually through our request for proposal process, and our selection committee includes Representatives from Oregon health authority, lead poisoning prevention program, the Portland housing bureau, and the water bureau. And three of our partners are the Multnomah county health department, the community energy project, and Portland public schools. And at this point i'd like to turn it over to perry to talk a little bit about the Multnomah county health program.

**Hales:** Welcome. Thanks for your patience.

**Perry Cabot, Multnomah County Environmental Health Program:** Thank you very much. Good afternoon, i'd like to thank the council and director shaff for the opportunity to speak to you today. My name is perry cabot, i'm a program specialist with the Multnomah county environmental health program. My position coordinates the county lead line program, largely through a grant from the Portland water bureau through the lead hazard reduction partnership. For many years the Multnomah county health department lead line program has worked with close -- in close partnership with the Portland water bureau through the lead hazard reduction partnership to provide front line response to the issue of lead poisoning in our community. The lead line provides several important service to the residents of the city of Portland and surrounding areas. First, lead line is the central triage point for community concerns and questions around lead poisoning and lead poisoning prevention. We address these concerns and questions directly or we connect these community members with the appropriate partner resource through the lead hazard reduction partnership. Second, all Portland water brokers, including customers in surrounding districts who purchase water through the Portland water bureau have the option of receiving a free kit to test their home tap water

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for lead. All of these requests and the accompanying question and education of these customers is the responsibility of the Multnomah county lead line. In recent months, we have handled thousands of calls and emails from customers seeking testing kits and information about lead and water, which was the last water issue before the recent one. The lead line also provides free blood screening for over 1,000 young children and pregnant women each year in an effort to identify and respond to lead exposures in our community before they become chronic or higher levels with the real risk of permanent injury to a child's developing nervous system. Finally the lead line provides free home environmental investigations for any and all children who are identified through our screening clinics or through a blood test of their own doctor as having an elevated level of lead in their blood. We seek to fight source of lead exposure in the home and connect these families with the information and resources necessary to take control of their own fears and move forward to the health, wellness and safety of their families. The old scourge of lead poisoning still haunts our communities. While the vast majority of cases are found connected -- that are found are connected to lead paint and dust in our older homes, the support of the city's lead hazard reduction grant places Portland in the forefront of cities across the country in terms of progressive and proactive community resources around all aspects of lead poisoning prevention. On behalf of the many diverse families that i've served through this program, I thank you all for your time and your support and look forward to our continued partnership.

**Hales:** Questions? Comments? Thank you both. Anyone signed up?

**Moore-Love:** I did not have a sign-up sheet out.

**Hales:** It rolls to second reading. [gavel pounded] and now we have a series of second reading items to close out what was the morning session. Let's start with 526.

**Item 526.**

**Hales:** Roll call.

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

**Hales:** It was a former commissioner in charge of the water bureau who was notorious for fishing at the bull run. We do not expect to see any pictures of you out there with a net, commissioner Fish. Aye. [gavel pounded]

**Item 527.**

**Hales:** Second reading, roll call.

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

**Hales:** Aye. [gavel pounded] 528.

**Item 528.**

**Hales:** Roll call, please.

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

**Hales:** Aye. [gavel pounded] 529.

**Item 529.**

**Hales:** Roll call.

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

**Hales:** Aye. [gavel pounded] 530.

**Item 530.**

**Hales:** Roll call, please.

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

**Hales:** Aye. [gavel pounded] and 531.

**Item 531.**

**Hales:** Roll call.

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

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**Hales:** That wraps up all of our ordinances for implementing the various budget decisions. So happy to vote aye. [gavel pounded] and happy to declare the council is recessed for 35 minutes. [gavel pounded]

At 1:26 p.m., Council recessed.

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**Closed Caption File of Portland City Council Meeting**

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

Key: \*\*\*\*\* means unidentified speaker.

**MAY 28, 2014            2:00 PM**

**Hales:** Let's come back to order. Would you read the role please?

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

**Hales:** Well, we have a proclamation which we might have read this morning, but we didn't. But fortunately, Mike Houck is here now and we will read it now.

**Fritz:** Here was here this morning as well.

**Hales:** I know, welcome, Mike. Come on up and I will read this proclamation. It's not an original idea, it's a 28-year-old idea that's still a good idea. It says, whereas, the great blue heron is a majestic symbol of the city of Portland's efforts to restore, protect, and sustain ecologically healthy habitats for fish and wildlife and for the enjoyment of citizens in Portland and throughout the region; and whereas, Great Blue Heron Week represents an opportunity for the city of Portland to recommit its efforts to the natural environment by celebrating past successes and future challenges; and whereas, the city of Portland continues to distinguish itself as a national leader in the use of green infrastructure in integrating the built and natural environments; and whereas, the city of Portland is an active partner in The Intertwine Alliance, collaborating with more than 113 alliance partners to create The Intertwine, a world class system of parks, trails and natural areas for the Portland and Vancouver metropolitan region; and whereas, the city of Portland continues to work with the partners of The Intertwine Alliance, including the Audubon Society of Portland, Urban Greenspaces Institute, and Metro to acquire, restore, and manage habitats; and whereas, the city of Portland is dedicated to ensuring its citizens have access to nature wherever they live, work, and play; now, therefore, I, Charlie Hales, Mayor of the City of Portland, Oregon, the City of Roses, do hereby proclaim May 27th through June 1st 2014 to be the 28th annual Great Blue Heron Week in Portland and encourage all residents to observe this week by participating in the many activities and special events hosted by local non-profit organizations and government agencies. Mike, welcome.

**Mike Houck:** Thank you. Yes, it's not a new idea. In fact, Mayor Clark was giving a presentation to a group of natural resource managers from around the country down at the Hilton Hotel 28 years ago, and mentioned great blue herons probably 30 times in his presentation. So I, of course, didn't miss that opportunity, and had a chat with him outside of the Hilton following his presentation, and suggested that perhaps we needed a city bird. He agreed with two whoops, and two weeks later, there was a proclamation. And it may sound a little trivial to some folks, but the reality is that this does provide us with the opportunity to slow down and think about what we have done in the past, and what we intend to do in the future to make sure that they share the city -- they being great blue herons and their fellow critters in Portland. I handed you two pages. One, I was going through my documents the other day -- the day that the great blue heron was proclaimed as Portland city bird, I sent a note to William Stafford, who at the time was Poet Laureate for the state of Oregon, asking him if he would be willing to pen something appropriate that would celebrate the great blue heron. And I think he came up with one of the most eloquent statements about our relationship to nature in the city that one could hope for, certainly more eloquent than I could do. So what I thought I'd do is just read this, it will just take a second. And maybe we can reflect on our past achievements and what we need to do in the future. He titled it Spirit of Place. Out of their loneliness for each other two reeds, or maybe two shadows, lurch forward and become suddenly a life lifted from the dawn or

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the rain. It is the wilderness come back again, a lagoon with our city reflected in its eye. We live by faith in such presence. It is a test for us, that thin but real, undulating figure that promises, "If you keep the faith I will exist at the edge, where your vision joins the sunlight in the rain: heads in the light, feet that go down in the mud where the truth is." And I'd hoped to see some of you -- and we do have a number of events. In fact, virtually every bureau in the city of Portland has something going on this week. Commissioner Fritz, I'll be meeting with one of the co-designers of Tanner Springs Park at 5 o'clock for a herons and happy hour this afternoon. Anyway, we have a lot of cool events, the final one being -- every year, the culminating event is a kayak trip around Ross Island. If any of you are free on Sunday morning and want to take a trip around Ross Island, that'd be great.

**Hales:** Thank you very much. What a great poem. I'd not seen this before. That's really beautiful. We might want to find a way to make that for permanently visible and available to people.

**Houck:** I would be happy to work with you on that.

**Fish:** Who has the original [inaudible]

**Houck:** Pardon? You know, I have a JPEG of it. I need to do some research. I know he sent it to me 28 years ago.

**Fish:** You know, Mike, I can't speak for the city archives, but if you could locate it, I would love to have this poem. It'd be a nice companion to the plan that the Olmsteads did that we often talk about.

**Houck:** Yeah, I'll do some research.

**Hales:** That's a great idea. I have a current great blue heron anecdote. I live near Westmoreland Park, which of course is being elaborately reconfigured to make an unobstructed stream passage where there used to be a kind of unfortunate pond. And the work is nearing completion, but the local herons have already started hanging out there. And on my way home two nights ago, there was a heron perched on the railing on the little bridge over Crystal Springs Creek next to our fire station. So he just looked like he owned the place, you know. [laughter] Which, you know, he does, because he is our city bird. But it was cool to see this heron just standing up on the railing, you know, not a care in the world, and waiting for the park work to get done.

**Houck:** Right. The beautiful thing about Tanner Springs, by the way, is shortly after it was dedicated, I was going north on NW 10th -- flash across the windshield, it was an osprey that had dived into the little pond to get a koi.

**Hales:** Wow.

**Houck:** Seriously. And lately, there has been a heron hanging out there. And I've got a fabulous photo that somebody took of a four-year-old boy standing beak to face, maybe 20 feet apart, just staring at one another at Tanner Springs. It's pretty amazing to think that something that small that was created specifically to try to reflect what was in that area 100 years ago. It's definitely panned out. And I sent an image to Herbert Dreiseitl in Germany, who was one of the designers, told him he just had a great compliment, a great design.

**Hales:** Thank you, Mike, for all that you do. Alright. Let's move on to 532 first.

**Item 532.**

**Hales:** Good afternoon. Who's going to start? Ben, is it you?

**Abby Coppock, Office of Management and Finance:** I'm kicking us off. I'm Abby Coppock, I work in the Office of Management and Finance, business operations, and I'm joined by Ben Berry, Chief Technology Officer for the city; and Colleen Gadbois, who's one of our citizen Technology Oversight Committee members. And we're here to present the quarterly report for January through March 2014. Just a brief recap. In 2011, city council created an independent five-member citizen committee to oversee technology projects of the city. The citizen members who are unable to join us today are Wilfred Pinfold, Ken Neubauer, Doretta Schrock, and Joshua Mitchell. And Colleen is here with us today. Quality assurance provided by external contractors is a required component for projects under the Technology Oversight Committee. As I mentioned, this reporting period for this report is January through March. During this quarter, there were no major administrative

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developments, all of the templates and tools that we developed in the past are working well, and no new projects joined the technology oversight portfolio this quarter. But the water billing project did cycle off. It was completed when it went live to the public in January of 2014. So that was our major development from the admin side. And now I'm going to turn it over to Colleen. She's going to give a brief status update on each project, and Ben is going to provide a little bit more details.

**Hales:** Welcome.

**Colleen Gadbois:** Good morning. We're going to start by talking about the information technology advancement project, we call that ITAP. Currently that project is scoped as a paperless permit project from the Bureau of Development Services. The current status. The project is meeting expectations in its current phase, but we continue as the TOC, we continue to monitor it closely due to its size and complexity.

**Ben Berry, Chief Technology Officer, Bureau of Technology Services:** Good afternoon, council. This is Ben Berry, I'm the Chief Technology Officer for the city of Portland. What I plan to do is give you -- as Abby mentioned -- the January through March report, but where I can, I will give you more recent information as we have acquired that information through the TOC meeting just recently. For the information technology advancement project, ITAP, a major accomplishment this quarter. Project completed phase one in March, which included a significant milestone of a formal project plan. This plan includes 17 deliverables, including a detailed timeline and implementation plan that will guide staff through the duration of the project. In terms of the milestones for next quarter, I'll mention just a few points here. The project is working to add a limited term project coordinator and training resource, and again, this was during January through March of this year. Risk and concerns. In terms of schedule, the project plan was a bit delayed. It was a few months behind schedule, but is now complete. So far the delay has not impacted the overall end for the project. Although -- and this is a caveat for the most recent TOC meeting that we had -- we actually moved from a yellow from TOC into a red. So now the bureau -- Director Scarlett is engaged in turning that around for the next formal report. I do want to let you know, that is a piece that we have added as a caveat of where we are on schedule.

**Saltzman:** Which part moved to red?

**Berry:** The schedule portion of ITAP. The vendor replaced their project manager. There were significant delays before the new person started, which contributed to the yellows in January through March in the schedule. Dashboard. A couple of minor scope issues came up this quarter. These issues have all since been resolved, but did it delay the project coming into the last TOC meeting. The QA has started rating the project green, but the TOC -- this is again, January through March -- TOC had kept it yellow to continue to be cautious, due to the size and complexity of the project. So, I want to pause there and see if there is any questions about the schedule for ITAP. Remember, this is an \$11.8 million project.

**Hales:** We have the QA assessment a green, and more recent information moving it to red?

**Berry:** Well, it moved from green, from the QA assessment. TOC was showing it as yellow, but because of the schedule impacts now for April, they're showing the QA having the schedule in red. Three months to turn that around, get it back into the yellow, eventually back into green. We believe they can do it, but we want to make sure that you were aware of that as an early warning alert. If you look at the overall matrix and chart -- I think you have this on the screen now. TOC is showing the schedule for January through March in yellow. Budget was yellow. Scope was yellow. Any questions on ITAP? You want to move on to the next one?

**Gadbois:** We're going to move on to the affordable housing software project. The project combines several data systems of the Portland Housing Bureau into one interactive system. That's the scope of it. So, the status for Q1. During that reporting period, the TOC had concerns with the lingering delays, but the project recently did go live in April. So some good turn around.

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**Berry:** As Colleen has mentioned, the project did go live in April, but there are some things I want to make sure that you understand. After an original go-live date was over a year ago, the project continued to struggle with delays from both the vendor and the city staff working on a final loan servicing module. The loan servicing module was the piece that was not implemented on time. The upcoming milestones for next quarter. The housing staff relies -- the loan files were not ready for migration, so significant research and manual entry process took place to make sure that the files got completed. The project is back in the QA vendor camp at this point, and the vendor is doing a 90-day post-implementation review of the housing project. Risk concerns. Of course, the schedule. The schedule had been in red ever since the loan module missed last year's deadline. Both the project team and the TOC have had low confidence in the subsequent deadlines, so it's exciting to hear that the system actually went live April 1st. But again, the budget. We still have not paid the vendor a total amount for the budget. We paid about 30% of their invoices, until they work through any remaining issues. So we still have about 70% to pay out on that. Although we spent time, which is dollars, in terms of staff time to do the testing of the issues as they were released prior to that April 1st. And I believe there are about 20 current outstanding issues remaining on the housing software, even though it is now in production and running. Questions on the affordable housing software?

**Saltzman:** So, it's online now, it's being used, but we're still expecting more from the vendor?

**Berry:** Yes, it is online. It's at a state where it can run production now, but there are still nuances within the code that we've asked the vendor to fix and address, and they are working diligently on those, even though the system still produces good product and is in production. And we'll hold off until the final payment, until those 20 issues are resolved.

**Saltzman:** The TOC is showing red that applies to as of the end of March.

**Berry:** That was the end of March because of the schedule and the budget. Actually the schedule piece was red. The budget was in yellow, and the scope was in green.

**Saltzman:** So the schedule is now in green, if we had April in front of us, right? It would be green.

**Berry:** Right.

**Gadbois:** Our next project, Office 365. That project is responsible for migrating all city computers to Microsoft Office 365. That's a pretty big project. Q1, the project has a manageable timeline. As the TOC, we are monitoring it closely, but the project is generally on track.

**Berry:** So in terms of the major accomplishments for the 365, last fall the project changed approaches, so that the migrations are happening in waves rather than everyone at once, which now has the highest priority computers to migrate first. As of the end of March, all computers impacted by the April 2014 Microsoft deadline have been successfully migrated. You will recall that Microsoft's end-of-life for 2003 software ended on April 8th. So the concern was making sure that all of the payment card industry-based computers were migrated to the new software. We got through that. In fact, we have migrated now 3000 of the 4300 PCs that the city has running the software. Some upcoming milestones for the next quarter. The final migration waves are pushed back to August 1st, and we believe we can hit that date. The schedule and the beginning of the email migrations is needed next quarter. So we have two things. We have migration of the software, and then we have the PST files that have all been data from many of the older files that will come along in migration over time. Questions on the Office 365 project?

**Fish:** I have a question. Ben, we're trying to get our hands around some of the contracting numbers in the infrastructure bureaus, and we're looking at sort of the difference between an initial estimate done that is done by, say, an engineer to the initial bidding to the actual contract price, and trying to figure out along that continuum. What's the number we should be using as a baseline number? It turns out that some of these one-off customized projects require such innovation change that the initial estimate is not particularly helpful. It's really where -- frankly, it's where people come in on their bidding for the project that tells you what the market thinks the cost of that is. When I look at the chart that you've created, where it says initial estimate at TOC intake, you say you have a high

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degree of confidence at that level. But, how can we have a high degree of confidence at the initial -- at that early stage, when presumably we haven't finished figuring out all of the bells and whistles that users are asking for and whether there's any change in scope and the like?

**Berry:** Commissioner Fish, you're right, there probably should be some variability in our thinking around the timeline, because you're in the very beginning stages of the project. And that was for the schedule portion. So the high level of confidence was for schedule. It just so happens that we are meeting the schedule on the project.

**Fish:** I'm sorry, you're right. I misread that.

**Berry:** That actually turned out well for us. But in theory, you would have more variability in your thinking -- maybe it's more of a low or a medium. But in this particular case, we're actually hitting that.

**Fish:** It just seems to me there are certain projects that we fund that uniquely start with a low to medium level of confidence because you haven't really fully scoped it out yet --

**Berry:** Exactly.

**Fish:** You haven't figured out what all of the users are asking, and as you add components, it changes the scope of the project. That's different than a project that is over budget or -- you see where I'm going.

**Berry:** You're absolutely right.

**Fish:** The public doesn't often make that distinction. So, I'm delighted to hear that the confidence level at that very early estimate is typically low to medium.

**Berry:** Yes.

**Fish:** Because I think that sounds about right to me. Because we're flying blind until we move a little further down the project. At the point in which it seems to me you bid it, that's when the confidence ought to be high.

**Berry:** You're right. We got lucky that we hit that particular one, but normally, that's the way it works. And as you see, the QA for January through March, the schedule, budget, and scope were all green for the quality assurance. And the TOC, because of the complexities and some unknowns showed the schedule and the budget in yellow, and the scope in green.

**Hales:** OK. More questions? OK.

**Gadbois:** So the risk information solution connect, we call it RISC, is a project of the Bureau of Internal Business Services to replace several unsupported systems with one integrated system. The status as of Q1. The TOC is currently concerned about the project timeline and delay of the final piece of functionality.

**Berry:** Under major accomplishments for the quarter. 90% of the project went live in December 2013. The project had deferred medical bill review functionality until after initial project go-live, which represented about 10% of the project. So 90% went live. We were still working on the last 10%. Now the project is working to implement that last piece of functionality. The vendor is subcontracting the remaining work, which has required a more detailed statement of work and negotiation of a revised work order. In terms of upcoming milestones for the quarter, the configuration and the implementation tentatively is planned for August of this year, 2014. Risk and concerns. In terms of schedule, although 90% of the project going live was a major accomplishment, delays remain with the final 10% of the functionality that was deferred. In terms of budget, the project is currently in negotiation with the vendor for partial payment of the functionality that was completed. So far, the vendor has been paid very little. Again, that was January through March of this year. And finally, the TOC requested that the QAVC be brought back, and have been brought back for the duration of the project, which will be that last 10% of the project.

**Hales:** So if we're 90% functional and we've held back on payment, why are we rating budget red?

**Berry:** The rationale for the red rating in TOC -- if we are still trying to figure out the specifications for the last 10%, we don't know how to do a schedule if we are still in the throes of defining the

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specifications. That's why we're calling it red. If we don't have the specifications, how do we define the budget for how much that 10% will cost? That was the thinking of the TOC. The scope has never changed, and that's why it's green.

**Hales:** When we rate a project red on budget, it's danger of going over budget, not scale of how much we go over budget.

**Berry:** It's the potential for going over budget.

**Hales:** Right, OK.

**Fish:** But Mr. Berry, getting back to the question I asked you before. If it starts -- if the original view of the project is it's a two-door Chevy, and later it evolves to a Corvette, how do we account for that so that it is not technically deemed over-budget and instead right-size it? Sometimes projects begin as one thing, morph into something else, and yet the way we track these things, it is technically over budget, even though you could say that you could at some point hit reset, what started as a Pinto is now a Corvette, and let's look at, as a Corvette, are we on track or not?

**Berry:** Yes. One reason why it went over budget because we had to add an additional project manager that was never accounted for in the budget. So, that added about \$75,000 to begin with. And then I think it began to grow after that. I think that was the first point that the project was actually over budget.

**Fish:** What if it was a function of a change in scope and not something to do with the particular project that we originally came to us? What if the mayor says mid-stream, I would like you to actually upgrade 20 computers, not 10, so it becomes a different project. Does it get recast so that the baseline budget assumption changes?

**Berry:** We have. We have recast projects based on that characteristic that you just mentioned, Commissioner Fish.

**Fish:** I'm not sure internal tracking stuff does that. This conversation is perhaps for another day. But I'm interested in knowing at what point does the scope of a project change significantly that you have to change the basis?

**Berry:** We can get back to you with a more formal description for that.

**Fish:** It seems like there are occasions where history starts anew because the project has morphed into something else, and so the original estimate is not particularly instructive as to whether you are on track or not because you, over time, changed the scope of the project and it is something else.

**Berry:** And we actually have done that to some of the TOC projects in the past. We can get you back a formal response on that.

**Coppock:** One comment I would add. I think when the TOC hears project updates from a bureau, they take that into account for their scoring. For the TOC, the red signifies that they want bureau director intervention and awareness of something that needs immediate attention. After they've dealt with it and the scope has changed officially, I think sometimes it does go back to green.

**Fish:** I would say that the red is more of an internal mechanism to get attention and action within the system. The budget item is what the public often views, and sometimes I think they get a skewed view if the budget increases and we don't fully explain that the project scope has changed along the way in those instances where it is attributable to a scope change, not to some glitch in the technology or relationship with our vendor.

**Berry:** There is one final point I want to go back on the last page of your document there, page 11 of 11. Back in March 5<sup>th</sup>, 2014, I presented the citywide technology assessment, and we are in the throes of working through each of the 10 pieces that I brought, those 10 recommendations that I brought to the council. So, the first one up was the communities of interest, and we are now having our second meeting with our communities of interest with our bureaus.

**Hales:** Further questions? We appreciate this regular update.

**Fish:** Mayor, I have a question unrelated to this. Mr. Berry, just three comments I want to share with you. Number one, BOEM and Water and others are doing a debrief from Friday's boil notice. And

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one of the things we're trying to get our hands around is what triggered the crashing of the city's website. Initial answer we got was it had something to do with when 200,000 people went online to access the mapping feature and something else, each one of them had to be encrypted somehow, and that caused an overload. And so there was a work-around done from BTS to get out from under that, and we got up and running. Number one, I'm guessing, since you're the chief technology officer, you'll be part of the ongoing debrief on this?

**Berry:** Yes, I will be.

**Fish:** To help us understand how that happened. Because fortunately, it was a boil water notice in an instance where there were no reports of any serious health consequences. But the fact that you have a live press conference and so many people go on our website and it causes it to crash is something that we all need to better understand. You will be part of the debrief on that issue?

**Berry:** Commissioner Fish, yes I will be. In fact, I spoke with David Shaff just this afternoon about that.

**Fish:** Second, it occurred to me, since I know so little about technology, that another part of the discussion should be having a BTS professional actually at the emergency center available to answer questions, because we rely so heavily on social media technology, websites. And maybe have someone actually embedded in the site who is able to answer real-time questions and debug things. Just food for thought.

**Berry:** That's a very good suggestion, Commissioner. We will definitely look into that and see how we can make that happen for emergencies.

**Fish:** And the final thing. We adopted, at the mayor's request today, a budget note which requires us to look at different billing mechanisms, consolidating billings for the city's functions, and also potentially accelerating the process of moving people to monthly billing through the Water Bureau. I'm delighted that that particular project is no longer on your sheet, but there are going to be some big questions that we have to look at in terms of how we might scale this faster. We only have about 8500 people currently getting monthly bills, and there are hundreds of thousands who obviously we'd like to induce to do it. Will you be part of those ongoing discussions about how we might scale the monthly billing program up?

**Berry:** Yes, I can be in part of those discussions. Most recently, I spoke with Thomas Lannom about this, and how do we scale them higher and faster? One thing is making sure that our citizens will have access to the tools they need to have it be mandatory to use this kind of billing.

**Fish:** We'll be looking at cost issues, we'll be looking at the cautious roll-out issues we've already been dealing with to make sure that we don't overpromise and have a system that fails. Another big hurdle down the road is perhaps relaxing our requirement that people be willing to pay electronically. There are some customers that want to go to monthly billing but they're going to need a paper bill of some sort, or an alternate way of paying. And those are all very complicated questions, so I'm glad to hear you will be part of that team looking at options.

**Berry:** I definitely will be.

**Fish:** Thank you.

**Hales:** Other questions? We appreciate the work and appreciate the committee very much. Having eyes on these big costs and big projects in ways that allow us to capture problems while they're still small critters rather than enormous ones. So, thank you.

**Berry:** Thank you.

**Hales:** Anyone that signed up to testify on this item?

**Parsons:** No one signed up.

**Hales:** Anyone want to speak on this item? If not, then I need a motion to approve the report.

**Saltzman:** So moved.

**Fish:** Second.

**Hales:** Further discussion? Roll call.

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**Item 532 Roll.**

**Fish:** Thanks again for your good work, for this ongoing dialogue. And delighted to accept the report. Aye.

**Saltzman:** Yes, thank you for the good report, and for the good graphics, too. It's a lot easier to visually comprehend it with the color-coded charts.

**Coppock:** That was a direct response from the last time we were here. [laughter]

**Saltzman:** Thank you. Aye.

**Novick:** Thank you very much. Aye.

**Fritz:** Thank you, especially to our citizen members who put in a lot of time on this, and to the committee and staff. On the ITAP project, Director Paul Scarlett and I were aware of that issue, and we agree with the findings and are taking action to get us back on track with the schedule. So we appreciate very much the partnership and oversight of these projects. Aye.

**Hales:** This is a good way to hold ourselves accountable for a high level of quality control and important work. So thank you for your work. And yeah, nothing like a big red indicator to get everybody's attention when we need to, so, thank you. Aye. [gavel pounded] OK. Next item, please.

**Item 533.**

**Hales:** Patrick Quinton and Trang Lam are here to talk about this. Just a couple of words in advance of their presentation. PDC has been working on five-year plans, action plans for the urban renewal areas, and we've got others in the works as well, in addition to the one we have here today. We have central eastside, Old Town/Chinatown, Gateway, and south waterfront. Each of these and this one, too, is a comprehensive plan for investments in partnerships. This one, in particular, reinforces that the Lents urban renewal area is a priority for the city, lays out a strategy for the next five years about where we focus our investments, where they'll have the most impact, ensures that existing residents and businesses benefit from the change that we're trying to foster. It's a framework for other bureaus, BES, PBOT, Planning, Parks, Housing, PDC to all work together; to give certainty to businesses and developers so that they feel comfortable in making their investments in concert with ours; and includes an implementation timeline and metrics to gauge our progress. We have not only our own team from PDC to present today, but also some representatives from the community who have worked really hard on this and we'll call them up next. But we also have letters of support in the file. I think the fact that we have these is illustrative of the good work that's been done here from Nick Sauvie at Rose Community Development, from Randy Dagele at Lents Body Shop, from Dan Klock at Bridgetown Natural Foods, Moses Cooper from Working Class Acupuncture, Brandon Rhodes from Rolling Oasis, Cora Potter from the Lents Neighborhood Association, and Nick Christensen, a longtime Lents resident and activist. So the fact that that's the base of support behind the plan that we're presenting I think is an indication of a successful collaboration with the community, and I appreciate that. Welcome, team.

**Patrick Quinton:** Thank you very much, Mayor Hales. Good afternoon, Commissioners. And, yes, that was a great introduction. I'm Patrick Quinton, executive director of the Portland Development Commission. I'm joined by Trang Lam, who will do the bulk of the presentation. She is our neighborhood manager. I was hoping Kimberly Branam would be here to do the introduction -- our deputy director -- since she has really demonstrated much of the leadership around this initiative, but she actually came down ill. So I'm pinch hitting for her. But as the mayor mentioned, we have taken this new approach thinking about our priority areas throughout the city, and it's really to turn this into action in these areas. But it's meant to be far more of a cross-bureau holistic approach to thinking about our work in these neighborhoods. I think people rightfully look to PDC when you think about areas like Lents, or south waterfront. But I think we're only at our best when we work across bureaus. So this represents the work of many bureaus. Before I get into it, I would like to just acknowledge the great work that's been done. And you can see on our slide here, the work of many bureaus across the city, including BES, PBOT, Planning, Housing, Parks, and also work from our

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friends at TriMet and Metro. In a minute, I'll talk about Metro's role, but Metro helped fund some of the early work on this. As you will hear from the testimony, we've had the great involvement of community stakeholders. Our neighborhood economic development leadership group has a redevelopment subcommittee that includes a number of community representatives, as well as people like Ed McNamara from the Mayor's Office and Joe Zehnder from Planning. So we really do mix in community input with some of the more technical expertise. And then we had a special group of Lents stakeholders in particular to weigh in on this, folks like Jesse Cornett, and Nick Christensen, and others. This really has been a collaborative effort both within the city, as well as within stakeholders. Before I turn it over to Trang to get into the substance, I'm just going to talk about a little history on how we got here. Because the action plans really have been the mayor's charge to us to turn a lot of the work that's been done over the years in different areas to real action plans, things that we can accomplish in the next five years. But we do build on some previous work here, and in particular, what we build on is something called the Foster Lents Integration Partnership, which was actually Metro-funded work that was started over three years ago, and it really was meant to look at the Foster corridor -- so from 52nd to 122nd. We did a lot of work once again across different bureaus, across different issue areas. So we obviously think a lot about redevelopment and economic development and industrial land development. But we've had flood plain issues and basic land use issues and others, open space opportunities. So we've really been looking at this issue for quite a while. That work has flowed into the Lents action plan. Trang will highlight where some of the FLIP work, as we call it, has actually benefited us in Lents. And as I mentioned, we took that work and added the input from the stakeholders and really thinking about what we can do in the town center to come up with the action plan. And then the other historical basis for the work is really a number of strategies that have been in place, and put in place over the years. Once again, the action plan is to take all of the good work and turn it into action. So this is really the last piece, but there has been a lot of thought through the Lents Town Center business district strategy, our neighborhood economic development strategy. Portland Housing Bureau has done a lot of opportunity analysis across the city, and thinking about where those areas are. And as I mentioned, we have the FLIP work. So, it integrates thinking about how to activate business districts, how to deal with some of the different complimentary uses, but it also thinks about the issues of gentrification and displacement that are becoming very active topics of conversation in neighborhoods around the city. And I think in Lents and outer southeast, we have an opportunity to get ahead of issues of displacement in a way that maybe we haven't in north and northeast Portland. So, we're very excited about this. We really do feel like we're at a moment in time where there's a lot that we can get done in Lents and, in particular, in the town center. I will turn it over to Trang who is going to explain to you what we're going to do. Thanks.

**Hales:** Thanks, Patrick.

**Trang Lam:** Good afternoon. Thank you for this opportunity. I'm going to run through this action plan, and then have a little bit of time at the end for questions and testimonies. So, I will start out broadly with the Lents geographic area. So this is the Lents urban renewal area. It covers over 2800 acres, it touches six neighborhoods, three business districts. And our statistics show that the residents here are more ethnically diverse than Portland as a whole. We recognize that this action plan can't be a one-size-fits-all approach for Lents. The approach we took was that we organized the action plan into four focus areas -- so, what we call commercial corridors, neighborhood centers, affordable housing, and then finally our industrial and open space area. I'll take you through the goals and objectives of these geographic areas, as well as talk about some of the actions that fall under them. Overall, this is a petal diagram that shows our four geographic focuses. We wanted to focus investments where they have the most impact and deliver on the following goals. So in our neighborhood centers, PDC is actually investing approximately \$25.7 million into redevelopment, place-making work within our Lents Town Center area, as well as within the west Foster node. In

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partnership with us, PBOT is investing \$5.2 million in infrastructure projects that help improve the place-making piece, as well as promoting private and public investments for businesses. In our commercial corridor, we're focusing on increasing safety and vitality for Lents commercial corridors, with PDC's focus of \$6.7 million in a little bit of infrastructure project, as well as working with business development officers in those commercial corridors to help our long-term business owners, as well as the small minority businesses in these areas. Affordable housing area. We're partnering with the Portland Housing Bureau, who's investing about \$9.1 million to preserve housing affordability for homeowners and renters, and to encourage rehabilitation and construction of new units. And finally, but not least, our industrial and open space along the east Foster corridor, which is east of the I-205 area. Here, we're investing nearly \$7 million between PDC and BES, really looking at how do we intensify the industrial land use as well as take a look at the 100 year flood mitigation.

**Saltzman:** Are these all five-year dollar amounts?

**Lam:** These are cumulative within the five years, yeah. I will start off with the first geographic area. Our first neighborhood center is the Lents Town Center. As you know, PDC owns about 40% of the land within the town center. We worked diligently with our community stakeholders, our redevelopment subcommittee from the neighborhood economic redevelopment leadership group, as well as our technical advisory group from the other bureaus. What we recognized here was that the community is looking for -- this is their words, not ours -- a game-changer in redevelopment to change the reputation and increase the vitality of the Lents Town Center. And game changer within our conversation really didn't mean, you know, a giant redevelopment only, but it also means incremental changes along the town center area. And where we focused in on was 92nd Avenue. It was the most pedestrian-friendly commercial corridor, and historically, 92nd is named a main street. So, we said that here, our first objective will be to do redevelopment, but really approach it in two ways. One is to continue focusing on a larger redevelopment project, and develop a mixed-use project that the community has been aspiring for that has an anchor grocery store. So that's identified in the action plan. But at the same time, we wanted to make sure that this community had a main street similar to other areas in Portland. We've kicked this off with doing storefront improvements, so that the image that you saw initially was El Pato Feliz, which is a restaurant there. We've done a lot of storefronts along 92nd. We are actually -- have a new brewery coming into our building. So, that's a part of kind of the redevelopment piece of this. We are working with privately-owned property owners. And then we are also investing in infrastructure in this area to create a holistic look at the town center. And then, finally, PDC's work is always to work with small businesses and ensure that we're tenanting these with small businesses, local businesses, and making sure that these spaces are affordable. Our second neighborhood center is what we call the west Foster node. And similarly in this area, we are partnering with PBOT to make sure that the infrastructure investments leverage with place-making and with investments for our businesses in the area. So, we use our PDC programs for business development, but in addition to the business development piece of this, we're working with both redeveloping our properties. And the first project that we kicked off with is the Mercado. Nathan Teske is here today to talk a little bit about that project. And we're really proud of the project, because not only is it redeveloping a piece of property in Lents, but it's actually providing great business development for micro enterprises. We're working with private property owners again. What we focus in on long-term property owners. A couple examples we have in here is Mount Scott field, they have about a four acre site there that they're redeveloping. We have been helping them do feasibility analysis, and walking them through what that process of redevelopment might look like. As well as historical buildings, like the phoenix pharmacy building. Commercial corridors. In commercial corridors, we recognize that we can't do the major redevelopment like we are doing in the neighborhood centers, but what we're focusing on is commercial corridor safety, partnering with PBOT and also with Metro and others to take a look

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at rapid transit system, going west-east. With PBOT, we're working on the 122nd Avenue streetscape improvement which is filling in sidewalks to make it safer for kids and folks that live out there between Ramona and Holgate. And finally, the core work we do is working with businesses. We're looking at providing business assistance with our programs to small businesses along all of the commercial corridors and that includes Foster, includes 82nd Avenue, Powell Boulevard, and 122nd. We can't do this alone. So, we are partnering with our local community organizations such as Foster Green; EcoDistrict; Lents Grown, FABA, which is the Foster business association; and we're also working with our bureau partners to make sure that we're taking a look at opportunities where mixed-use projects can happen. Affordable housing. This is really led by our bureau partner, the Housing Bureau. Here, we're really focused on what Patrick was talking about, getting ahead of the displacement or gentrification that could happen out here with the growth of redevelopment for commercial uses. What we found in our data has been that that areas basically west of 82nd is gentrifying or has displacement. The areas between 82nd and 205 has high pressures of gentrification. And then east of 205, you're still kind of seeing lower rents and lower home values, but the quality of the homes, and the quality of the multifamily isn't that great. So, the Housing Bureau is really working hard to make sure that affordability is still there, that new units are going to be provided for, that people have an opportunity to become homeowners and also take advantage of some of the education programs that they have. Industrial and open space. I think this is one of the large areas that we've taken a look at in partnership with Bureau of Environmental Services, the Planning and Sustainability, as well as Parks and Transportation. In this area, what we're looking at is taking a look at the industrial land, and how do we intensify industrial uses there to promote traded sector business development to create more jobs in the area? Industrial land in Portland, in general, is limited, so we have this opportunity out here. At the same time, we want to actually facilitate redevelopment expansion of privately-owned properties. This doesn't only mean we are helping out privately property owners for the industrial land, but it also means that we're helping out the Leach Botanical Gardens, the Zenger Farms, the Springwater wetland area. These are all regional destinations that is a benefit to the Lents community and to our region in general. So, all of that combines down to our objective 16, which is a significant objective for all of the bureaus, which is to prepare for the future of regionally-significant industrial lands and natural amenities. And for this objective, it's really a long-term project that we're looking at. There is a consensus between the bureaus that taking a look at the 100 year flood plain mitigation is important, and that this should become a real project. And so all of the bureaus are looking at this in project planning for, how do we get there? This is one of those projects where it's probably going to be a 20-year project similar to what BES has just completed, which is the nuisance flooding, the 10-year occurrence which took them around 14 or 15 years. This is the 100 year, so you can imagine this will be a much longer process. We have it in here because we believe in the next five years, we should all be taking a look at this and at least saying that we should be project managing for this. As Patrick mentioned -- and Mayor Hales you mentioned this around the action plan -- is that we have metrics. A part of the action plan is metrics for the next five years, not only metrics around the actions that we're taking and taking those metrics annually, but at PDC and other at bureaus, we are taking baseline metrics annually as well. Safety metrics, census data, to measure how the community as a whole is doing across the board from housing to education to income levels, and then really assessing annually, have the project that we completed, helped or, you know, or maybe even displaced some folks. We're learning from the work that we're doing. So, this slide is really around a snapshot of what success might look like in the next five years. To the left, which is the neighborhood centers, and the industrial and open space, these are more of the capital improvement projects that we hope that will be completed, that these will be goals that will happen, where five projects in the Lents Town Center will be under construction or constructed already in the west Foster area, at least two projects. And obviously, we have a project that's going up right now. And

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then in the industrial and open space area, really taking a look at regional destinations and saying, how are we helping them do these capital improvements? To the right-hand side, which is the commercial quarter and our affordable housing area, we are looking at people who work and live in the area, and really recognizing that we have to have metrics with the business owners that are there and programs PDC provides, as well as for the affordable housing, really looking at the residents that are there and identifying a metric for how many residents can we actually provide for with financial assistance during this time. That concludes my presentation. Again, thank you so much for this opportunity. We have some folks in the audience.

**Hales:** Any questions for Trang or Patrick before we call in the panel?

**Novick:** Where did you pick the numbers for some of your targets? Like 100 -- loans, things like that?

**Lam:** So, we have annual metrics at PDC. We took the annual metrics that we currently have and then we multiplied it out. And that relates back to the budget for our programs themselves.

**Hales:** And those aren't maintenance-level goals. I mean, that's quite an improvement --

**Quinton:** Oh, it's an improvement. We don't do 20 loans a year in this geography. This is a step up.

**Hales:** That's a significant increase in the pace of activity in Lents, so we're holding ourselves to a pretty high bar here. Which is good, appropriate. Great. Thank you both. We may have more questions for you, but I know we have a panel here queued up and ready to go and Annette Mattson from PDC neighborhood economic development leadership group; Nathan Teske from Hacienda CDC, and Jesse Cornett from the Lents neighborhood association. Come on up, please, and I appreciate you being here this afternoon. Good afternoon.

**Annette Mattson:** Mayor Hales, members of the council, thank you for the opportunity to speak today on the Lents Five-Year Action Plan. For the record, I'm Annette Mattson, I'm member of the PDC neighborhood economic development leadership committee, and I have been chairing the subcommittee through their work. I've served in the past in a number of volunteer roles in east Portland, including the 122nd Avenue rezone committee and the David Douglas school board. When the opportunity to chair this group came up, I was excited because I care so deeply about the vitality of Lents Town Center urban renewal area. I was also a bit intimidated due to the expertise of the quality of people that served on this subcommittee. If you've seen their names and know their histories, you know why. They're a very impressive group. I was also nervous, because I wanted this group to do right by the citizens of the Lents urban renewal area, because they deserve it. And I also wanted to make sure that the Lents Five-Year Action Plan would be different, that it would be implemented, and that it would be effective. So many plans had already been done. To paraphrase one subcommittee member, Nick Sauvie: we have the plans, where is the action? This work is a high level summary of the plans and input already done. It directs the efforts of the urban renewal area over the next five years, and focuses on impactful game-changing projects in the urban renewal area. It assures benefits can be seen across the urban renewal geographical area, but without being so scattered that they lose synergy. I won't go into detail on the plan, you've all read it and Trang just went through it. I do want to comment on the process and how pleased I am with that. Trang Lam and her team took all of the work done to date on the Lents URA -- all of the studies and all of the plans, all of the community input -- and they prioritized it without reinventing the wheel. That first work was brought to our subcommittee to be energetically tweaked, critiqued, and reworked. We had some very exciting and very direct debates and conversations in those meetings. That revised work was then brought to area community stakeholders that had been involved in the Lents urban renewal area to make sure that what we had was in keeping with what had already been heard from the community. This work has been an efficient use of both time and public monies, and as a Portland taxpayer, I really appreciate that. Personally, I'm excited to see business assistance programs will be supported in this plan. It has some great starts in the town center, but they don't make it because of poor business management. When an empty storefront attracts a new

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community-friendly business, we want to keep that storefront full. I'm also very pleased to see something that I had harped on in the URAC meetings of the past, and that is metrics and measurement. We need a baseline. We need to know what numbers look like if we're being successful. That is a basic of every successful business, every transparent nonprofit, and every accountable government. The Five-Year Action Plan has these metrics. We look forward to your approval and your help in moving this plan forward. The Lents Five-Year Action Plan can't be just any plan, or even the PDC plan. To succeed, we need this to be Portland's plan, from your office, Mr. Mayor, and from all of you as commissioners and through your bureaus and down through the neighborhoods. Each of us needs to take ownership and responsibility for the success of the Lents Town Center urban renewal area, because the city is only as strong as its weakest neighborhood. Thank you.

**Hales:** Thank you very much.

**Fish:** Annette, can I just mention one thing? We approved a budget today that had \$75,000 for Zenger Farm for hunger programs. And so, thank you. I know that you and Representative Reardon and many people in the community have been advocating for that funding, and I'm pleased that it was in the mayor's budget and then it survived the gauntlet and was approved today. So, thank you for your advocacy.

**Mattson:** Thank you very much. As a member of the Zenger Farm board of directors, I really appreciate that and appreciate your support for the needs of east Portland as we turn our community around.

**Hales:** Thank you. Welcome.

**Nathan Teske:** Good afternoon, everyone. My name is Nathan Teske, I'm the director of community economic development at Hacienda CDC. I sometimes like to tell people that I live in Portland, but most days I get to go work in Latin America with the community work we do. Hacienda is known for its work in northeast Portland and we're new neighbors, if you will, in the Lents area in southeast. I'm also a member of the neighborhood economic development leadership group, and served with Annette on the redevelopment of the committee that she mentioned. I support the approval of the Lents Five-Year Action Plan, and I urge you to adopt it. In particular -- obviously my organization is working to develop the Portland Mercado, a Latino themed market developed at 72nd and Foster Road in the west node area that Trang referred to earlier. We think this is a very exciting project. It will allow 19 Latino business owners to have an economic anchor in the neighborhood, hopefully putting a break on some of the gentrification pressures that Trang mentioned west of 82nd, giving folks who are business owners an anchor in the city and in a neighborhood where we know there are pressures for displacement. Thank you, Mr. Mayor, for coming to the ground break two weeks ago, it was a lot of fun. We hope to be open in about six months. We hope to see you all there for opening day. I also would say as a member of the neighborhood economic development leadership group and the subcommittee, also excited about the plans for the Lents Town Center, which is just down the road from the project my organization is working on, but as somebody in the community, I will be very excited to see what I think are a lot of great projects in that Lents Town Center. Serving on these committees, I've learned that within neighborhood economic development, often what drives revitalization is a change in the emotional association with a neighborhood or community. We hope that the Mercado and the development on the west node, as well as the work in the town center will start to change people's emotional association with the area that will have a positive effect and encourage other investment and revitalization. Thank you, and I urge your support.

**Hales:** Thank you, Nathan. Good afternoon.

**Jesse Cornett:** Good afternoon. I'm Jesse Cornett, the chair of the Lents neighborhood association. Pleased to be here. I was thinking, as I was sitting here, I've seen I think all of you out at 92nd and Foster at some point in the recent months or years. So, you're very familiar with this area, and I

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appreciate that. The comparison that I make to what PDC is doing in Lents and the URA is with a basement remodel I started about five years ago. And I'm still not done. There are studs up. It's plumbed, it's wired -- yes, it is all permitted. [laughter]

**Hales:** Glad you brought that up.

**Cornett:** It lacks drywall, it lacks floors. And if you look at the neighborhood, we've got tremendous sidewalks. Those are the studs. We've got great bike paths. Those are the wiring. We've got a brew pub coming in. That's the plumbing. What we need is that anchor tenant to be the other grocery store and that's finishing the drywall, that is when it is absolutely ready. Nobody would ever suggest to not do anything other than keep plugging away on my basement, and the city has to keep plugging away on this URA. So I appreciate the dedication to that. After a recent newspaper article, several of us, myself, Nick Christensen, Cora Potter -- all sent a letter to PDC. The word that stuck out in that letter for me was, entrepreneurial. We knew PDC to be very entrepreneurial in Lents right now. And if this plan is any indication, they are doing just that. And we appreciate it. A lot of what is happening right now is -- I think with Z House, it's going to be a catalyst to what's going to come in the neighborhood. A lot of businesses will see that and start trending there. It is happening, and that feels good. There is one thing in this plan that I would like to highlight a little over others, it's the flood plain issues. There are hundreds of homes between Lents and Powellhurst-Gilbert that are in the flood plain. Insurance rates keep going up, going up, and going up. This \$5 represents what the average Lents resident who lives in the floodplain pays every single day for insurance. Almost \$1900 a year. It also represents the amount with TIF to get a pint at Z House brewing. It's a lot of \$5 that are going to fix hurricane-ravaged areas that could be staying in our community. So of everything in the plan, what I'm most excited about is an intention to work to resolve the other floodplain issues, because that's critical for the economic vitality of the Lents Town Center. The PDC team has been just tremendous to work with on this, by the way. They're always available answering questions, pointing folks in the right direction. So, Trang and Kevin and Allison have been a tremendous asset, and we in the neighborhood see that. The one thing that I've said many, many times -- and it's very well timed for today -- is if you'd like to see the potential of what that core area can be, come to the Lents international farmer's market. The first one happens to be at 10 o'clock on Sunday. You can see the hope that we have in our neighborhood. Thanks for the time.

**Hales:** Thank you very much.

**Fish:** One point, Mayor, on the floodplain issue. Director Marriott briefed me on that yesterday. We looked at some maps and they're doing ongoing assessments. With the success of the Foster flood plain program, we obviously have a template. The biggest challenge is the \$40 or \$50 million to actually implement the further work. We'll look forward in continuing in that discussion with you about how we might fund it over time, and including how we might finance it.

**Cornett:** Sure. And when it collectively adds up to more than \$1 million per year, the math starts to work.

**Fish:** Thank you.

**Hales:** Good point, thank you.

**Fritz:** Before you go, I've received emails about the streetscape plan, both for and against it. And Annette, you mentioned robust discussions. Could you just -- from your perspective -- tell me a little more about some of the controversial parts of this plan? What the discussion back and forth has been and why you've landed on the proposal that is before us?

**Mattson:** Are you referring to the Foster corridor in the west node, the street diet area?

**Fritz:** Yes, I think that is the area of concern.

**Mattson:** As I understand the controversy -- and please correct me if I'm wrong -- but, slowing down traffic, efficient bike lane, Jesse is a biker, it's a great path through. Some of the opposition has to do with commute times through the area. Personally, I commute through that area myself and I know that my nine miles to downtown, unless I'm on the road by 7:00, takes me 40 minutes. So,

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the idea if Foster is constricted further, what does that do to time? It's gone through an extensive process, I see that Maggie Skendarian is here, she can probably fill you in on everything down to the curb height as far as the input on that.

**Novick:** It is -- I mean, one of many examples of how a street is a neighborhood street -- any piece of any street is a neighborhood street to the people who live along that stretch, and it's a commute route for people who live farther out. So, it has been the subject of robust discussion. And we can't deny that there will be some seconds, maybe even minutes of commute time added by slowing down the traffic in order to make that area safer. And it's something that we have gone back and forth about and it is -- I mean, there is no free lunch.

**Cornett:** I ride my bike down Foster semi-regularly. Most people would not believe it's actually faster in rush hour traffic to get to downtown on a bike than to drive from 84th and Ramona where I live. So it's a great route. The streetscape promises to make it better. The streetscape also promises to make it safer, which I think is critically important. The concerns that I have heard and raised are not about -- obviously no disrespect -- her ability to get to her job or my ability to bike, but the painter and the janitor that live next to me that work two jobs, three minutes a day adds up. So I wouldn't want to minimize that in any respect. But I also firmly believe that making safety improvements to Foster is critical.

**Mattson:** And I know there were some concerns from TriMet about the pull-outs being inadequate, and then I heard comparison to they are the same as on Hawthorne, if you've ever gone down Hawthorne during rush hour heading west, the bus pull-outs, I would say, as a commuter -- my personal opinion -- inadequate.

**Fritz:** How about pedestrian environment? Has everybody settled that the pedestrian standards are about right? Have you heard any concerns about the pedestrian environment not being --

**Cornett:** In the plan?

**Fritz:** Yes.

**Cornett:** I think there's fairly good consensus that pedestrian safety is improved monumentally in that. I've not heard any feedback that it is insufficient.

**Fritz:** OK. How about parking? I know on Holgate, where we took out parking to provide bike lanes, there was significant concern from the businesses, in particular as you said, the auto dealers and such. Do you think you have the parking right?

**Cornett:** PBOT has been very sensitive to some of the concerns of business owners further down Foster. Even those businesses we may not necessarily like, their parking is being maintained, and that, if anything, is a complaint of some of the activists who would like to see this, that we're actually protecting too much parking for -- there are plenty of neighborhood streets that offer plenty of parking very close to Foster. So as the diet gets implemented, I cannot imagine businesses struggling as a result of parking.

**Fritz:** Are there sidewalks planned from the neighborhood streets?

**Cornett:** Yes. Sidewalks further down Foster where the parking is going to remain are by, like, George Morlan, and they're very wide, very safe sidewalks.

**Fritz:** About the ones near the town center? I think there are some side streets that don't have sidewalks.

**Cornett:** Yes. We could spend a great deal of time talking about the challenges of lack of sidewalks on Ellis, for instance, where you're going to have the streetscape where Foster is going to get even better, yet the slower side streets still don't have sidewalks. So, that will, you know, certainly continue to be a challenge.

**Fritz:** That's what I'm wondering about, if people are going to need to park on the side streets, but then there's no sidewalks, and there's a lot more parking, then where are people going to be walking?

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**Cornett:** There's not a lot of parking. There's not any parking on Foster right now up east of 82nd, which is where the lack of sidewalks are. So, I wouldn't anticipate that being a big concern. Further down where there is parking, the sidewalks like 60th, between 52nd and 60th, there's quite a bit of parking off of the main strip.

**Fritz:** I'm thinking more up by 92nd, when I have come up for the Ramona street fair and other events in the town center, it's been fine because there's not that much traffic on the side streets, so I'm walking in the road. But we hope it becomes a more vibrant town center. Is that part of the plan to do more sidewalk where there aren't any?

**Cornett:** Unfortunately, not in the near term that we know of.

**Fritz:** Another project we need to put on the list.

**Mattson:** I think it is important to remember that this summary -- if you took every single plan that has been done to date for the Lents Town Center urban renewal area, they are an appendix to this plan and all of that detail can be found in there. This would be the high-level summary and the priority work, and the catalytic projects that we want to see happen in the various areas.

**Fritz:** Thank you, that's helpful.

**Fish:** Can I just add one other question to the hopper here? Jesse, how important -- a number of years ago we did a master plan for the new Lents Park. And we imagined what it would look like if we had many millions of dollars. In your opinion, how important is investing in that redevelopment of Lents Park to the medium-term aspirations that you folks have for the community?

**Cornett:** I think it's very important. It would be nice to see components of that funded. As you all probably are all aware, NAYA is putting a facility at the old Foster school site which is behind standard on 82nd, it's right around the 85th area. There's going to be a great housing community located there, which is in very close walking distance to the park. But that also takes away a little bit of open space that neighbors there use. So, getting infrastructure to get to the park and in the park I think has got to be critical, and I think sidewalks from there into the town center via Ellis are an important part of the puzzle -- a very expensive part of the puzzle, unfortunately.

**Mattson:** Commissioner Fish, if I could add, as a resident who lives near Leach Botanical Gardens, that is another one to consider if you want to talk to game-changers to the area. Leach is very different, it is a destination park and serves much more than just the neighborhood, but it is part of that destination that is an image changer for the urban renewal area. It is within the URA, as is Zenger Farm. All of those are part of that -- you know our park situation.

**Fish:** Yeah, and I'm also familiar that there used to be a guy who was a park tech who managed that park named Phil Knight. Maybe someday we can take him on a stroll down memory lane. The last thing I want to say in the budget we approved today, we also added \$100,000 to expand some economic development programs, including money for the Lents -- is it main street?

**Hales:** Yep, main street.

**Fish:** The Lents main street. Annette, what you just said about Lents and Lents institutions as destinations is really important, because one of the things is how do we brand the area, how do we encourage people to come? You and I know that you could spend a wonderful day there just visiting Zenger and Leach and Foster floodplains, eating and strolling through the park and those things. But part of the challenge is to get the word out and brand the area. And so, I'm a liaison to Venture Portland. And frankly, the last time we did a Little Boxes event, we didn't have much success going further than, say, Montavilla. And my vision is to get it citywide and get all of the business districts linked up and branded and getting the same love and attention. Hopefully this funding will jump-start that and we can think about how do we draw more people to the area and get them to spend money and in turn demand other services.

**Mattson:** Thank you.

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**Hales:** Other questions for the team? Thank you all very much for all of your work. Appreciate it. Anyone else that signed up to testify? OK. Patrick, come on back up, and Trang. Any further questions for staff before we take -- anything else that you want to add to what we have heard here?

**Quinton:** I would add if you want to spread the word about the Lents brand, we have buttons for you.

**Hales:** Hey, good.

**Quinton:** Town center actually has done branding work.

**Hales:** I saw those.

**Quinton:** You can get a blue one since Commissioner Saltzman is not here.

**Hales:** I want the blue one. That's what happens when you're not here. OK, so, properly adorned.

**Quinton:** That was done through the Lents Town Center branding work, so that's the brand that they've adopted, and we're trying to get that out there as a way to draw people to Lents Town Center.

**Lam:** And Commissioner Fish, we've introduced that group to Venture Portland and we're in discussion of how can Venture Portland help them do some capacity building as well.

**Fish:** Terrific, thank you.

**Hales:** Here he comes.

**Fish:** Dan saw they were handing out buttons so --

**Saltzman:** Oh --

**Fish:** The mayor took your button and gave you the monochromatic one.

**Hales:** I upgraded your button. [laughter]

**Quinton:** There are some other colors if you want.

**Hales:** We don't want to start a brawl up here. Well, thank you both. Any further discussion before we take action on the resolution? Then let's do so. Roll call on the resolution, please.

#### **Item 533 Roll.**

**Fish:** Well, it's been a very long day. We are in, I think, our seventh hour of council. We are going to set a record today. But we're saving some of the best for last. Thank you for your presentation. Ed McNamara, is this your final performance or your penultimate?

**Hales:** Probably his penultimate. One more coming.

**Fish:** We'll save the rose for later. But thank you for your good work. Thanks to the citizen panel who testified and all of the energy they bring to this. I'm delighted that part of what we're doing is taking existing plans, sharpening them and actually putting some muscle behind them. The Lents area deserves nothing less, so thank you for your good work. Aye.

**Saltzman:** I, too, am excited by this five-year action plan and its narrow scope. There's a lot that can be tackled, although it's important, I think, to try to do a few things well. I think this plan has those elements, and certainly I want to just compliment the emerging leadership and the existing leadership of the Lents neighborhood association and the Lents area. Having been out there recently, I sense a new energy, a lot of new people purchasing homes, and I think that all bodes well for that grocery store. Hopefully we get that grocery store out there. There's a lot of good things going on in Lents, and I think this plan will make sure that things get even better. So, pleased to support it. Aye.

**Novick:** I, too, really appreciated the citizen panel's presentation and appreciate all of the work that you have done. And let's cross our fingers and hope for impact. Aye.

**Fritz:** Thanks to the citizens of Lents who have not given up. And time and time again we have tried to find that catalytic project and catalytic plan that's going to finally make Lents blossom into the community that it should be and that the community deserves. So, I've been anxious about this since we passed the east Portland action plan in 2009, and actually since I was on the planning commission and wondering how we could possibly get the right things to happen there. And I particularly appreciate your attention to affordable housing and to avoid gentrification

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and displacement so that the people who live in Lents now are the people who will benefit from the great community it will become. Thank you for all of your work and thanks for staff. Aye.

**Hales:** I think we're all aware of Aesop's warning when he said, when all was said and done, much more was said than done. And none of us involved in this effort is interested in another shelf study, that's not what we're about here. I really have that sense. A combination of really good work by PDC, some dedicated staff. Kevin started toting me around Lents a few years ago, showing me possibilities and ideas, and I think you're seeing that creative professional assistance from PDC and from other city bureaus, and the pretty focused effort from the leadership that I think is going to pay off now. So I'm really impressed with this plan. We have set some pretty ambitious goals for what we expect to see happening in terms of development and redevelopment. The Mercado is a great and catalytic project. I think it's a nice ingredient that's really going to start to pay off quickly in terms of both excitement and interest in Lents. I'm really enthusiastic about that. Other projects mentioned are good ones. I think this is a good blueprint. Look forward to continuing to have all of our bureaus work with PDC, because that is what it's going to take, whether it's a floodplain issue, a streets and sidewalks issue, or what we do with the comp plan to support this effort. All of the other bureaus need to be working in concert, but this is the right blueprint for that work. Well done. Thank you. Aye [gavel pounded].

**Hales:** We are at long last adjourned for the day. [Commissioners speaking simultaneously] Oh my gosh, no, sorry. We are not adjourned, never mind.

**Novick:** Commissioner Saltzman and I have been waiting for this moment for a long time.

**Saltzman:** Yeah, really.

**Hales:** Sorry. It is indeed 3:30, so we can start. OK Sue, go ahead and read these items. Sorry about that.

**Item 534.**

**Item 535.**

**Hales:** OK. Sorry, Lents folks, you're going to have to take it outside. [laughter] Thank you all. I did that to you, because I didn't look at the schedule clearly or I'm suffering battle fatigue, one or the other. We have these two items in front of us. Now and I will turn them over to Commissioner Fritz, who remembered that we do have a calendar to stick to.

**Fritz:** Thank you, Mayor Hales. In 2012, the city of Portland acquired the now-vacant Sears U.S. Army Reserve Center -- and it's named after Jerome Sears, it's not connected, as far as I know, with the department store -- on SW Multnomah Boulevard. The terms of the transfer require the property to be used as an emergency management function in perpetuity. The city proposing to use the site as an auxiliary emergency operations center to supplement the main emergency management facility in southeast Portland. The city has identified its vulnerability to seismic hazards that could compromise our bridges, thus severely inhibiting the provision of emergency response on the west side of Portland, since the primary emergency management facility is on the other side of the river. It is entirely coincidental that three of us happen to live on the west side of the river. So I would like to invite Sylvia Cate and Matt Wickstrom from the Bureau of Development Services to give us a presentation.

**Linly Rees, Deputy City Attorney:** Commissioner Fritz, before we begin, I need to run through the land use litany.

**Fritz:** Before I do that, I would like to ask the city attorney [laughter]

**Hales:** Glad I'm not the only one suffering from battle fatigue today.

**Fritz:** I just read my notes, you know?

**Rees:** This is an evidentiary hearing. This means you may submit new evidence to the council in support of your arguments. Testimony concerning the Hearings Officer's recommendation will be heard as follows. We'll begin with a staff report by BDS staff for approximately 10 minutes. Following the staff report, the council will hear from interested persons in the following order. The

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applicant will go first and will have 15 minutes to address council. After the applicant, the council will hear from individuals or organizations who support the applicant's proposal. Each person will have three minutes to speak. Next, council will hear from persons or organizations who oppose the applicant's proposal. Again, each person will have three minutes. If there is testimony in opposition to the applicant's proposal, the applicant will have an additional five minutes to rebut testimony given in opposition to the proposal. The council may then close the hearing. As this is a non-emergency ordinance, it will pass to a second reading at which time council will deliberate and then may vote on the Hearing Officer's recommendation. If the vote at that time is a tentative vote, the council will set a future date for adoption of findings and a final vote. If council takes a final vote on the findings and recommendation at the next hearing that will include the matter before council. I'd like to announce several guidelines for those who will be addressing council today. First, submitting evidence into the record. Any letters or documents you wish to become part of the record should be given to the council clerk after you testify. Similarly, the original or a copy of any slides, photographs, drawings, maps, videos, or other items you show to the council during your testimony, including PowerPoint presentations, should be given to the council clerk to make sure that they are part of the record. Second, testimony must be directed to approval criteria. Any testimony, arguments, and evidence you present must be directed toward the applicable approval criteria for this land use review or other criteria in the city's comprehensive plan or zoning code you believe apply to the decision. BDS staff will identify applicable approval criteria as part of their staff report to council. Third, issues must be raised with specificity. You must raise an issue clearly enough to give council and the parties an opportunity to respond to the issue. If you don't, you will be precluded from appealing to the Land Use Board of Appeals based on that issue. And finally, the applicant must identify constitutional challenges to conditions of approval. If the applicant fails to raise the constitutional or other issues relating to proposed conditions of approval with enough specificity to allow council to respond, the applicant will be precluded from bringing an action for damages in circuit court. And before staff begins, I believe, we need to ask about conflicts of interest and/or ex parte contacts, please.

**Hales:** Are there any conflicts of interest or ex parte contacts to declare?

**Novick:** I believe I was at a neighborhood association meeting with Director Merlo, where this topic might have been generally discussed.

**Hales:** I toured the site and spoke with the city staff, so I think under these circumstances, that represents an ex parte contact.

**Novick:** I did the same, actually.

**Hales:** Any others?

**Rees:** So it would be appropriate if anyone wishes to contest or challenge those contacts, that you give them an opportunity.

**Hales:** Anyone wish to question or challenge the members of the council on having had those ex parte contacts? OK. It appears there are no challenges to that. Thank you. So now we can proceed with the staff report.

**Matt Wickstrom, Bureau of Development Services:** Good afternoon, I'm Matt Wickstrom with the Bureau of Development Services.

**Sylvia Cate, Bureau of Development Services:** And I'm Sylvia Cate, also with the Bureau of Development Services. We are the assigned co-planners for this case, and Matt will provide the presentation for council.

**Wickstrom:** Also in the audience, we have Rich Attridge, with the Office of Management and Finance. He's the applicant for the city of Portland on this project. The applicant's representative, Bev Bookin, is here. From the Bureau of Environmental Services, Elisabeth Reese Cadigan is here. From the Bureau of Emergency Management, Carmen Merlo is here. And from the Bureau of General Services, Bob Kieta is here. Summary of the proposal. The applicant requests to change the

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comprehensive plan map and zoning map designation for the now-vacant SFC Jerome F. Sears U.S. Army Reserve center from R1, that's residential 1000, to EG2, general employment two zone. This map depicts the existing zoning on the site. It's about a four-acre site, it's developed with a two-story brick clad masonry building, a parking area, a maintenance building, and a storage building. The site is on the north side of Multnomah Boulevard, between southwest 25th and southwest 28th Avenue. Sears Hall is a two-story brick clad building that fronts on southwest Multnomah, and then like I said, there is a large paved parking area, as well as a maintenance shop and storage building. The remainder of the site is planted with grass. The proposed zoning is noted in the Hearings Officer's recommendation, it is the comprehensive plan designation of employment. It has two implementing zones, either EG1 or EG2. The EG1 zone is generally applied to smaller lots with a grid pattern. Typically, these lands are developed with high building coverage and with buildings placed close to the street. The other implementing zone for the employment comprehensive plan designation is EG2. That zone is applied to larger lots within a regular or large block pattern. These lands are less developed with low to medium building coverage, and buildings that are set back from the street. A request was played to the hearings officer to change the proposed zoning to EG1 rather than EG2. The Hearings Officer found while the EG1 zone was proposed as an alternative, no evidence was provided that showed that EG2 was an inappropriate zone for this site. As Commissioner Fritz mentioned, the city of Portland acquired the property in 2012 as part of the base realignment and closure program for emergency management use program. The terms of the transfer of the property from the army to the city through FEMA require that the city use the property primarily for the purpose of providing emergency management services in perpetuity. The city acquired the property because the Portland Bureau of Emergency Management has identified the city's vulnerability to seismic hazards that would likely compromise the structural integrity of bridges across the Willamette River, just as Commissioner Fritz said. The loss of some or all of the bridges would severely inhibit the provision of emergency response services on the westside in a timely and efficient manner. Therefore, the Portland Bureau of Emergency Management concluded that there is a compelling public safety need for a westside operation center to augment or as an auxiliary center to the primary center in southeast Portland. This is an aerial view of the site. This is the site here. To the east, we have a CenturyLink site, also in the R1 zone, so another non-conforming use. There's residential development -- single dwelling residential development to the north, multi-dwelling residential development to the west, as well as single dwelling residential development to the south. This is a full build out map of the auxiliary operation center from their master plan. There's four phases of development as proposed. The first stage is to do upgrades to the buildings to meet ADA requirements. The second and the third phases are interchangeable and are based on the availability of funding. That would be for the Portland Bureau of Transportation to locate a road de-icing facility at the sites. And another component of the phases is the installation of a vehicle fuel station to establish critical fuel capacity on the westside. And finally, seismic upgrades would be done to the buildings so that they meet central facility seismic requirements. The Portland Bureau of Emergency Management has also noted that they would hold neighborhood emergency team meetings and trainings at the facility. Although a public safety facility is classified as a basic utility use, and that could be allowed in the existing R1 zoning through a conditional use review, several components of the overall proposal, such as the de-icing facility and the fueling station, are prohibited in the R1 zone. So after careful analysis, it was concluded that change to the zoning would be appropriate, and that EG2 would be the appropriate zone. With conditions of approval prohibiting retail sales and service uses at the site, limiting of impervious surface allowed under the previous R1 zoning, and requiring coordination with the Police Bureau about security measures, the proposal was found to be by the Hearings Officer on balance, supportive of the comprehensive plan goals and policies, and it meets the applicable approval criteria for the requested zone change. A letter of support was received from the Multnomah neighborhood, and

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then we also got a letter from the neighborhood association as well and that express concerns about the allowed height in the EG2 zone, and so council may wish to consider a condition of approval that limits the height on the site. If this is the case, the applicant has drafted a potential condition council could consider, and staff has prepared an amendment to the ordinance. Carmen Merlo and Bob Kieta are here to answer any questions you may have about the long-term hypothetical development that could occur at the site. Finally, here's the Hearings Officer's recommendation. The Hearings Officer recommend approval subject to the three conditions of approval that I have already outlined: coordinating with the Police Bureau regarding security features, that retail sales and services uses be prohibited, and no more than 80% of the site can be developed in impervious surface area. I have photos of the site. I can just keep those here for reference. It sounds like you are all very familiar with this.

**Hales:** Most of us are, yeah.

**Wickstrom:** Great. That concludes staff's presentation.

**Hales:** Alright. Any questions?

**Saltzman:** So is the restriction on retail sales and services something that was requested by the neighborhood?

**Wickstrom:** No, that was the result of the transportation impact analysis, recognizing that if the site was built out to full retail capacity, it would generate too many trips. And so, it's really more of a technical way of being able to meet the transportation approval criteria.

**Saltzman:** OK, thanks.

**Hales:** Alright. Thank you both. We may have other questions later. So, let's call on the applicant's representative and the applicant.

**Carmen Merlo, Director, Bureau of Emergency Management:** Good afternoon, Mayor and Commissioners. I'm Carmen Merlo, the Director of the Portland Bureau of Emergency Management. I'm very pleased to be here to have you hopefully approve this ordinance. This really lays the groundwork for us to begin the development of the site for its intended use as a westside emergency operation center. I want to thank BDS staff, Sylvia Cate, Matt Wickstrom, for all their work, and as well as Rich Attridge and Bev Bookin for their work on this project. I know you've had a long day, I know you are all familiar with the project, so mostly I'm just here to answer some questions. You heard from Matt that we did receive an eleventh hour request from the Multnomah neighborhood association to change the zoning from an EG2 to an EG1, and I will turn it over to Bev Bookin at this time to talk to you about that.

**Beverly Bookin:** Good afternoon, I'm Beverly Bookin, the Bookin Group, 813 SW Alder Street, Suite 320, Portland, 97205. Thank you for the opportunity to be here today. And thanks to my clients for the opportunity to provide land use services for this very important project. You know the history of this site and you know the reason that we went for the zone change, comp plan zone change. We sat down and talked to staff from the very beginning, and agreed that the EG2 was the appropriate zone, and have worked towards that goal for now many months. You will also note that both BDS staff recommended approval of the project with this particular zone in mind, and that this was recommended, again, in his recommendation, the Hearings Officer. As you know, this is a change of the map, and therefore, you become the ultimate decision-makers. The Multnomah neighborhood association has been an enthusiastic supporter of the AEOC since the inception, despite the continued objections by one of its members, Mr. James Peterson, who has been opposed to the EG2 and supportive of the EG1 from the very beginning of this project. And since he's here today, I won't presume to testify on his reasons for doing that. At the 3/31/14 public hearing before the Hearings Officer, the Multnomah association chair Moses Ross testified in glowing terms about the neighborhood's support of this proposed project, including the proposed zoning. Apparently, at its 4/6/14 meeting, Mr. Peterson made a motion that MNA go on the record to oppose the proposal for EG2, supported by both BDS staff and the hearings officer, and requested a change to EG1

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based solely on the issue of height. And the difference, of course, is that an EG1 has a maximum height of 45, and the EG2 has no maximum height. We learned about this in an email from Mr. Peterson into the public record, and it wasn't until the 19th of May, about six weeks later, that Mr. Ross submitted the letter. Based on this letter and this eleventh hour change, staff was so concerned that they wrote the memorandum that you have dated 5/20/14, which outlines the many differences between the EG1 and EG2, the fact that this unintended -- this last-minute change was of such significance, that it had significant procedural legal findings and timing implications, things that were just simply not anticipated, we're sure, by the neighborhood association. And based on that memo, Ms. Merlo actually talked to Mr. Ross, and when he read the memo, he said, oh my goodness, had we known what we're doing, we probably wouldn't have done it. However, the die was cast with regard to that. To the extent that the imposition of some maximum height has merit, there is no need to change the zoning designation, but to simply impose a condition of approval on the EG2 zone, just like the condition of approval that prohibits retail sales and service uses on the site in the very remote possibility that the site is no longer used for the emergency center, turns over because you know the zone runs with the land and therefore could go to any of the outright uses in the EG2 zone. But the retail use broke the bank with regard to transportation, and as a result, we agreed to a condition of approval. The same thing could happen here, just simply to put a condition of approval on some agreed-upon maximum height. In considering this in the last few days, the client, the applicant is going to propose a maximum height of 75 feet, with the potential with the type two adjustment to allow that height to go higher. And let me give you the reasons why, because I think that it's very important to understand how they arrived at this height. Unlike a private owner, the city needs the maximum flexibility on the site, given the intent to use it for an emergency center, and related to the central services in perpetuity. Designed to protect the public health and safety in the event of major disasters or events, a 45-foot height limit is simply too limiting to provide the need of the flexibility. Secondly, it is the city's intent to use the two-story Sears Hall in perpetuity, barring any unfortunate circumstances such as fire, storm damage, or earthquake damage that requires the building to be demolished. Moreover, it is about 60 years old, and may reach its lifetime ability to serve its purpose, and it may have to -- at some time in the future -- be demolished and replaced. It would be at that time that the city would have to evaluate the size and function of a replacement building, otherwise, there is no room on the site to build a second building. So as long as the Sears Hall is in use, we are not concerned that there will be a building of unlimited height built elsewhere on the site. Finally, to understand why 75-feet -- well, buildings designed to serve central services must be built to a special standard that require an unusual floor-to-floor distance of 15 feet. 15 feet because the interstitial spaces have to be hardened and have extra seismic bracing, and also because there's a lot of communication systems that run between the floors. A typical residential or commercial use, the floor-to-floor is 10 to 12 feet. Therefore, a 45-foot building would, in any other purpose, be a four-story building up to four stories. But for our purposes, for essential services, it would be only three floors. The staff at the city would like to have the flexibility to go up to five floors, which would be 75 feet. And remember, maximum does not count anything on the roof, either communications facilities or mechanical spaces, it's only habitable space, and that is why they have chosen the 75 feet. With regard to that, we propose the following condition of approval to meet the neighborhood's concern about the unlimited height provision of the EG2 as follows -- new buildings are limited to a maximum of five stories for a maximum height of 75 feet. The applicant may request to increase the maximum height by means of a type two adjustment. This maximum height does not apply to free-standing communication towers that are regulated by chapter 33-274, radio frequency transmission facilities. So with that, we will welcome any questions you might have.

**Fritz:** How many stories is the new emergency operations center?

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**Merlo:** It's one and a half. And the reason why we have the half is because we couldn't -- the satellite dish at BOEC would have been blocked if we had made a full two stories on the ECC.

**Fritz:** And how many stories is BOEC, the emergency --

**Merlo:** Two.

**Fritz:** So I can't imagine why you would need five stories on your site.

**Merlo:** We're not saying we need five stories. In fact, I want to be very clear, we have no plans to build anything on the site right now. I think the concern that we have is, we don't want to have our hands tied, if, in the event that we have, let's say, the earthquake tomorrow, and we do have to demolish the building, that we're now limited by only building back a two-story facility. Quite honestly, we see other purposes going into the Sears Hall. We've already heard from quite a few bureaus that would be interested in having their regular day-to-day staff there. So, if we wanted to have both, I guess mutual uses of an emergency operation center, as well as day-to-day activities, it really would need to be more than two stories in height.

**Fritz:** But three would be more than you currently have?

**Merlo:** Correct.

**Fritz:** That would be 45 feet, which would be the height limit?

**Bookin:** It would be based on the 15 floor-to-floor. Another thing had been mentioned. For example, 20 years from now, 30 years from now, if you wanted to put other essential services, like a police precinct there, that might also be -- remember, we're talking about, by and large, crucial, essential services that serve the citizens of southwest Portland. And that's a consideration here.

**Fritz:** So I'm going to want to know from BDS staff whether that kind of traffic generation was considered in the Hearings Officer's decision. Because it would seem like if you had an extra three floors of office building or an active police precinct, that would be more traffic coming and going, too.

**Merlo:** And I don't know the answer to that, Commissioner Fritz.

**Fritz:** Yeah, I'll get BDS staff back later.

**Saltzman:** Director, you mentioned free-standing communication towers are exempt from the height limit. Does that include roof-mounted communications?

**Merlo:** Actually, it does not. And we can check, staff can check. But my understanding is anything that's mounted on the roof, including mechanical, communications, elevator housing, flagpoles, what have you, are not regulated within the maximum height --

**Saltzman:** Are not regulated in the maximum height. In other words, they don't count.

**Merlo:** They don't count. It only counts to the top of the habitable floor.

**Saltzman:** OK.

**Merlo:** But the free standing towers have height limits that vary relating on where they are in relation to residential, and they also don't apply -- the maximum building height doesn't apply to them. But we put in this condition just so it's clear to everyone that they are regulated by chapter 33-274, and as a result, any tower of any significant height would very likely trigger conditional use reviews.

**Fritz:** Just to be clear, Commissioner Saltzman, I don't disagree with that, that if there were to be a communication tower, it would be subject to the regular regulations. I just think that maybe 45 would be a more appropriate maximum height than 75.

**Fish:** Director Merlo, I just want to make sure I'm following a couple of the details. Under the assignment from the federal government through the BRAC process, we're committing in perpetuity this be some kind of emergency operation center, right? So we can't change that.

**Merlo:** Correct.

**Fish:** And is part of your plan for developing the site to make the existing buildings more resilient?

**Merlo:** So Commissioner Fish, yes. We've got a four-phased approach. The first is to put in westside fueling station, move PBOT's de-icing operations to the westside, do the required ADA

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upgrades to make the building occupy-able, and finally, the essential service, the building upgrades. However, we don't have any of the money to do that, except for -- thanks to the mayor and Commissioner Novick's leadership -- we did secure, in the mayor's budget, \$1.2 million for the westside fueling station. So that's going to be the very first thing that we put in. But that's all that we have the money for right now.

**Fish:** The contingency that we're now addressing is that for some reason the existing structure falls down or is destroyed through some act of god or whatever, you have to replace it. So we're talking about a fairly remote contingency from your point, right, because your plan is to develop the site with the existing buildings?

**Merlo:** Correct. Again, we have no plans to do anything differently on the property, as far as the building is concerned. We have no interest in putting anything else on the property at this time.

**Fish:** I guess one last question that I have is, are you asking us to consider this additional condition of approval, or are you putting it before us for our consideration?

**Merlo:** We are asking you -- correct me if I am wrong, Bev -- to consider it as an addendum to the recommendation of the Hearings Officer in lieu of reconsidering a change to the EG1 zone.

**Bookin:** Exactly. And since you are the ultimate decision-maker, you can impose additional conditions of approval. We believe that the neighborhood's concern is legitimate, and so we're responding to that, despite the eleventh hour change. But more importantly, we want to find a compromise that will both show sensitivity to the neighborhood's concern and provide the flexibility that this very important essential facility requires.

**Fish:** Thank you.

**Hales:** Any other questions for, for the applicant or their representative? If not, thank you. Is anyone here to speak in support of the application? If not, we'll move to anyone who signed up to speak in opposition to the application. Alright. Come on up.

**James Peterson:** It's been some time since I've been here. Last time, you were sitting in a different seat, Mayor. Anyway, I own the property across the street --

**Fish:** Could you introduce yourself, sir?

**Peterson:** My name is James Peterson, I own the property 2502 and 2520 SW Multnomah Boulevard in zone CG with the maximum height of 45 feet. Across the street is the phone company, which was built by Lawson Construction, which happened to occupy my building before I moved in. They happened to have a fueling station, they parked their vehicles inside -- at least the large commercial trucks -- and it was built half below grade. Originally, it was a mobile home park. So that's kind of the area, the rest of it is all zoned R1. This could be built using the R1 zone. I support the concept of this being an emergency response center, I just don't support not having a height limit. This is not the place for the U.S. Bank tower. Now, I submitted the documents. I never got a written notice from the Bureau of Planning, for some reason, on this zone change, even though I've submitted that request before. I don't know why. Anyway.

**Hales:** OK, we appreciate you coming here.

**Peterson:** I have a couple other things.

**Hales:** Could I ask -- the 75-foot limitation that's been proposed, that's what you would want to see?

**Peterson:** I would like 45 feet.

**Hales:** OK.

**Peterson:** The 75 feet has not been presented to the neighborhood association. The first time that I heard about it was today. Anyway, I'd also like to request the record be left open so the neighborhood could respond to that. I asked the consultant at the March 11th meeting, when Mr. Novick was present, if this could be built in an EG1 zone, and the consultant was clueless. I don't know what you're paying her, but I think that she should have been able to answer that question.

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She seemed to be able to questions about zoning today, but not at the neighborhood association meeting. I am very clueless why she was even there. OK --

**Fish:** Mr. Peterson, this is an evidentiary hearing. So, you get more mileage with us by stating facts and not making judgments and characterizing people's appearance in these proceedings.

**Peterson:** Thank you very much.

**Fish:** You get more mileage by sticking to facts and making a record.

**Peterson:** Alright. I also found that I presented -- in the findings, I requested that it be an EG1 zone, and as it's outlined in the findings, the staff, for some reason, wrote the findings to match the agenda. There was nothing to deal with the 45-foot limit in the height findings. I have no idea why. That's a big difference between EG1 and EG2. It's also, it seems to be inconsistent with the neighborhood plan and the southwest community plan.

**Fish:** How is that?

**Peterson:** And it's not consistent with the surrounding area.

**Fish:** How is it inconsistent?

**Peterson:** There is no height limits.

**Hales:** Everything else has a height limit.

**Peterson:** I'm only concerned, mainly, about the height limit. This is also a city walkway, and a transit street. It's supposed to be pedestrian-friendly. An EG1 zone is more pedestrian-friendly.

**Fish:** But Mr. Peterson, from the written testimony you've given us, you say to begin with that you support the location of an emergency operation center at this location, is that correct?

**Peterson:** I think it's a great location.

**Fish:** So, your sole concern has to do with the height?

**Peterson:** And being -- yeah, I have no idea what's going to happen long-term. In the adjacent property, it's a phone company and it's built into the ground. It's half above ground, most of it. And it's not going to move long-term, because the switching center for all of southwest is based there.

**Fish:** I'm curious, how would a taller building impact your business?

**Peterson:** It would ruin the view towards the hillside for my business. Right now, I can see Council Crest.

**Hales:** OK.

**Peterson:** The other amazing thing, you are putting a nice \$4 million bicycle path in front of my shop, I want really want to thank you. But, it only goes six blocks long. It's in the findings. I don't know why they put it in the findings. I was also amazed that part of the findings were written by the consultant. I don't think that's consistent, either. So, anyway, what I would like is either an EG1 zone, so it's more pedestrian friendly, or I'd like a 45-foot height limit on an EG2 zone. I don't think that that's a lot to ask. And if you are going to go to a higher limit, I basically think that it should go past the neighborhood association so they could view this.

**Hales:** OK. I think you made your point well, anything else that you want to raise? Any questions for Mr. Peterson? OK.

**Peterson:** Those are my main concerns, the height.

**Hales:** Got it, thank you. Is there anyone else to speak in opposition to the application?

**Parsons:** No one else signed up.

**Hales:** So, I think that we want to get staff back up before we close the hearing and -- let me close the public hearing. [gavel pounded]

**Rees:** Under our procedures, if the applicant wishes to rebut the testimony, they do have the opportunity to do so for five minutes.

**Hales:** Alright. So, we'll give the applicant or the applicant's representative a chance to rebut that, but let us ask staff some questions first.

**Fritz:** Let me ask the city attorney a question. My recollection is if somebody asked to keep the record open, we're required to, is that correct?

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**Rees:** Only at the initial evidentiary hearing, and because there was an initial evidentiary hearing at the Hearings Officer level, you are not required to by law, by state law.

**Fritz:** OK, thank you. But we have the option that we could.

**Hales:** OK. Dan? Do you have something that you want to, to bring up now or do you want to bring up now --

**Saltzman:** Well, I do want to move that we adopt the suggested condition of approval and keep the EG2 zone.

**Hales:** So that means a 45-foot height limitation?

**Saltzman:** No, 75.

**Fish:** No, the proposal.

**Saltzman:** Staff proposed the condition of approval to allow the EG2 to go up to 75 feet higher, with a type two adjustment.

**Fish:** Mayor, I'll second that for discussion.

**Hales:** OK, so that's on the floor for discussion, and do you want to ask staff questions?

**Fritz:** What's the height limit in R1?

**Wickstrom:** 45 feet.

**Fritz:** Is there anywhere close that has a height limit of 75 feet?

**Wickstrom:** No.

**Hales:** I understand the contingency thinking here, but frankly, I find it almost inconceivable that anything, five stories tall would be built on this site, but -- so I'm not sure why we're having an argument about something that's that likely to happen.

**Saltzman:** Maybe we ought to be thinking for the future. I don't think any of us fully anticipate what the future may bring.

**Novick:** I agree.

**Fritz:** Is it not so that in a future rezoning of the entire area, that that condition could be changed, or the zoning on this property could be changed? This is a condition of approval for this current zone change, but future zoning map comprehensive plan amendments could change it again.

**Cate:** That is correct. But most likely, if the city saw a need to vacate this site and no longer provide emergency services in perpetuity -- which is the agreement for the land -- it could revert to potentially private ownership and an applicant could come in and request a new comp plan map amendment and zone change, and perhaps, rezone it back to R1.

**Fish:** How would this revert to private ownership, given the terms of the assignment from the federal government?

**Cate:** Oh, that's right, they would take it back.

**Fish:** And I have some familiarity with this, because I was involved in the first round. I view this more through the lens, Mayor, of another Aesop's fable quote, which is, slow and steady wins the race. And we are talking about a very remote contingency here. We are, as Commissioner Saltzman said, planning for the future, and it seems to me that it has been an enormous undertaking to identify this place and to start planning for this emergency center. We ought to build in enough flexibility down the road to give us the room. This body does not have a habit of acting precipitously, so if in the event, remotely, something happens, I assume there will be a full public process about what would go there and the purpose. And we or our successors would not be indifferent to what the public thought, but we have an opportunity here to provide the maximum flexibility, and it seems to me we ought to do so.

**Fritz:** I would respectfully request that we do allow time for the neighborhood association to comment since, it's been a collaborative process up to this point. I, having known the Multnomah neighborhood association for many years and lived in it for five, I think that they may be fine with the proposed condition, but they may not be.

**Hales:** Yeah, I'm in that camp, as well.

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**Fish:** Why don't we take a tentative, which we would do otherwise, and set out a date a month, and give the Multnomah neighborhood association a chance to provide feedback? If they come back with a significant objection, we can reopen it, otherwise, let's not hold it.

**Hales:** We have a letter from the Multnomah neighborhood association, right?

**Fritz:** But it's not based on this new condition.

**Hales:** No, it's seeking a height limit of 45 feet, if I read it correctly. So I want to disagree a bit with the premise, Commissioner Saltzman, of what you said, and that is, actually, we're not thinking about the future here. We're thinking about the present, because this is a quasi-judicial land use application to support a particular purpose, rather than some visionary effort to rethink the neighborhood, so --

**Saltzman:** I'm not trying to rethink the purpose of the neighborhood or this piece of property, but I am trying to say, let's not lock ourselves into a vision of what an emergency operation center may look like or may require or may be subject to standards from the Department of Homeland Security at some date that may affect the height and the building envelope.

**Hales:** Fair enough, and I hear you on that, but again, I'm having some difficulty getting my mental arms around the prospect that we would ever build a five-story building site under any circumstances, whether people liked it or not. So it's hard for me to imagine why we need that. I will stop opining and let someone make a motion and see where this goes. You just made one, sorry, so you are making a motion that we accept the staff recommendation, and the recommendations of the Hearings Officer, but add the 75-foot height limit.

**Saltzman:** Correct. That was my motion.

**Hales:** That was seconded by Commissioner Fish? Sorry. OK, so now, before we take action on that, do we want to get the applicant a chance to rebut or are you content to let us proceed?

**Rees:** So, may I intervene? Sorry. Is this the motion to amend the ordinance or are we simply doing this as a means of discussion about how staff will suggest amending the ordinance?

**Hales:** The latter.

**Rees:** OK.

**Hales:** Does the applicant or her representative want to speak? Obviously, we're dealing with the end of a long day here -- on my part, at least.

**Merlo:** I want to thank Jim Peterson for his concern -- or his support, rather, of the use of the facility as a westside emergency operation center. I do want to rebut his statement that the neighborhood association has not known about the proposed zone. We've gone to the neighborhood association on at least two occasions to talk about the rezoning of the property to an EG2, so they have had an opportunity to review what that means and to ask any questions.

**Fritz:** But what he said was that they hadn't had an opportunity to review the proposed condition of approval. Have they seen the proposed condition of approval?

**Merlo:** You're right, Commissioner Fritz, they have not.

**Bookin:** Let me also mention just a couple of things in order to frame our thinking. Aside from the fact that this is highly remote this will occur, we're not talking about -- in the R1, you could build like 180 apartment units on that sit. It would have been a huge lot coverage. If the Sears building were to be replaced for whatever reason, it would be within the footprint of that building, because all the other site improvements are going to be on the site, and they are serving the other functions. So we're not talking about a building with this enormous footprint, we're talking about a replacement building in the footprint of the existing building up to five stories, but probably, not. But all other site improvements and buffering and everything else that's on the site would not change. So, I just want to make sure that we're understanding kind of the scale of what we're requesting here -- the context of what we're requesting here. Thanks.

**Hales:** Any more questions for discussion? So, we will take a roll call on the, on the motion.

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**Roll on motion to tentatively adopt the Hearing Officer's recommendation of EG2 designation, as modified by applicant's additional proposal dated 5/28/14 to limit the height to 75' and permit increasing the height above 75' through a Type 2 adjustment.**

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

**Fritz:** No, a 75-foot building in that location is completely out of place, and not in character with the surrounding neighborhood. No.

**Hales:** Mr. Peterson and I have not often agreed, but in this case, we do. No. [gavel pounded] But it's approved. This is a tentative decision. Now that motion is a tentative decision which we will return to in 30 days, yes? Are we going to continue the hearing?

**Rees:** This is a comprehensive plan amendment. Unlike other land use where it's just an order of council, this is an actual ordinance that you are going to be dealing with. You have an ordinance, and so it has the first reading and a second reading, and that's what changes the comprehensive plan map amendment. So, if you want to be able to vote on it at the next one, you would need to adopt the changes to the ordinance that would include the 75 feet and the additional findings relating to the 75 feet today. So that you would then be ready to vote at the next one. If you are not ready to do that, you could come back -- it would come back in a week, typically, and however long you want it to come back for a second reading.

**Fish:** Counsel, I want to ask you a very basic question. Is there an opportunity for the neighborhood association to be heard in any of the alternatives that you have just laid out?

**Rees:** You certainly can continue -- I mean, it's like any other ordinance, you can close the record for now, and you can reopen it to take testimony at a future time. You could make an amendment to the ordinance at a future time. But just remember that with any non-emergency ordinance, five days have to pass between any amendment and when you can vote on it.

**Fish:** How long would it normally take staff to prepare the ordinance?

**Rees:** Well, they have it prepared today, that's why I'm -- they have prepared an amendment that includes the condition of approval and revised findings to deal with the 75 feet. So it is prepared. If you wanted to vote on that today, you could still hear from the neighborhood between now and whenever --

**Fish:** Now in the second reading?

**Rees:** Yeah.

**Hales:** Let me make a suggestion here, and that is, although the council wasn't unanimous in our action on the motion, I bet that we're in accord that we would like to hear from the Multnomah neighborhood association about the proposed condition -- about the condition that has been attached. In my case, I feel that way because we've had a very successful collaborative process between the city, which is after all, the applicant in this case. It's not some, some third party, it's one of our departments. And we have gotten to, at least, mostly yes with the community over what should or should not happen there. And I'd like to give that a chance to get verified, because this has been a successful discussion between the city and the neighborhood by and large. So, if we could continue this for a reasonable period before we take action, I would like that. I don't know how the rest of the council feels. So perhaps, three weeks? What's reasonable?

**Fritz:** Is Mr. Peterson still here? When does the neighborhood association meet? [inaudible] That's what I thought. So yes, three weeks will do it.

**Hales:** Three weeks should allow the Multnomah neighborhood association to meet, for you to be there -- OK, let's try that.

**Parsons:** On June 18th?

**Hales:** June 18th.

**Fish:** I may not be here that week. Anyone else have a scheduled vacation that week? OK.

**Hales:** So we should have a majority here. So, are we continuing -- is that the best thing to do?

**Fish:** Mayor, why don't we bounce it to the next week when I'm back?

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**Hales:** OK, the following week.

**Rees:** Let's continue it to a date and time certain so we don't have to have new notices.

**Hales:** So we're continuing it to the 23rd.

**Parsons:** The 25th.

**Hales:** 25th, sorry.

**Parsons:** There's a work session scheduled right now for the legislative issues, 2:00 to 4:00 on Wednesday.

**Fish:** How about Thursday?

**Parsons:** Thursday is open.

**Fish:** Why don't we do a 2 o'clock Thursday?

**Hales:** OK, the 26th?

**Parsons:** The 26th.

**Hales:** OK, continued until then. [gavel pounded] And now this time, I mean it, we really are adjourned until tomorrow. [laughter] [gavel pounded]

At 4:15 p.m., Council recessed.

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**Closed Caption File of Portland City Council Meeting**

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

Key: \*\*\*\*\* means unidentified speaker.

**MAY 29, 2014      2:00 PM**

**Hales:** Good afternoon, everyone, and welcome to the May 29th meeting of the Portland City Council. Sue, would you please call the roll.

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

**Hales:** I want to welcome you to the council chambers for this afternoon's meeting. There's some ground rules that we follow here, if you're new to city council meeting. One, we give everyone the opportunity to speak, and I think because of the number of people that we have signed up to speak this afternoon, we're going to be asking people to limit their comments to two minutes. If you agree with someone who is speaking and want to show that agreement, please raise your hand or otherwise use a thumbs up or something to indicate that. But we ask you to not conduct verbal demonstrations in the room, either for or against one of your fellow citizens who is up making their points. That way everybody gets to do that. If you have handouts that you want us to have, please hand them to Sue and she'll distribute them and put them into the record. If you're a lobbyist and you represent an organization, please let us know that, and let us know who you're representing. Finally, if there's disruptive conduct, you'll be asked to leave, and escorted from the chambers if it continues, because we want to give everyone an opportunity to participate. So welcome, everyone. We're ready to read the council items, and then we have some opening statements from council members and a staff presentation.

**Item 536 and 537.**

**Hales:** Thank you. So let me start by setting the context. Because I think for some who are here, we've only talked about this idea for a short time, but for others in the room, we've talked about it for a long time. So I want to give you the grounding in why we're here. First, it's not because any of us like the idea of increasing costs for our fellow citizens or for our local businesses. We all wish that we weren't here today discussing this subject. We don't like the idea of one more fee. We don't like the idea of raising the costs for small businesses, or for public institutions or for churches and nonprofits. And we don't like the idea of raising the cost of living for families that have gotten through this recession, or in many cases, are still hurting. So none of this is good news. But we are here -- the five of us and the people who work for us -- because we're your property managers, we manage an asset that all of us own. It's a 5000-mile street system with bridges and lots of other attendant parts. And we're here to tell you that that asset is crumbling. That almost half of those streets are in fair or poor condition, and their health is declining. And the cost, as you'll hear, of repairing them, is going up. I would urge you after you leave this hearing to do what I do. I'm a little bit of a policy wonk on the subjects of how cities work, and when I drive around Portland, or when I walk around my neighborhood, I not only look around and talk to my neighbors or pay attention to the color of the signal ahead is, but I look down at the pavement every now and then. I'd urge you to start doing that if you haven't already, because what you'll see in mile after mile after mile of our streets is a pattern of cracks. And that pattern of cracks means that street needs to be resurfaced very soon, or we'll have to dig it up at much greater expense and replace it. That's what that half of our streets that are in fair or poor condition means. So we're up against it as a city, and we need to act. Now, the way we have paid for maintaining our streets, the way we've maintained them for a long time has been deteriorating for 21 years. 21 years, since 1993. In 1993, the United States Congress

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increased the federal gas tax by 4.3 cents. That's good, but they executed an egregious failure. They failed to index it. It's a cents per gallon tax, and it's been stuck since 1993 at 18 cents. Now, let's remember how long ago 1993 was. In 1993, Intel announced an innovation, the Pentium microprocessor. The hot Christmas toy was Beanie Babies. The average cost of a new car was \$12,750. And the Dow Jones industrial average was 3754. That was 1993. 18 cents then, 18 cents now. If they had indexed it, it would be 30 cents today, and we wouldn't be having this meeting. But they didn't do it. Now, not every member of Congress has been dilatory. I want to particularly commend Congressman Earl Blumenauer, because he's been sounding this alarm ever since he's been in Congress, and unfortunately, he's always been in the minority on this issue. Congress hasn't done it, I don't believe they will do it, and as they say, hope is not a strategy. And I think hoping that Congress will bestir themselves and fix this problem for us, once again, is not a good strategy at all. Congress is paralyzed in partisan posturing, and our streets are crumbling. And we still call them freeways. They're not free. We have to pay for them one way or another. Now, while we've been talking about this issue all those years, other cities have acted. Ashland, Bay City, Brookings, Canby, Central Point, Clatskanie, Corvallis, Dufer, Eagle Point, Grants Pass, Hillsboro, Hubbard, La Grande, Lake Oswego, Medford, Milwaukie, Myrtle Creek, Oregon City, Philomath, Phoenix, Sherwood, Talent, Tigard, Toledo, Tualatin, West Linn, Wilsonville, and Wood Village have all passed and are collecting street utility fees. And they all passed them by a voice vote of their city council. While other cities have acted, we've continued to talk. Now, I'm not here to justify or criticize previous city council actions here. But I will commend the fiscal discipline that this city council has shown. Because even while we have been stuck in not solving this problem, this city council has balanced budgets, we've paid down debt, and we've doubled the amount of paving we're doing with the money that we already have -- without a tax increase, and with a tax break for local businesses. Our auditor has told us -- in fact the audit arrived the first month I arrived and Commissioner Novick arrived in City Hall -- that we need to be spending about \$75 million more a year to take care of our streets. That's more than it used to be, because we've been talking while other cities acted. Seven years ago, Mayor Tom Potter and city commissioner in charge of transportation, Sam Adams, put forward a proposal like this. People shouted it down, and we didn't do it. 13 years ago, Mayor Vera Katz and a city commissioner who at that time had brown hair and a 13-year-old daughter who's now 26 got shouted down, and we didn't do it. Again, we hear you, that this is unwelcome news. We are not happy to be considering this bad choice. And we'll do everything we can to soften the impact on our fellow citizens and to give families and businesses and nonprofits time to prepare. But the hard truth is, we've got to pay for our own stuff. We've got to start now, and keep doing that for a long time. For the foreseeable future, as a matter of fact. This is not a short-term problem. We also hear you that there's a trust problem with government, and we're included in that. And that's why you've heard that we're going to recommend that the voters approve a charter restriction in our city's constitution that says this fee, or anything like it, will only be used for transportation purposes. So once again, we've talked about this for 13 years. It's time to act. We pay our phone bill, we pay our electric bill, we pay our water and sewer bill, and unfortunately, we have to start paying our street bill. And that's why we're here. Commissioner Novick?

**Novick:** Thank you, Mr. Mayor. As Mayor Hales has said, none of us want to be in this situation, or to be proposing this particular solution. But we are in serious trouble when it comes to transportation. Would I have loved it if, when I took over the Transportation Bureau, I had found that all of our streets were in great shape, and that every child in Portland could walk to school along a safe sidewalk. But that's not where we are. The maintenance situation is somewhat more dire than the mayor just said. The auditor said in February 2013 that it would take us an extra \$75 million a year over the next 10 years to get our streets up to the condition we want them to be in. I asked my staff recently, \$75 million was the figure in February 2013, what is it now? And they said,

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now, its \$91 million a year for each of the next 10 years. Why is that? Well, it turns out that the roads are kind of like teeth. If you don't do regular brushing and flossing and cleaning, then you start needing more expensive and more painful things like root canals and extractions. Just to give you some numbers. When a street begins to show signs of wear and tear, what we want to do is put on this substance called fog seal which extends the life of the street for several years at a cost of \$10,000 per lane mile. That means one lane of traffic for a mile. Once a street has deteriorated somewhat further, we need to do what we call a grind and pave, when you grind down the damaged first couple inches of the asphalt and replace it. That costs around \$100,000 per lane mile. Once a street has gotten to the point you have to completely rebuild it, it costs a million dollars or more per lane mile to do that. So every month, a street we could have addressed with fog seal falls into a condition where we have to do a grind and pave. Every month, a stretch of street that we could have addressed with grind and pave needs a rebuild. So these costs are growing almost exponentially. So, I look at this situation and I see a future where 20, 30 years from now we have the streets of a third world city. Now, that sounds like politicians' rhetoric, that sounds like an exaggeration. So this morning, I emailed Steve Townsen, our chief engineer, and said, is it an exaggeration to say that on the path we're on, in years to come, we'll have the streets of a third-world city? And he responded, that is not an exaggeration, that is the path that we are on. When it comes to safety, one of the most rewarding experiences I have had in this job is going a couple months ago to Prescott Elementary School to celebrate the fact we have been able to put in new sidewalk from 105th to 116th. There are parents coming by saying, I can now safely walk my child to school. But I don't do that often enough. There are too many places in the city where kids are walking to school in ditches. And I'd like to be able to have that same kind of celebration at Ron Russell Middle School in David Douglas, and Sacramento School in Parkrose, and Bridlemile in southwest. We can't do that without additional funding. Now, you might ask as others have, well, what do you do with the money you have now? What do you do with that gas tax money, that parking money? Well, right now -- actually, Alissa, do we have copies of the two pager here today? We've got a two-pager which shows you how we spend our money, and it's on our website now. And I think you could go through that and see we are spending it on maintenance and safety. I don't think that you'll see too many things to object to. Yes, some people might say we that should shut down the streetcar. The mayor would explain to you why that's a bad idea. But the streetcar costs \$4 million a year. The auditor said, again, last year that just for pavement we need \$75 million extra a year, and that number has gone up to 91. Now, some people have asked me, where do our property taxes go? That's a good question. Your property taxes go overwhelmingly to police and fire and parks, and some to housing for people in need. That's where the money goes. There's very, very little that is left for transportation. Interestingly, it used to be that there was a source of money that we had for transportation that was then mostly taken away and diverted to police and fire and parks. It used to be that transportation got a substantial chunk of the utility license fees the city charges. In 1985, transportation got \$12 billion in utility license fees. That adjusted for inflation would be \$26 million today. Now, we get about 2 million a year. That was taken away gradually in the late '80s and early '90s. And then in the '90s, when the voters passed Measure 5 and 47, cutting and capping property taxes, then the city diverted all of the utility license fee to the general fund categories, police and fire and parks. I'm not blaming them for doing that, it was a rational reaction to what was happening. But that played a big role in putting us in the fix we're in today on transportation. So we are now in the same situation that all of those other cities are in, all the cities that Mayor Hales mentioned, where they find the money they get from the gas tax and parking isn't enough to cover their basic transportation needs. And the gas tax, by the way, has become a more problematic source of revenue as people drive less and in more fuel efficient cars. That's good for the environment, but bad for our bottom line. So all those other cities have adopted street fees -- and as the mayor said, as far as we know, all of them did it by a council vote. They didn't send it out for a public vote. I know the

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answer for at least 20 of them, there's another eight where I don't know the answer, but all the ones I know the answer for, they did it without a public vote. Now, why didn't they have a public vote? I suspect that it was because they surveyed people and found the same thing was true in their cities that we have found here. Last year, there was a poll of Portlanders that asked them, do you think we need more money for transportation? And two-thirds of them said yes, you need more money for transportation. But more recently, we did a survey and asked people about various ways to raise money for transportation. And there wasn't a solid majority for any of them. This street fee was the strongest. About half the people said they would support this street fee. But we asked about a lot of other options too. I insisted on asking about more progressive options like the income tax. What about paying one-tenth of what you pay in your state incomes tax? Or one-twentieth of what you pay in your federal tax? That would raise about the same amount of money. I was hoping people would say, yes, that sounds great. For whatever reason, people strongly preferred this kind of street fee to either of those forms of income tax. We asked about a sales tax. They preferred this kind of street fee too. I don't know why that is, maybe it's because people are used to paying for transportation with user type fees where everybody pays the same amount. Now you might ask, if we're not going to send this package out to the voters, why does it matter what the polls show? If you think of the income tax is right, why don't do you just that? That's a reasonable question. Here's the answer: it's not just that those other methods are less popular, it's that there are powerful interests that you could count on to run campaigns against those other options. If you do an income tax, that affects rich people more. All it would take is a few disgruntled rich people -- none of the rich people I know -- [laughter] but a few disgruntled rich people to raise money to refer a measure to the ballot and defeat it. If you did a sales tax, all it would take would be one group of retailers that's afraid of a sales tax, and they would raise the money to put it on the ballot and defeat it. So we are faced with a prospect that if we did send this to the voters, we could run an election on this street fee, and maybe we'd win. We'd fight hard for it. But we might lose, 52-48, and we'd do an election on the sales tax and lose 60-40. And then we do an election on income tax, and we'd lose 60-40. And people would still want to solve the problem, but none of the ways of solving the problem would pass. And the problem would get worse and worse and worse. And that is why the mayor and I decided that this is one of those situations where elected officials need to bite the bullet and say, people want the problem solved, the problem has to be solved. But there's no popular way of solving the problem. So the elected officials need to bite the bullet and make the tough choice. I want to talk a bit about something that was in the paper today, which is that we started off with a combined business -- nonresidential and residential fee. And we're planning to present both of them together. We thought that the business community, quote, unquote, was on board with the method we had for calculating business fees. Because in 2007, Commissioner Adams and PBOT staff sat down with a lot of business representatives and talked to them about the Institute of Traffic Engineers methodology of figuring out how much traffic each business generates. The ITE goes through a bunch of different categories of businesses and says, here's how many trips they generate per square foot. For this kind of business, given a certain amount of square footage, here's how many people we think are making trips to that business. Now, this is what other cities do, too, they rely on the ITE. Each of them makes some modifications, have their own way of implementing it. And our folks thought, in 2007, that we had the business community generally on board with a particular approach toward using the ITE to craft a Portland business nonresidential fee. So, we were moving forward with a slight variation of what was proposed in 2007. What we discovered, what I discovered in particular, reading emails from a lot of small business people this last week, is that there are a lot of business people who weren't part of those discussions in 2007, and they're concerned about this approach. They don't know which of the ITE categories they fit into. They wonder about the fairness of applying the ITE model to their particular business. So after reading enough of these emails, I concluded, you know, we can't just rely on the consensus of 2007. We need to take some additional

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time to have conversations with a broader array of folks in the business community and talk about a way of using the ITE to have a nonresidential fee that people will understand better. We still think that the ITE gives us the right direction that we should rely on, and that substantial body of evidentiary data to determine which businesses generate the most traffic. But we want to take some more time to have those discussions. That does not mean that we're just going to have a fee on residents and not on businesses. We're putting it into the ordinance on the residential fee that if this council does not pass a nonresidential fee by this November 14th, the residential fee will go away. Both the nonresidential and the residential fees will actually kick in next July 1st. July 1st, 2015. But we think that we need an extra few months to have those discussions with people in the business world. I want to take a personal moment to talk about something I said last week which made a number of people mad. I didn't mean to make anybody mad, but I did. I said, this is a situation where we as elected officials feel like we have to make a tough call, and if you don't like it, I'm up for reelection in 2016, you can throw me out. Let me explain what I meant by that. It's really shorthand for two things. One is, this is a representative democracy, and normally the way representative democracy works is you elect people to make decisions, and public doesn't vote on every issue, but you follow the decisions your elected officials make, and if by and large you agree with more of them than not -- even though you disagree with some -- you might reelect them. If by and large, you disagree with more than not, then you can vote them out. That's just the way it works. The other thing I meant by that is that I know that making a proposal like this is something that could cause me to lose the next election. This is the kind of issue where politicians lose elections. Bill Clinton was thrown out as governor of Arkansas in 1980 -- or was it 1982? I think it was 1980 - - because he raised car registration fees. But the mayor gave me oversight of the Bureau of Transportation, and I feel like I have responsibility to do something about these maintenance and safety issues. I would rather try to solve these problems and lose the next election than not try to solve them and win it. That's what I meant by that. Thank you very much for your time, and now I'd like to turn it over to Leah Treat, the director of the bureau, to talk a bit more about the process we followed in the past several months.

**Hales:** I'm sorry, we have some other commissioners who want to make statements. Go ahead, Dan, sorry.

**Saltzman:** Thank you, Mayor, and thank you, Commissioner Novick, for your very passionate statement. I just want to say that I agree with the problem statement, I don't agree with the proposed solution, however. And I just want to -- I don't think I've ever in my career of 16 years here announced a decision before the public process begins, but I do want to state unequivocally that I cannot support enactment of the street fee, I can only support a public vote for a street fee. I do believe that Portlanders make good decisions -- [applause] -- I very much believe Portlanders make good decisions when given with good information, and I think there's a high expectation today by Portlanders that they want to participate in the decision making that we make of the city that affects their lives. I think that we have shown -- I think Portlanders have shown good judgment time and time again when they've been asked to support things such as parks bond measures, fire bond measures, the Children's Levy three times, the arts tax most recently, and I think they showed extremely good judgment last week in overwhelmingly rejecting a proposed water and sewer district. So I want to state I believe this should be put to a vote, and therefore I will not be supporting either the resolution or the ordinance.

**Hales:** Thank you. [applause] Anyone else? Leah, come on up.

**Leah Treat, Director, Bureau of Transportation:** Good afternoon, my name is Leah Treat, I'm the Director of the department of transportation. Thank you, Mayor Hales and Commissioner Novick, for your leadership, your unwavering support, your dedication, and your hard work over the last five months to get us to this point today. I also thank my staff, who have put in countless hours of unpaid overtime, given up weekends, worked on holidays, have missed special events and

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occasion with their friends and families to work on this initiative. They include Jamie Waltz, Mark Lear, Alissa Mahar, Andrew Carlstrom, Ken Lee, Diane Dulken, and Dylan Rivera. My thanks for your tireless efforts to you, your friends, and your families who made it possible for to you put in the amount of time you have on this effort. Commissioners Fritz, Fish, and Saltzman, thank you for hearing our presentation and testimony today and dedicating time out of your very busy schedule for this special hearing. The journey behind the ordinance and the resolution in front of you today began many months ago. In the beginning stages, we created a transportation advisory committee that's comprised of a broad base of members, and they include in alphabetical order: Craig Beebe from the City Club; Buzz Beetle from Local 483; Bernie Bottomly, formerly with the PBA; Corky Collier from the Columbia Corridor Association; Marie Dodds from AAA; Debra Dunn from the Oregon Trucking Association; Marianne Fitzgerald of SWNI; Leslie Foren from Elders in Action; Dean Funk from PGE, Chris Hagerbaumer from Oregon Environmental Council; Maxine Fitzpatrick from Community Reinvestment Initiatives; Tom Lewis of Centennial Community Association; Matt Morton from NAYA; Stanley Moy from APANO; Linda Nettekoven from Southeast Uplift; Jonathan Ostar from OPAL; Vic Rhodes from Rhodes Consulting; Stephanie Routh, formerly of Oregon Walks; Carmen Rubio from the Latino Network; Rob Sadowsky from the BTA; Mychal Tetteh from the Community Cycling Center; Joe VanderVeer from the Commission on Disabilities; and Dan Zalkow from PSU. We also created a technical advisory committee to advise us, with members from Planning and Sustainability, Environmental Services, the Water Bureau, the Budget Office, OMF, Multnomah County, Parks, Police, TriMet, ODOT, the Port, PDC, and Metro. Based on our past experience with safe sound and green, and with the guidance and input of our advisory committee, we engaged DHM Research to conduct a scientific poll to gauge how Portlanders want their transportation funding prioritized. The results of that poll showed maintenance as the top priority with safety as a very close second. We also put that poll online and received 1062 responses. The results from the online survey were very similar to the scientific telephone poll, however, safety was marginally prioritized over maintenance. We then held three town halls to further engage Portlanders on the same issue. From those town halls, we had 162 attendant sign-ins, 47 comment cards, and 101 verbal comments. Similar to the online poll, those attending the town halls emphasized safety. After taking the poll results and the summation of the town halls to our advisory committee, we again engaged DHM Research to poll Portlanders on funding mechanisms, and that signaled to us the proposed street fee was the preferred method. The poll was also put online, and we've received 626 responses. The online results were very similar to the scientific telephone poll. We also held another four town halls to discuss the proposed street fee, during which we had 225 attendant sign ins, 47 comment cards, and 101 verbal comments. The main feedback we received during those town halls were on the regressive nature of the fee on households, a need for assurances that the funding would be dedicated to transportation, and a desire that each neighborhood would benefit from the fee. And another thing we heard at all of the town halls that I found interesting was a push for a ban on studded tires. Our town halls were held at Sunnyside Environmental School, at the Immigrant and Refugee Community Organization, at the Multnomah Arts Center, at Kaiser Permanente's town hall, and at the Woodstock School. Between the mayor, Commissioner Novick, and PBOT, we have also met with dozens of neighborhood organizations, special interest groups, and business groups, including ORLA, the Ecumenical Ministries, the representatives of the groceries and convenience stores, Venture Portland, the PBA, Home Forward, Multifamily NW, school districts, BOMA, NAIOP, PSU, OHSU, the Port, and the freight community. As your transportation director, I view one of my top responsibilities to be a good steward of our \$8 billion system. Just last month on April 2nd, I spent over an hour in front of council detailing the status and condition of our infrastructure. In that testimony, I highlighted that our pavement system was our highest valued asset that we own. We have almost 5000 lane miles of pavement. It's in declining condition. As the mayor pointed out earlier and Commissioner Novick

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reiterated, 48% of our streets are in poor and very poor condition, and our latest estimate that we need \$91 million a year over the next 10 years to get our streets on a good maintenance cycle. These are the roads that all Portlanders and Portland businesses rely on every day. They are essential to our city's health, they are essential to our resiliency, and they are essential to our economy. In that same testimony, I also highlighted missing links and equity issues. We have 343 miles of missing sidewalks on busy streets. We have 21,000 corners that need to be upgraded with ramps to meet ADA requirements. And we have 57 miles of dirt and gravel roads. As your transportation director, it is my responsibility to also focus our efforts on providing safe access for all modes. This hits especially close to home for me, because I'm also the mother of four young children. Our family walks and bikes to school, and we often drive on Portland's roads to explore new areas of the city as we are settling into our new home. In either role, director or mom, I believe the street fee needs to be passed. Even though we will not be able to address all of our infrastructure needs with a proposed fee, we must start chipping away at it. An unspent dollar of maintenance today is going to cost us exponentially more down the road, and the issue is compounding. Costs will be going up and conditions will deteriorate, and our options become very limited. And we need to make critical safety investments to protect our most vulnerable populations. We need to create safer access to transit, we need to enable children to bike and walk to school, and we need to make our streets ones where people aren't dying, but where people are living. With that I'm going to turn this over to Mark Lear and Jamie Waltz to walk you through a presentation that goes into greater detail about the proposed fee. Thank you.

**Fritz:** Before you do that, Leah, you got quite a reaction from folks about a suggestion to tax studded tires. Can you tell us why that's not on the table?

**Treat:** I believe that we are going to include that at the state legislature. It's a preemption from the state, so it requires state authority for us to ban studded tires in the city.

**Hales:** But as you'll recall, we did include it in our legislative package last year before you were here, and I imagine we'll include it in our legislative package again to advocate for some state to change that policy, because the studded tires do huge damage to the roads.

**Fritz:** So we totally agree, that's something that should be done.

**Jamie Waltz, Bureau of Transportation:** Thank you Leah, Commissioners, Mayor. My name is Jamie Waltz, I'm the transportation asset manager for PBOT, and our transportation is one of the backbones of our city. It's linked to the economic vitality, neighborhood livability, it's linked to the health, welfare, and safety of all Portlanders. We are currently underfunding the maintenance and upkeep of our existing infrastructure. We've already talked about some of the reasons why we're having this conversation today, about how the gas tax is not kept up with inflation, we have more fuel-efficient vehicles and people are driving less, we had declining federal support, we aren't seeing the amount of grants we used to have, and as the federal government is facing the insolvency of the Federal Highway Trust Fund, we're looking to solutions that are going to be addressed locally. We've also seen our utility license fee that once came to transportation is now being redirected to public safety of fire and police. All of these combined impacts have a significant impact on PBOT's budgets. As you've already heard, our transportation system is vast and diverse. We're responsible for maintaining and managing 13 different asset classes. We have almost 5000 lane miles of roads, and a lot of these streets were the old farm-to-market roads where we've over the years laid asphalt on them, and they've never been built up to the modern-day standards to withstand the freight and transit that our streets see today. We have about 55,000 street lights and 157 bridges, none of which cross the Willamette River. That's just a taste of all of the infrastructure we're responsible for maintaining. There's major consequences for the underinvestment of our system and that's what we're seeing in the decline of the condition of our system. As Commissioner Novick referenced, our streets are like the teeth, and as we continue to not do the proper preventive maintenance on our streets, the costs just get more painful and more costly to repair. That's also

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been seen as referenced before in the auditor's report and the need of the dollar figure to repair our streets. We also have existing gaps within the infrastructure, and those gaps that we are not able to address with inadequate resources means that we have some safety consequences as well, and that was 32 traffic fatalities that we saw last year on our roads. We have quite a bit of infrastructure that we know needs to be either upgraded to meet the modern-day standards, or that is completely lacking that we need to build the system to meet these safety components. A lot of the safety issues that exist in our system impact the most vulnerable populations, such as low-income and communities of color. Without new revenue to address the outstanding safety issues, these disparities will persist. There's a perception that PBOT has lot of discretionary revenue that we could be spending on maintenance and safety. Actually, about half of our revenue sources that we get is actually flexible revenue that we can spend, and that's from our gas tax and parking. The contracts that we have with other city agencies, fees for service and the federal, state, and local grants are dollars that are dedicated to specific uses and they also have strings attached. We aren't able to use those money for the maintenance and safety projects that we're outlining today. One of the things we've heard a lot from the community over the last couple months is, I'm paying my property taxes, why isn't this money going to transportation? This pie chart shows that over half of the Portland city's general fund goes to public safety, police, and fire. PBOT only gets 2% of that revenue that comes to us, and the majority of that is to fund the energy bills for the street lighting to keep our street lights lit. A lot of our budget with our discretionary funding is cut back to the basics. 78 million is spent on basic operations and maintenance, and that really focuses on the existing infrastructure that we have. 58 million of that goes to our capital improvement projects such as the Division streetscape plan and the 132nd Avenue sidewalks that we put in. It's really important to note that a lot of our capital improvement programs, while they are expanding the system that wasn't there before, we are also upgrading a lot of the existing infrastructure and sometimes we can bring that poor infrastructure up to new condition through our capital improvement projects. Over the past many years, we've been facing budget reductions, and so we've really sought to find ways to increase efficiency in the work that we do. With the leadership of Mayor Hales and Commissioner Novick, we've done the back-to-basics campaign where we've added new tools to our pavement toolbox to be able to reach a 100-mile pavement goal at the end of June. That's almost double from what we had done the previous year. We planned to convert 44,000 of those 54,000 street lights to LED lighting, which we should see a lot of energy savings over time. We're also coordinating with the utilities, we're trying to improve the way we're coordinating so we're minimizing the cuts to our pavement. And when you do utility cuts to new pavement, it really accelerates the degradation of the life of the pavement. So we've been commissioned. In 2012, we were asked by city council to commission a financial task force, an external group of financial experts to look at our financial situation and make recommendations about sustainable revenue sources. This financial task force submitted a report to council in 2012 and they identified the fact that PBOT does not substantial funds to meet the goals that were stated by city council and our community members. And one of the multiple ways they've recommended for new revenue was to create a transportation user fee. We're not the first community to have this conversation, as you heard already. There are 28 other cities across the state that have transportation user fees. Ashland was the first in 1989. So these discussions have been going on for many years. This map also shows the fact that there are many jurisdictions that have local solutions, either through a gas tax and/or street fee to meet their transportation funding needs. And as mentioned, Dufer, with a population of 600, has a \$5 per month street fee for their residents. Again, we've been spending many years having these conversations, as Mayor Hales mentioned, this conversation started in 2000 whether we had a street maintenance and safety fee proposal. Again in 2007, when we had the safe sound and green street proposal. This acknowledgment of a need for funding and a recommendation of transportation user fee was recommended in the report to council in 2012. Our Budget Advisory

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Committee for many, many years has been submitting a letter annual letter to council with the budget submittal stating the need for new revenue, and proposing something like a transportation user fee. And here we are, at 2014, having a conversation about our streets. And I'm going to turn it over to Mark Lear to go over the details of that conversation we've been having.

**Mark Lear, Bureau of Transportation:** Mark Lear, Portland Bureau of Transportation. Thank you for the opportunity to provide a little more background on how we developed the proposal and the specifics of the proposal in front of us today. Our streets conversation started in January, and it was basically set up to be three phases that lasted over six months. The beginning of that process started with a community conversation and polling work to figure out what priorities were. That was followed by identifying sources of revenue and allocation process, with a goal of being here today and presenting a specific recommendation to council. Phase one of this process, which was really driven by our needs and funding advisory committee, started with a group working together to put together a survey that could go out to all of Portlanders to better understand what those priorities were. As you heard in a lot of detail from Director Treat, that we had the scientific survey, online survey, we did way better than we've done in the past in getting the survey out in different languages, and using town hall meetings to start to have that community conversation. And having worked on a lot of those efforts in the past, there were big differences that popped out in the data. As Director Treat was mentioning, in the past when we asked the question about your highest priorities to the city of Portland related to transportation needs, maintenance was clearly the highest priority. This was the first time that maintenance and safety were really tied, and that there was this sense we needed to do something to address the critical safety issues that we have in some of our busiest streets. In addition to that, there was this concept, the mayor made a point of communitarianism that came out of Portlanders saying, we get it, there's parts of town that have much less safe streets than other parts of town and we want, as a community, to address those issues. The second phase of the project really dug into those specifics -- what different funding mechanisms would make sense for Portland, and how would that new revenue be allocated to those really high-priority needs? Again, we utilized the online survey and the scientific survey, along with town halls and business meetings to further refine that information. And one of the key things that came out of that second phase of work was that there's some specific elements of the proposal that make a really big difference to Portlanders when they think about whether or not they would support additional funding. First, people were asked, are there things that would make you more likely to be supportive of a funding proposal? And the number one was if they knew the money was dedicated to maintenance and safety. Second, the idea the money was dedicated. This resolution of a charter amendment that you have in front of city council, that was something that 71% of Portlanders said -- if we can make sure the money is dedicated, that's going to make us more likely to be supportive of the proposal. The third one -- and I think this is one of the most exciting elements or positive elements of this proposal compared to proposals in the past -- is strong support for a low-income discount that would not only apply to single family homes but multifamily properties as well. And then the third factor that had the highest level of difference for whether public would support these proposals was that business also pays. This next slide highlights how this question was responded to in that second survey. The first chart shows that when the survey started, a respondent was asked, would you be supportive of a \$12 fee for transportation services in Portland? It was mixed. 44% support, 50% opposed, 6% don't know. After the pollster went through the additional questions we talked about things like I just mentioned, about how the money could be dedicated for maintenance or safety, or for low-income discount, those things. The pollster asked the question -- sometimes people change their mind in these polls -- what's your feeling now about a \$12 fee? And at that point, we had 51% of Portlanders saying they support the \$12 proposal, and 44% opposition. Again, I think a strong indication that how this fee is structured makes a big difference in Portlanders' ability to be supportive. As Commissioner Novick had stated, we also then followed up with a

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question of -- there are other options that can be looked at if the street fee were to work that you might prefer, and would you prefer a city sales tax of .5%? A 1% city income tax? A property tax? A 1% city sales tax? A one one-tenth of a state income tax? Or one-twentieth of a federal income tax? Again, things that could generate about the same amount of revenue. And you can see those did not receive a high level of support in the polling work. One of the other issues that's come up in some of our meetings has been just this comparison of how much money we spend on vehicle maintenance and vehicle costs associated with what we're asking the public to pay for a street fee. And sort of just to put it in perspective, on average -- the average Portland household is spending about \$112 on maintenance of their vehicles. But you compare that to what we're asking right now of the Portlanders to spend about \$8 to \$12 of additional revenue toward street maintenance fee.

**Novick:** Mark, may I just interrupt? I think people could look at this and say, my goodness, I'm already spending so much of on my car and you're asking me to spend even more on transportation. The point we're trying to make is that it costs hundreds of dollars a month to maintain your car. Right now in terms of gas taxes and registration fees, it costs a typical household about \$49 a month to help maintain the roads, and with a \$12 fee that would go up to \$61 a month. And your car isn't worth much without a road. So we think the compared to the car, although the roads are expensive, they're a relative bargain.

**Lear:** Thanks. The next thing we wanted to highlight was how this specific proposal really has been shaped by the public input that we received. The first thing I would highlight is that this proposal has a really robust investment in safety and maintenance. Maybe more investment in safety than in some of the past proposals, again, based on that feedback we got from the community that there's an issue out there that really needs to be addressed. In addition to that, I think we've developed a better low-income discount proposal -- especially as it relates to multifamily -- than we've had in past proposals. Again, the equity values that are in the community, from my perspective, are much stronger, and they're asking for the city to do a much better job around how we deal with low-income. In addition to that, we've included in this proposal a provision that if you own a business in the city of Portland, and live in the city of Portland, that you would basically be credited against your business fee for what your household fee would be. Again, this is I think an example of where this is something that we heard strongly in some of our conversations with small businesses. In addition to that, we have set the first collection date to be July 2015, based on feedback that we got from individuals, institutions, and businesses that they need some time to prepare for these additional fees. Also we've heard some feedback that we've incorporated from the public that's really allowed us to have a stronger oversight committee with good neighborhood and business representation, that's also something that really I think we strengthened from past proposals. And finally, the mayor's charter amendment that would make sure there's a dedication of these funds that are generated by the new revenue source, I think is another strong change that we've made to this proposal based on the feedback we heard at community meetings and from businesses as well.

**Fish:** Mayor, can I ask a question on that point? I'm trying to follow this. Director Treat, I've just been looking at the language of the proposed charter referral, and then cross-referencing it with the proposed city code. There's just one thing I need a clarification on. The code says that no less than 80% of the funds collected to the transportation user fee shall be dedicated to maintenance and safety improvements. That seems very clear and prescriptive. The proposed charter change says a majority of the funds used for transportation maintenance and transportation safety improvements. Is that a discrepancy, or if not, how do you reconcile the two?

**Treat:** Can I defer to Commissioner Novick and Mayor Hales on that?

**Novick:** Commissioner, it's the mayor's proposal, but I think we're in sync on this. For one thing, putting percentages in the city charter seems a little odd. For another thing, we feel comfortable saying through ordinance that this fee is going to go at least 80% to maintenance and safety, and potentially up to 20% for other things such as perhaps improving unimproved streets. Actually, for

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the foreseeable future, we think far more than 80% is going to maintenance and safety. But again, it just seemed to be something -- that's something that seemed reasonable to commit to in code, but putting percentages in the charter just seemed like an odd thing to do.

**Hales:** I agree. My answer is this is going to shift over time. As I said, this isn't a short-term phenomenon. We're not going to have the street fee or five years or 10 years, unfortunately. We're going to have to have it for the foreseeable future, unless you think the federal government is going to wake up next week and catch up to where they should be in the gas tax. Therefore, the first things we have to do are the maintenance needs, and the safety problems. Later on, after we've addressed more of those, I'm sorry that we have to tell people on unimproved streets they still have to wait a long time, but we will be able to get around to spending more money on improving unimproved streets. But I'm sure it's hard news for folks that live on a dirt street to hear, but the first things we need to do are maintain the streets we already have, because we'll have to spend so much more if we don't. And we have to attend safety, because we've killed 36 of our fellow citizens on streets with cars last year. And after we deal with those hierarchy of needs, then we can spend more later on unimproved streets. But to freeze a percentage into the charter means we'd have to go change that with a charter amendment rather than change it with a budget change.

**Lear:** The proposed Portland street fee is really very -- the methodology for it is very consistent in what's used in most other of those 28 Oregon cities that have street fees. The fee is based on the use of the transportation system -- I'll describe in a little more detail in a second how that works -- but it's based on the Institute of Transportation Engineers estimates that include over 4000 surveys of different property types that allow you to estimate the number of trips per square foot. The one thing that I think is different about this proposal -- again, based on public feedback we got and very positive -- is this time, we're following this principle of everybody pays, everybody benefits. In the past, in 2007, when we were working on the safe sound and green proposal, there was this idea of, well, we'll discount if you drive less, if you ride bike or take transit more, maybe we'll charge you less in the fee. At the same time we wanted to spend especially on critical safety improvements, some of these resources on important safety projects that would benefit people when they're walking, biking, and taking transit. So this time around we said, how about everybody pays, we're going to get a little bit out of that if it's a car trip, bike trip, transit trip, and it will be easier to get out of those modal wars and how we spend resources. To give you a sense on the residential rate side, if we were to have a single family rate of \$8 a month in the first year and \$10 a month in the second year and \$12 a month in the third year, those rates are based on an estimate of about each initial trip costing about 3.9 cents. If you look at the multifamily properties -- I'm sorry, that would be at the \$12 level when I was saying 3.9 cents. If you looked at the multifamily rate, multifamily rate is substantially less than single family, and again, that's based on the trip methodology when those studies were done of multifamily properties, there's less trips. A lot of it is consolidated garages, mail delivery, other kinds of things. There's just a reduction in trips. So you can see if we apply that single family low-income discount, and this is on the single family side built off what water and sewer currently do, we would consider applying that at the zero to 60% of federal median income for the city of Portland. We would also -- and this is a change from past proposals, and we've had very interesting -- from my perspective -- conversations with multifamily experts in Portland to figure out how do we extend it -- if we know that more poor people live in multifamily properties, how do we make sure that that credit is getting to people in multifamily properties? So our commitment is there and there's some good work we need to do over the next few months to make sure we develop that and actually can be a national role model in how that could work. The nonresidential rates are based on the ITE manual that will come up with, for example, a fast food restaurant will have a number of how many trips per month are generated per thousand square feet, so that rate is multiplied by the square footage, and then that ends up being applied to a trip generation table. This would go against all properties, all nonresidential properties. So schools pay,

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OHSU pays, Parks pays, everybody generating trips under this proposal would be paying. And that's part of how it remains a fee and not a tax. The other thing -- and this is just a little more detail, I kind of already walked just through this -- but again, you're taking the ITE manual, it has an estimated number of trips, a lot more for a fast food restaurant than like a sit-down restaurant, and applying by the square feet and rate table. As we mentioned earlier, that's something we'll be working on with the nonresidential community over the next few months to refine that and make sure it's something that has a high level of support. There's also some fairness factors I think are worth reviewing quickly that have come out of the feedback and really been driven a lot by this really great advisory committee that we have this time around. The first one that I already mentioned is that single owner business credit if you live in Portland, getting credited, so you're not paying at home and for your business. The other one I mentioned is the low-income rate. One that I haven't mentioned so far, this came out of the work we did with the business community in 2007, is from businesses that can show for more than two months they'll have vacancy of at least 20%, there's a way they can notify that information to the city -- this is for schools too, if you have a school that's not using all of the space, you can actually give us that information, we would credit your trips and your rate against that. We also have appeals process. Part of that is very simple. Our idea is that we would send out sample bills three months in advance or in advance of the first bill. If you're a business and you got that simple bill and said, I'm not a drive-through, I don't have a drive-in window, I'm a sit-down restaurant, you would call the city and let us know, we would fix that. If there's another situation where you know you don't generate as many trips as are estimated by the ITE manual and you want to go through an appeals process, you can document with a traffic engineer, and the city would agree to that, would have to review it, but that you're generating less trips, and we would establish that rate for three years after you go through that appeal process. One of the other --

**Fritz:** Excuse me. For the fairness factor piece, what about single family home residents who, for instance, are selling their homes so they've essentially got two properties but only one family making the trips. Could they also apply for a vacancy exemption?

**Lear:** Good question. I actually haven't been asked that question to me before, and I think that's something we probably need to think a little bit more about.

**Fritz:** Yeah, it was posted to us over email, so I wanted to put that on the table. The concept is based on people using the streets if it's just one family, they happen to have an open house --

**Hales:** Empty houses doesn't generate any trips. Right.

**Fritz:** Yes. Unless they're a realtor business, but then they're being taxed by the realtor business.

**Lear:** Right. And I think that's a good example of a few of those things that over the next 13 months, as we're trying to get this proposal really dialed in, those are the kind of things that would be good to address.

**Fish:** Can you go back one slide for a second? Can you just tell us, what does the campus provisions refer to?

**Lear:** In the ITE manual, there's sort of this acknowledgment that for certain campus-type properties -- like, PSU would be a great example -- that just applying the ITE trip manual to all the properties on like the PSU campus is not as accurate as looking at it as whole campus. Part of the reason is that you have a lot of students that are walking between buildings, you may have consolidated parking garages, and other things like that. So they have basically some direction inside the ITE manual that says, there's ways you can do that analysis that would actually give you better numbers. The other thing about the way that our proposal works where as you generate more trips -- everybody pays the same amount for the first 5000 trips. For the next 10,000 trips. But as you work your way up, those categories start to have discounts in the amount that your pay per trip. So having this campus rule for some of the larger institutions, schools being the main one -- there's other properties like the port where they have a lot of properties that aren't separated by public right-

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of-way, those sort of things. It's basically a provision inside the ITE that allows you to create a rate that seems to be more fair for those types of properties. One of the other things that I think is worth highlighting is there are other things that we've really tried to incorporate in this proposal that we think are listening to a lot of what we're hearing from the public about how do we make sure that the public can trust us, that what we're going to do with these revenues are going to add a lot of value to the city. And the first one is, we've worked with our advisory committee to develop really strong project selection criteria within the different funding programmatic sort of allocations that I'll talk about in just a minute that to make sure that when we're allocating resources, we're doing it in a way that is addressing the biggest needs and making sure we can be as efficient as we can be with those allocations. Obviously, the charter amendment and making sure the revenue doesn't in the future go to some non-transportation purpose is another important component of building that trust. A strong oversight committee will hopefully will help with that, and in addition, we've gotten really good feedback from the business community and others about the need for an annual report. One of the things this year that's been really nice that I hadn't heard in the past is, how do we do that in a way that includes external auditing elements as well as the work of this group? The city has a lot of external auditing that happens. To the degree that we can have a report that includes some external auditing elements as well as the work of this oversight committee I think is a really nice additional way we can build some trust around that reporting requirement. Almost to the end here. I just wanted to highlight how the revenue is being allocated. The current proposal is about 53% of the revenue would go for maintenance, 44% for safety, and 3% for some other priorities that I'll talk about in a second.

**Novick:** Mark, just to clarify. This is not in the ordinance, the ordinance says at least 80% the maintenance and safety. This is just our projection of over the next several years how we think that the money would be spent.

**Lear:** That's right. And we've created some nice documents, one them is the one-pager out there that has mostly orange and black colors on it that again would be a document that we could give to the oversight committee that would provide some of that direction and that additional criteria. So on the maintenance side. 80% we proposed of that 53% going to maintenance, 80% of it would go for paving, the majority of that would be focused on our busiest streets. 15% for operations, and 5% for bridges.

**Novick:** Mark, operations, that includes for instance the street signals, right, which also need maintenance?

**Lear:** Exactly. Street signals, street lights, signs, pavement markings. As Jamie is reminding me, it's also very important for safety. I think sometimes when we've looked at this there's sort of been this fight about, you know, maybe we need more money for safety, which is really important. But when you look at things like maintaining a signal, maintaining pavement markings, maintaining signs -- even though we call them maintenance, there's huge safety components of that as well. This gives you a sense of what we'd be able to do with that over a five-year period. We think we'd be able to do 150 to 250 miles of pavement, maintenance. So if you think about this year, we increased. We went from just under 50 miles of pavement maintenance the year before to 100 miles. This would allow us to do 150 miles, an additional 50 miles if we can achieve that 250-mile target over five years. It would allow us to improve 30 to 40 traffic signals, get those signals off the span wire that are blowing in the wind, that are hard to see when the sun's setting. Make it so they have modern pedestrian activations, so that pedestrians and people walking can be safe when they're crossing the street. It will allow us to continue to invest in the conversion of LED street lights, it will allow us to do work on one to three bridges and just do a much better job of our crosswalk maintenance than we're doing today. On the safety side, and again, I think this another nice improvement over the proposal we had in 2007 -- we're proposing to allocate two-thirds of the revenue to busy streets. There's been some awesome work done by Metro around where crashes are

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occurring in the region, and not a huge surprise, they're concentrating on our busiest streets. So our proposal is to allocate two-thirds of the revenue for safety improvements on our busiest streets. That includes high crash corridors like Barbur, 82nd, 122nd, Burnside. It includes sidewalks on busy streets, which would be focused a lot where they're missing now in Cully and east Portland and southwest. That includes crossing improvements, rapid flash beacons that allow people to get across these five-lane arterials, and protected bike lanes. Minimize that conflict that we currently have on our busiest streets. Even though we're allocating two-thirds of the safety money to our busy streets, there's still a huge need to continue to make sure our residential streets are safer. They're the backbone for a lot of the trips that kids are taking to school, and a lot of us are making in the neighborhood. Our proposal is that two-thirds of that safety funding that's allocated for local streets would go to fund those school improvements that have been identified in our safe routes to school program. It's been really heartening for me as we've had conversations with our partners, David Douglas, Portland Public Schools and others, that even though they would be paying into this fee, they see the enormous amount of benefit they're getting, they're getting a lot more in safety improvements than they're actually spending toward the fee. In addition to that, funding for a neighborhood greenway system that's providing this alternative to riding on a busy street, and is really important not just for bikes and for pedestrians, it has major benefits for accessing transit. And this last one which I think is a big improvement over proposals we've had in the past is this idea of safer shoulders. As we get more disciplined about saying we're going to spend our sidewalk money on our busiest streets, in a sense we're identifying a bunch of streets that won't have sidewalks for a long time. So if we can do something that to make sure people at least aren't walking in the streets, safer shoulders can be a big part of our improved safety. This gives you a sense of what that would mean. 20 to 25 miles of neighborhood greenways, 10 to 12 miles of safer shoulders, there'd be \$19 million that would be available for high-crash corridor improvements, 115 safer crossings, up to 400 blocks of additional sidewalk work, seven to 10 miles of protected bike lanes, and much better response to our traffic safety livability hotline. Encourage people to continue to call 823-SAFE if you see a safety problem -- that's the number for transportation and police. It takes us a while to respond, and we need to have more resources to be able to respond more effectively to that. The last piece of that other 3%. We heard strongly from Portlanders that they want us to continue to be good partners with TriMet, with Multnomah County, with ODOT on some key issues. Specifically, the ones that were called out in the survey were making one of our bridges in the central city earthquake resilient, and also just making sure that in parts of town where transit service right now is really lacking -- east Portland and southwest being the parts of town with the worst reliability or level of transit service -- to be able to help with that however we could. In addition to that, being able to continue to see how we can be good partners around paving gravel and unimproved streets. That's the end of the presentation, thanks.

**Hales:** Questions for staff?

**Fish:** I'm very eager to get to the public testimony, but a couple questions for Commissioner Novick. Steve, you've decoupled the residential and nonresidential fee portion of our discussion today. Is there a proposal before the public to comment on today with respect to nonresidential fees, or are we asking people to focus on the residential fees section?

**Novick:** Actually, as far as I'm concerned, it would be helpful to get comments from the public on the nonresidential part, because what we need to do over the next several months is have a conversation with the community about what the nonresidential part should look like. So having today be part of that conversation I think is perfectly appropriate.

**Fish:** Where did you and the mayor land, at least currently, with respect to parking lots?

**Novick:** Well, the ITE manual treats parking lots as things that don't generate trips, because people don't visit a parking lot, they go to a parking lot on their way to somewhere else. However, one thing that we've been noting is that there are parking lots that have employees. And so there

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certainly are trips just that the employees themselves take. So one of the things we'd like to do is modify the ITE manual's approach to recognize that yes, at least a few people take trips to parking lots, and take that into account.

**Fish:** Two other quickies. With respect to the total amount that is contemplated to be raised through this fee, are you proposing any kind of administrative cap?

**Novick:** Actually, what we're saying in the ordinance is that 80% will go to maintenance and safety, up to 20% on other things, and the administration would be contained in that up to 20%. And obviously, we'll strive to make it as low as possible. However, we don't want to get in a situation we are in the arts tax, where we made a hard pledger much of 5% and now we're struggling and saying, well, it might be 6.5, do we have to go back to the voters.

**Fish:** Finally, Commissioner, with respect to the criteria that will be used to determine how the money is spent, are we building into the criteria a preference for spending in areas of the city that have historically not gotten infrastructure investment?

**Novick:** Inherently, we are. Because to a great extent, the most unsafe areas of the city are the areas of the city that have not gotten that much infrastructure investments. The most unsafe area as far as the transportation infrastructure are concerned are outer east and southwest. Those are the places for the most part where you see busy streets without sidewalks, and those are the places where the bulk of the safety money will be invested. And by the way, that's also another part of when you think about the equity of this system -- although I don't like the regressive aspect of having a fee -- although we do have a low-income discount -- the money will be spent in a progressive way because much of the safety spending will be in the lowest income parts of the city.

**Hales:** Other questions for staff?

**Saltzman:** A couple questions. So, administrative expenses. Does that include employees who are not working directly on maintenance projects being able to charge their time to the 20% administrative cap?

**Hales:** Well it's not a 20% administrative cap, it's a proposed allocation that would have up to 20% of the revenues going to things other than basic maintenance and basic safety. So --

**Saltzman:** OK, so to rephrase my question, would employees who are not working on basic safety or basic maintenance be able to charge their time to this account this account?

**Treat:** Yes.

**Saltzman:** Yes, they would.

**Treat:** We're going to need an administrator because we have an appeals process built in. So, we're going to have to have an administrator. We're going to have to spend money building the platform. It's our intent to use existing city resources and go through the Cayenta system to do it as efficiently and as cost-effectively as possible, but that would be seen as an administrative cost. And we'll have some overhead for employees that do work on projects that might hit the administrative pool as well.

**Saltzman:** OK. So what about employees not working on any project related to safety or maintenance? I mean, I don't want to pick on somebody, but a couple that come to mind -- and I don't mean to pick on Andrew Aebi at all, but let's say the LID administrator. He's a PBOT employee. Would he, for instance, be able to charge any of his time to this fund?

**Novick:** Actually, Commissioner, I'd say that Andrew specifically would fall into the other 3%, because he works on improving unimproved roads.

**Hales:** I think it's important to remember -- and you know this -- a lot of the other revenues that already come to PBOT are restricted. State and federal gas tax revenues have to be spent on streets and roads. Local improvement district -- that's what LID stand for -- local improvement district revenues have to be spent on fixing that street. So, the bureau already administers a lot of buckets of revenue and has staff assigned to those different buckets. Yes, there's an overhead function. You're looking at part of that right here. These three administrators run the bureau and have others that do

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likewise. But there are a lot of people assigned to particular programs like capital projects, or local improvement districts.

**Lear:** I think it's one of those examples, too, of what's really important to have in the annual report, and what's reviewed by the oversight committee. And it might be a part of what you get in some of that externally audited information that's in there as well. Part of what we heard when we were talking to our oversight committee about this is there's issues right now. I mean, you have collection costs, we have overhead costs -- we didn't want to be playing games around that piece. We wanted to be really clear about when it comes to administrative functions, what those are. And really be clear to the public in how we're spending that money. It's not playing games.

**Saltzman:** My second question -- and the mayor and I were talking about this before the council meeting -- is what about overhead? I'm sorry, overtime. Overtime pay. So is there a cap on how much of this money can be paid to employees working overtime?

**Treat:** There is not currently considered. But it would be for --

**Hales:** I told him, we should get back to the council about what the use of overtime is now. I mean, overtime is much less used in transportation than it is in police or fire, because it's not used to balance out the level of workforce, it's used when somebody is out on a paving project and it's going to take an extra three hours to get it finished. That's when we use overtime.

**Novick:** And when we have snow storms.

**Treat:** Or landslides or emergencies, or sewer repairs.

**Saltzman:** Does responding to a snowstorm fall under basic maintenance or safety under this proposed transportation use fee?

**Lear:** No.

**Saltzman:** That's what I'm trying to get at. Are there -- if you can get back to us, what percentage of your agency's operational budget is paid out in overtime? I guess if you can get that to us before next week.

**Treat:** Yes.

**Saltzman:** But I guess my point is, I don't think any of us want to see this money -- I think we all want to see the money go for maintenance and safety and not be eaten up by agency overtime.

**Treat:** We agree.

**Saltzman:** That's a legitimate expectation of anybody, pro or con.

**Lear:** Commissioner, just to add one thing to that. Those conversations are really good to have, and we've been having them when we're talking about the business committee. If you think about the oversight committee, we have some positions on that committee for paving experts, someone from the construction industry with a finance background. And when we were meeting with different groups, especially from the private contracting side, they're asking the same questions. And I think it's really good in the reporting that's coming back to city council to be able to be able to talk about these things. I mean, are we delivering the services efficiently or not? And are we continuing to get better in how we're doing that? It's something that's going to be really important for this program to demonstrate as it moves along.

**Saltzman:** Last question. Will there be an independent audit conducted annually? An outside audit?

**Hales:** We don't do annual audits of any bureau, but we have an oversight committee in this case, so it's an extra layer. So we'll have an annual report to the council from the oversight committee.

**Novick:** Also, I have to say that our current auditor has found the Transportation Bureau absolutely fascinating, and I'm quite sure that her successor will find it fascinating as well. [laughter]

**Saltzman:** You know, I will say the Children's Levy does have an annual outside audit done every year. And we operate under a 5% administrative cap. We manage to pay for it. Seems like it would be a prudent thing to be done here for not much money.

**Hales:** OK, fair enough.

**Treat:** Thank you for the comment.

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**Hales:** Other questions for staff? OK. Thank you very much.

**Treat:** Thank you.

**Novick:** Thank you.

**Hales:** We need to take action on a proposed substitute, I think, and then open the hearing.

**Novick:** That's correct, Mr. Mayor. I would like to introduce a substitute ordinance. This substitute makes important key changes to the proposal we filed last week. In no particular order, the substitute removes the portion of the fee assess forward nonresidential use to allow council more time to refine the methodology for charging businesses and other nonresidential users of the transportation system. The residential portion of the fee is still included in the resolution. To ensure the council acts to pass a nonresidential fee prior to the effective date for the residential fee on July 1, 2015, the substitute adds an automatic expiration provision. The provision states, "if the city council does not pass an ordinance for a transportation user fee for nonresidential use by November 14, 2014, then city code charter chapter 17.21 will automatically expire and cease to have effective law." The substitute also amends the amount of the residential use fee to reduce it initially and phase it in over three years. With this phase-in, the single family residential use fee will be set at \$8 per unit in 2015-16, increasing to \$10 per unit in 2016-17, and \$12 per unit in 2017-18. The low-income and multifamily fees are set correspondingly proportionately lower. I ask my colleagues to vote to consider this substitute.

**Hales:** We have a motion to put the substitute on the table. Is there a second?

**Fritz:** Second.

**Hales:** Further discussion? What we do is put the substitute on the table and then we have a hearing, so you can comment on the changes as well as on the original idea.

**Fish:** I want to clarify something, because I haven't actually had a chance to review the substitute. So, you're asking us to vote on this simply to place it on the table before the public.

**Hales:** That's correct. Further discussion before we put the substitute on the table? Then a roll call to do that, please.

**Roll on motion to accept substitute ordinance.**

**Fish:** Aye.

**Saltzman:** Aye.

**Novick:** Aye.

**Fritz:** So I'm going to support putting the substitute on the table for discussion. I have a further amendment based on my reading of the citizen input over the last several weeks. But for this I vote aye.

**Hales:** Aye. [Gavel pounded] Commissioner Fritz?

**Fritz:** If I might move my substitute. Commissioner Novick just mentioned the proposed phasing of \$8 the first year, \$10 the next year, and \$12 the year after that. I'm still concerned that that is too high for folks to get used to, so my substitute proposes to set the fee at \$6 for the first year, \$9 for the second year, and \$12 for the third year. Again, with the proportionate changes for low-income folks and multifamily folks.

**Hales:** So the main difference is it would start at \$6 and end up at \$12 in three years.

**Fritz:** Instead of the first two years being 8 and 10, it would be 6 and 9.

**Hales:** OK. Is there a second?

**Novick:** Second.

**Hales:** Further discussion on that revision?

**Fish:** Yeah, is this -- going back to the conversation we had the other day, Mayor, with budget notes, is this amendment acceptable to the sponsors?

**Hales:** It is to me, I think it is to Mr. Novick as well. So, roll call on that please.

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**Roll on motion to amend Exhibit C: Transportation User Fee Rate Schedule to set rate for Single Family Residential Use at \$6 for the first year, \$9 for the second year; third year remains the same at \$12; other rates are proportionately decreased.**

**Fish:** Aye.

**Saltzman:** Aye.

**Novick:** Aye.

**Fritz:** So again to reiterate, this means we're asking you to comment on the initial fee of \$6 per month for residential properties, proportionately changed for multifamily and low-income. Aye.

**Hales:** Aye. [gavel pounded] OK. And now are we ready to move to public hearing? Do you have some invited testimony?

**Novick:** We do. Actually, Mr. Mayor, first I would like to put it to the record a resolution for the council to consider which would establish our intent to vote on a nonresidential proposal before November 14th, 2014. I'm going to pass out copies of that resolution and give copies to the clerk.

**Hales:** Thank you.

**Novick:** The title of the resolution is -- it states that the council will pass an ordinance by November 14th, 2014, creating a transportation user fee for nonresidential use of the transportation system to address the city's significant transportation safety and maintenance needs. And this will be filed today.

**Hales:** OK. So we file it today, but we don't take a voice vote on it now.

**Novick:** Right.

**Hales:** We simply put it into the record that that's going to be filed for next week.

**Novick:** Right.

**Hales:** OK. Duly noted, and we'll make copies of that available to the public. Thank you. Commissioner Novick, do you have invited testimony?

**Novick:** Yes. I would like to ask initially Steph Routh, pedestrian advocate and member of our funding and advisory committee; and Jonathan Ostar of OPAL, also a member of our funding and advisory committee; and Matthew Micetic, small business owner, to present.

**Hales:** Come on up, please. Because you're invited testimony and you are members of the committee, we won't hold you strictly to two minute time limit, but we will ask you to be brief because we have a lot of people signed up to testify today.

**Jonathan Ostar:** Mayor, Commissioners, thank you. Good afternoon, my name is Jonathan Oster with OPAL Environmental Justice Oregon. OPAL builds power for environmental justice and civil rights in our communities. We work predominantly -- I would say exclusively -- with low-income communities, communities of color, and other vulnerable subpopulations to increase quality of life and environmental health in the communities in which we live, work, play, and pray, and learn. We're conditionally supportive of this proposal at the moment, and I've submitted a written testimony. I'll just summarize for the record. The reason we're conditionally supportive is because transportation is a lifeline to opportunity.

**Fish:** Excuse me, do we have your testimony?

**Ostar:** I emailed it.

**Hales:** So we have it in our offices.

**Ostar:** I emailed it to every office, and I can make copies. Sorry for not bringing extras. I was saying that transportation is a lifeline to opportunity, and accessing the transportation system helps some people succeed and get ahead, and it actually can be a barrier to others who can't enjoy that same level of access. They can't get to jobs, they can't get to resources, services, schools, recreation, etc. Day in and day out at OPAL, we organize low-income transit riders. That's what we do, that's our expertise. We have a bus riders unite membership, comprised of transit-dependent riders, exclusively low-income folks, many folks of color, people with disabilities, young people, older people. That's the bread and butter of our membership. They speak for themselves, I don't speak for

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them today, but I carry their interests and concerns with me every day when I get up and do this work. I've been doing environmental justice work for about 13 years, which is as long as this issue has been kicked around on the table. So I'm very familiar with it, I've been tracking it. One of the reasons why we're encouraged and supportive is because the distribution of benefits will be progressive under this particular proposal. And for far too long, low-income communities, communities of color have had to fight for scraps, and have been living in unsafe conditions and have lacked that essential access to basic quality of life that the transportation system can provide. Whether you're walking or biking or riding the bus or driving, you need safe roads, you need well-maintained roads, you need safe crossings. And this proposal will get us not all the way there, but a big chunk of the way there, and will do so more equitably than any proposal that I've seen in the past 13 years. I'm really encouraged by both the process but also the opportunity to mitigate the impact on low-income families. That's unique with this process that we haven't seen. The reason we're conditionally supportive of this is because there's still a lot of details to be worked out, and I'm hopeful that in the coming weeks, we can hash out some of those details and make sure that we nail down some of the finer points to mitigate the impact on low-income families. You've seen in the survey results, we don't love the fact that we're governing by polling, but the reality is that with something like this, we have to make sure we have community support. And there was a high level of support for equity. Low-income families shouldn't be disproportionately burdened, and we should make sure that we're spending the money in ways that promote and increase quality of life for the communities that currently don't have that level of service. So far, this proposal will get us there. And that's why we're supportive. I am concerned about two things, the oversight of this proposal, and the investments. I know there's a robust oversight committee in place. I want to make sure that equity is not, actually, part of that oversight committee. Equity should be separated and provided an independent oversight outside of that committee structure, because the committee structure is made up of special interests, and that includes neighborhood associations. It gets us towards a parochial sense of fighting for limited resources, which is a zero sum model. Equity is actually superior growth model. Our region, our city will actually grow faster and better and more inclusively if we follow equitable principles and make equitable investments. I'd like to see the Office of Equity and Human Rights have that oversight, I'd like to make sure that they have the resources to do so. I don't trust the oversight committee to be able to -- frankly, to be able to provide the level of oversight to make sure that the low-income discount is working right, and that the money is being spent in an equitable manner. That's one suggestion. The other suggestion I'm afraid seems like a losing battle but I will mention it anyway because we don't shy away from tough positions is the sunset clause. This is the best solution at the moment. It's not the best solution forever. And I don't think that the failure of the feds to show movement on a gas tax should be the reason why we can't anticipate in 10 years that maybe we have a more creative, more progressive, regional solution to this problem. I would like to force us back to the table in 10 years to see if we can do better. That's why I would like to see a sunset clause put in place. I really do want to commend Commissioner Novick, in particular, and the mayor for sticking out tough positions on this. You are elected to make the tough calls and it is nice to see decisive leadership. Our neck is out there with you on this. We don't shy away from the tough positions because they might not be intuitively popular. This is going to be good for a lot of communities that are struggling in this community, and that's why we support it. Thank you.

**Novick:** Jonathan? If I just may respond to your point about a sunset clause. We're concerned that if we put in the sunset clause, people might interpret whatever we said as a signal that the maintenance and safety issues are going to go away. But in the future, I at least am happy to work with you to try to come up with less regressive solution to these problems.

**Ostar:** Thank you.

**Hales:** Thank you.

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**Fish:** Commissioner Novick, could you remind us how you envisioned the 18-member oversight committee would be selected?

**Novick:** Well, we envision that the commissioner-in-charge would select the oversight committee subject to the criteria that we put into the ordinance. And actually, Commissioner Fritz had a significant amount to do with how the oversight committee is composed, so I'd be happy to have her explain why she thinks that this committee is acceptable.

**Fritz:** Actually, I was interested in your comments about neighborhood groups not necessarily getting it on equity. I've been really pleased in my discussions with parks committees all over Portland that in fact, Portlanders are good-hearted and do understand -- especially when given good information -- that some people have more than others. So we had parks committee all over Portland saying, put the new parks in east Portland. So, there's the geographic changes at distribution, which I think is important, similar to the Portland Utility Review Board. There's some topic experts. There are other criteria for the -- I didn't know it was 18 now, I thought the last time I had input it was 15. So, there's categories of interest groups. I think it's a great suggestion to have the Office of Equity and Human Rights and possibly the Housing Bureau also to have some oversight.

**Hales:** Thank you. OK, Ms. Routh.

**Steph Routh:** Mayor Hales and members of the council, thank you for having me today. And I wanted to go after Jon basically so I could say, yes, what he said. Yes, what he said. I am a member of the advisory committee. I've also been a member of the Portland Bureau of Transportation Budget Advisory Committee for I think about four years. And one thing that I've noticed -- obviously, funding has been an issue since for about the last decade that I've been in transportation advocacy. It's certainly been a huge issue in the last four years that I have been on the Budget Advisory Committee. I think it was three years ago that we had to cut \$16 million, and that hurt. And a lot of people -- the number of members of the Budget Advisory Committee termed it as cutting into the marrow of the bureau. I do think that the bureau is pretty darn streamlined at this point, and voluntarily so, in some ways. And I just want to say I also grew up in Portland. I grew up in Parkrose-Gateway. There was not a sidewalk in front of my residence when I was growing up, there still isn't, guess what. And now I live in Lents, so I cross 82nd Avenue a number of times a day. And that is a cup of coffee every morning. As former executive director of Oregon Walks, I've attended many vigils of people who have been killed on our roads. It has become my new holiday tradition. Actually, it's somewhere between Thanksgiving and Christmas. Right around daylight savings time, someone's killed. It's usually on a busy road, it's oftentimes a road with sub-standard or completely lacking sidewalks or crossings, and I know that we are talking about the costs of this utility fee, proposed fee. There's also very high cost of our failing transportation system, and for whom it fails. And I'm really motivated to support a funding structure, any funding structure that can improve safety on our streets, as well as appreciating the fact that we need to maintain what we already have. And I'm supportive of the funding, but I do also have some concerns, the same concerns of low-income mitigation. One thing that I've learned on the advisory committee and talking with housing advocates is also other discounts that the city has structured that don't actually find the people who need to access them. So, I actually hope that this transportation utility fee is an opportunity to have a more robust conversation about other discounts in other bureaus, and how we can across the board make the city's allocation and administration of those discount programs more accessible and also more accountable through reporting. And I guess I'm looking at you, councilor Fish -- [laughs]

**Fish:** You're looking at me because you and I are completely synced up on this, and I thank you for putting it on the record. Because we do have programs for our water and BES customers, low income discounts for older adults trying to keep in their homes, things of that nature. We are not getting to all of the people that might benefit. And this is music to the mayor's ears, because he's always asking us to move holistically and not just bureau-by-bureau. And I think taking a broader

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look at how we market these programs, and making sure that people are aware. We've redesigned our brochures so that they're actually readable by older adults. The fonts, the information -- so I would love to follow up with you on that one, because we're eager to get the word out.

**Routh:** A number of housing advocates -- at least that we've talked with -- think that is a really robust conversation that we would like to have. And I think transportation advocates are coming new to some of that, and I think this is a good opportunity. So thank you very much for that.

**Novick:** Just to follow up on that, it's my understanding that the water and sewer low income discounts are up to \$40 a month. So, if we can reach the people who are not taking advantage of those now, even if they're paying a \$12 a month transportation fee -- actually, they would pay less, it would be more like \$8 transportation fee -- they would actually be \$32 a month to the good if they get a \$40 discount and pay an \$8 fee.

**Fish:** Well this broader question of how we get at multifamily developments and get discounts and apply them has been vexing us for a long time on the utility side. So regardless of the outcome of this debate, this is something we need to get right with all of our partners here.

**Routh:** Right. And I think because of this process, you also have more advocates who understand other issues outside of the scope of their mission. And then finally, a big one as of last night, decoupling the business -- residential and nonresidential. I'm interested in seeing that conversation take place. I am concerned about the idea that we may end up moving by November 14th far away from a 50/50 split between residents and non-residential commercial, and it would be very concerning to see something that gets beyond a high-five, you know from that.

**Hales:** I appreciate you raising that, it's certainly not my intent and I don't think it is anybody else's. In taking more time to work out the technical issues about exactly how we assess the trip generation of this business or that business, or this type or that type, it's not my intention to move away from the 50/50 split. That seems fair enough to me, and I think that's part of the deal, as far as I'm concerned.

**Routh:** I appreciate the intention, and I would love to see stronger statement. Thank you very much for your leadership and time.

**Hales:** Thank you.

**Novick:** Thank you.

**Hales:** Good afternoon, welcome.

**Matthew Micetic:** Hello. Thank you for inviting me. My name is Matthew Micetic, I own Red Castle Games on SE Foster Road. I also employ 11 employees there. So, I'm a little different from my compatriots up here in that I'm on the business side of things. I want to put it into perspective for everyone how it would work for me. It would account for about -- give or take -- somewhere between a quarter and one third of one percent of my revenue to pay for safer, better streets. And I think that's a completely reasonable fee. It's a utility that's more important to me than my phone bill, yet with the proposed fee structure as it is -- without even revisiting it -- it's still less than my phone bill would be. I think that, where I'm located on Foster, it's a high-crash corridor. And in my four years in business, I've seen four accidents personally outside of my business. I've had one customer witness a fatal accident a block away. It's not a safe area. It's not a safe street. And I know I've had customers mention, oh, it's horrible parking, it's horrible getting around. There's intersections like 82nd and Foster that -- even on non-rush hour times -- they're bad intersections. And anything we can do to help address these issues is good for my business, because it makes it easier to have UPS get their goods to me, to have my customers get to my store easier. These are, in fact, good for me. And I know coming up soon is going to be the Foster streetscape plan where we are going to look at making Foster a safer street. And it's taken, gosh, I think seven years to get here. And I would love to see that for more streets around town. I grew up on 150th between Division and Powell, and to this day, it's still an unimproved street. And I would love to see that paved. And I think improving our infrastructure -- everyone bears the responsibility. And while this

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isn't a perfect proposal -- no proposal ever is -- the fact is that the proposal from Commissioner Adams several years ago was \$5. Now it is \$11. If we keep waiting, how high will this proposal go? It's a pay less now or pay more later. And from a strictly business sense, I would rather pay less now. Thank you.

**Hales:** Thank you very much. Do you have others you invited?

**Novick:** Mr. Mayor, we don't have another official panel, but we have some organizational representatives that I would like to --

\*\*\*\*\*: Can we please hear from the public [inaudible] we've waited for two hours [indistinguishable]

**Hales:** Hey, hey. So have we. So, we're going to let him call the public organizations that are here.

\*\*\*\*\*: The support the people who [indistinguishable] [shouting from the audience]

**Hales:** Ma'am, you're going to both need to stop --

\*\*\*\*\*: [Indistinguishable] Hour talking, when are we going to have time [shouting] --

**Hales:** Excuse me, this is a big deal. You need to hear the facts, and so do we all. We are going to have the facts, which we have just done. And we're going to invite people to testify, and we're going to hear you.

\*\*\*\*\*: You're not going to cut it short and say it's running too late?

**Hales:** No, go ahead.

\*\*\*\*\*: Two minutes? That's cutting it short [yelling]

**Hales:** Enough, please. This is a deliberative body, and we're not going to have shouting. Let's get going.

\*\*\*\*\*: Let's respect [indistinguishable]

**Hales:** Ma'am, I'm going to ask you to stop, and then I'm going to ask you to leave. Steve, go ahead.

**Novick:** I would like to ask David Leslie from Ecumenical Ministries to come forward if he is here, and David Widmark of Home Forward, and Neil McFarlane of TriMet.

**Hales:** Welcome.

**David Leslie:** Well, thank you very much for the opportunity to be here, Mayor Hales, Commissioner Novick, and the rest of council. I feel like it's a little bit of a moving game, so I had testimony provided from what I knew this morning, but what I think is pretty germane. Ecumenical Ministries of Oregon is a faith-based organization. We have a number of congregations, community ministries, and denominational offices in the city of Portland. So the user fee, of course, caught our attention. I want to first say that we are here today neither in support or opposition. We only have two categories, but very concerned about the way this is being put together. And at the same time, I want to affirm the importance of a necessity for well-maintained streets, functional sidewalks, and safe crossings, understanding that this is a responsibility from the maintenance and development side of all who work, live, and even visit this city. But the key issue for us is how this responsibility is developed, how the projects are developed, and how the associated costs are determined and shared. So, herein lies our concern. First, as it relates to the residential rates -- and I do really appreciate the openness to start looking at those very systemically -- we also are very concerned how that will impact Portland residents. I think as you well know, there are many residents in our city who work and yet day in and day out, don't make enough to make ends meet. We have seniors on fixed incomes with the same problems, and low income folks that are losing ground, not gaining ground economically. So, the proposed fee at 138 or 97 and now amended, possibly, still are really egregious for a lot of our folks. We have an emergency food program in the Cully neighborhood in far northeast Portland. And I can tell you from our staff report, every day we are starting to see more and more working people and seniors on fixed incomes who are not making it month to month even in the current economic climate. And this is just another piece of the household budget they will have to deal with no increase on the revenue side. Additionally, we are very concerned about the

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impact on faith-based and community-based nonprofits that -- as you know -- are vital parts of the city's safety net system. Using the fee calculator on the website -- which, by the way, we just found out about last week and were not part of the task force and the conversation, so it was new news to us as it was to probably a lot of people here. What we discovered was that many of our congregations, social ministries, and denominational bodies will end up paying thousands of dollars a year under the current fee structure. This is not a segment that can charge more money for product, there's no way to kind of get that back, so it may result in cutbacks in staff or services. Additionally, many congregations in the city provide free or reduced rental space, service, or performance space to other community-based organizations and non-profits. So what might happen is we might have to end up raising facility fees to underwrite additional costs, which puts further stress on another nonprofit sector in our community. Kind of a vicious, roundabout economic cycle. I do want to say something also about the process, and I think you all are taking this very seriously. But I really think it is very important to have total -- as much as we can community input on the process. I think one thing I would just say about that, now that we know the rates -- and we didn't know that a week and a half ago -- I think it's really important to go back to the public and say, here's what we are thinking about and get that impact to have this robust conversation at 20, 30, town hall meetings rather than the limited amount which is in concept -- now we're talking about real design. I think it's also important to look at how other communities do this. We have the list in Oregon and outside. Because there is a variety of caps on fees, what do you do with the non-profit sector? What do you do with the religious sector? It would be good to get more information from that so we design the best possible program in this city. So at the end of the day, I really want to thank you very much for getting this out. Because again, from our membership, we do really understand the importance of well-maintained streets, sidewalk safety. It's important for the religious community as it is for the general community. I also think at the same time it might be good to stake a little more time on this and look at how is this going to be enacted in the most equitable, sustainable ways possible that minimizes economic hardship for those living on the margins, and that part of our community to serve every day those living on the margins in our city. So thank you very much for the opportunity to be here.

**Hales:** Thank you for your testimony. One thing I guess I would like you to check on -- and I'll ask the transportation bureau to do likewise -- did any of those other 28 cities treat nonprofits or churches differently? We do under the property tax system, because it's a property tax. But I don't believe there are utilities that exempt nonprofits or churches, including city utilities, like those 28. But we ought to check on that.

**Leslie:** Yeah, I don't know. It's in our research base right now also. So something to check for sure.

**Hales:** Thank you.

**David Widmark:** Thank you. Mayor Hales, Commissioners, thank you for this opportunity to offer comment today. My name is David Widmark, former Gresham city councilor and current chair of the Home Forward board of commissioners. We appreciate how hard it is to allocate scarce resources to accomplish a sometimes overwhelming need. We also deeply appreciate the partnership the city of Portland is in in helping us to meet that mission to house the most vulnerable within our community. We are here today because we are very concerned that the proposed fee unintentionally collides with that mission in ways you may not have anticipate through our VASH program, which is a veterans assistance program; through the short-term rental assistance, the STRA program; Section 8; and other programs. In short, our initial analysis of this impact on Home Forward, the agency that provides assistance to over 15,000 people in this community we serve, ranges from \$700,000 to \$1 million per year based on the analysis we had as of this morning. With me today, I also have Jill Smith, who will be testifying later. She's the director of our rental assistance program. But before I go on, I want to thank the staff from the Bureau of Transportation who met with us recently to express their willingness to work on a solution as noted in the letter to the Oregon

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Opportunity Network. Home Forward and another nonprofit colleagues stand ready to work with you to address this problem on our streets and sidewalks and protecting our vulnerable citizens. Thank you again for this time.

**Hales:** Thank you.

**Fish:** Chair Widmark, can I ask you a question? Jill has signed up to testify?

**Widmark:** Yes.

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

**Widmark:** You did not?

\*\*\*\*\*: [inaudible]

**Fish:** Can we have her come up, David? She administers the Section 8 program. David is very knowledgeable, but she actually administers it. She can come after the TriMet --

**Hales:** Sure. Stand by, thanks. Thank you very much.

**Neil McFarlane:** Mr. Mayor and Commissioners, thank you for the opportunity to comment. My name is Neil McFarlane, TriMet general manager. And I wanted to offer three particular comments about the fee. First, we recognize that repairing and making the roads will be an advantage to our customers who will have a more comfortable ride, and also to our operators who will have a safer chance to operate our vehicles on safe city streets. Second, the proposal, which includes a number of investments related to sidewalks, is incredibly important to us and our business long-term. Somebody has described a transit trip as a nice walk interrupted. And what I really do appreciate is the chance for you to have more investments in that walking phase of a transit trip. Transit riders are pedestrians at the beginning and end of the trip, and so making that effective and safe is incredibly important to our mission and we appreciate your attention to that in this proposal. Third, and perhaps to make that more specific, your focus on improvements in East County is incredibly important to us. It's an area where we're focused, related to the equity and importance of adding transit service, particularly along 122nd, which is one of the key very busy corridors that is targeted by the program that you have in front of you. But let me note how we would take advantage of that. My commitment to you is that if you make these improvements along 122nd, from Parkrose to Lents, we will then follow up and make line 71, or the equivalent of it, our lucky thirteenth frequent service bus line, because it is a very strong transit corridor. But again, access to and from that corridor is challenged right now in terms of safety of sidewalks, of lighting, of safe crossings which are incredibly important to making a fully successful transit corridor. And I would also note that that's the kind of model that we at TriMet have been trying to develop with the city over a long period of time, but also with our other jurisdictions that we serve in the region where there are physical improvements to make transit access desirable, safe, and comfortable, and then we can follow on with a very successful increment of service. That's a synergistic approach to transportation investment, and we really do appreciate the opportunity to forward that. We're certainly mindful of the impact the new fee can have on businesses and residents and their obvious interest in digesting the details. We have digested the details with your very capable staff, and we believe that the program is well-considered, well-balanced, and is fair and equitable. I read the proposal that has the low-income reduction. We as an agency are also focused as you are on equity and making sure that we serve transit-dependent riders particularly, and we think that is an important step. I would like to thank Commissioner Novick and the mayor for their leadership, and again offer our support in continued partnership with you in serving the transportation needs of the city of Portland.

**Hales:** Thank you. Questions for this panel? Thank you very much.

**Fish:** David, could you stay? And we'll just substitute Jill in in case there's questions for you.

**Jill Smith:** Thank you. Mayor Hales, Commissioners, my name is Jill Smith. I'm the director of the Rent Assistance Program at Home Forward. The housing choice voucher, or the Section 8 program as it is commonly known, allows low income families to choose to rent anywhere in an open market.

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Oregon just passed landmark legislation to become effective July 1st, recognizing this subsidy as a protected source of income, meaning landlords can no longer deny a rental application from someone just because they are low income and have a housing choice voucher. The city of Portland has worked to protect this group of renters and to increase access to multiple housing options throughout the community. Two critical things to know about the proposed fee impact to this group. Over 4300 of these very low income families are renting apartments in the Portland city limits in buildings that are not eligible for the discounted rates. There is currently no mechanism proposed for them to receive the discount. As an aside, the discount for a household with little or no income is still a really big hit to their budget. As Chair Widmark pointed out, people may be faced with foregoing critical needs such as food, copays, and critical medications over just a few dollars. The entire community has rallied to help vulnerable veterans through this program, specifically for high barrier chronically ill veterans, and it's taken huge amounts of collaboration in our community to achieve this between the city, county, Home Forward and Veterans Administration. I'm happy to say 360 of these folks are currently housed, and of those, 137 are renting in the city limits in units that would not be eligible for the discount. We cannot afford to destabilize those we have worked so hard to protect. Again, we appreciate the willingness of PBOT staff to work with us, and we have met with them. In order to protect our low income seniors, people with disabilities, families, veterans, including those with no housing assistance, we urge you to slow this process, work in partnership with us towards a more equitable solution. I'm happy to provide follow-up, answers, research, questions.

**Fish:** I haven't been briefed on this prior to today, but I have two questions. Chair Widmark said the impact on Home Forward could be between \$700,000 and \$1 million. How would this impact Home Forward as opposed to the individual voucher holders?

**Smith:** Recently, Home Forward made plans to invest up to \$3 million over the next three years to increase payment standards, which is the amount of subsidy provided to voucher holders to allow them to access units in all areas of the community. And that's rent assistance dollars going to landlords, and that money will be going to pay this fee rather than helping us to access those units.

**Fish:** Is the area that you're asking us to focus on specifically Section 8 voucher holders? Which is largest housing program in the state -- you administer about 8000 of those vouchers, although you've told us about 4300 households would not be eligible for the discount in Portland.

**Smith:** Correct.

**Fish:** The VASH program, which is the veterans supportive housing program, which is the gold standard in housing -- it's services plus housing for formerly homeless veterans. You've identified a number of them who are housed in buildings that would not be eligible. You didn't tell us what the linkage was to the short-term rent assistance program, the STRA program. How would that be impacted?

**Smith:** Really in a similar way. That's a program that folks live throughout the community, not in designated low-income housing, and it's really an eviction prevention program which the city and county and Home Forward and several community partners contribute to. So there is no way to identify the units and these low income people. It's a landlord fee.

**Fish:** So vouchers either follow the person or the building, generally. They're either project-based or they go to the individual.

**Smith:** Yes.

**Fish:** Have you had a chance to come up with a -- from your point of view -- a proposed fix to address this concern?

**Smith:** We've talked about a few things, but it was really just brought to our attention a few days ago, so we haven't had a lot of opportunity.

**Novick:** Commissioner, Jill, David, there's one thing I wanted to clarify. We considered the possibility of completely exempting certain low-income people from the fee. The problem is, our

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lawyers tell us that if you get into those kind of -- at a certain point, when you are exempting people based on income, then the courts will say it's not a fee, it's a tax [laughter] and you get into the issue -- then you get into the issues -- [yelling]

**Hales:** Folks, you need to let people speak, including members of the council.

**Novick:** Then you get into the issues we had with the arts tax, where we say, do we have to exempt people on PERS, etc. So that is the quandary that we find ourselves in. However, this does not go into effect until next July 1st, and that gives us some time to think about a variety of ways that we can mitigate the impact on the lowest income people.

**Fish:** Commissioner Novick, is one option just conceptually to look at voucher holders whose income is zero to some amount, and just declare that people with below a threshold across all categories would be exempt?

**Novick:** Commissioner, based on what the lawyers have told us, I'm not sure that that's possible. We can explore that. I don't think you do that with a sewer bill, do you? Is there anybody who is exempt from paying a sewer bill?

**Fish:** The difficulty here is, as you know, the sewer bill goes to the landlord in multifamily buildings where we have low income folks, and there are different ways it gets apportioned.

**Novick:** But the same would be true here.

**Fish:** Well, yes and no. These are voucher holders, and -- I don't -- we could spend the whole hearing talking about the way it's regulated differently by the federal government. But the bottom line is there are voucher holders with no income who -- or very little income -- who can't pay more than 30% of their income pursuant to the voucher -- which could be next to nothing -- for whom any fee is a tradeoff, and there is an impact on the dollars Home Forward can put into this program which we have asked them to up their investment to get to choice neighborhoods. My guess is there's a solution that we can find with the lawyers, and you've made a commitment to work on it.

**Novick:** Thank you.

**Widmark:** And we're willing to do that.

**Fish:** Thank you for framing the issue for us.

**Smith:** Thank you.

**Hales:** Thank you very much. Steve, do you have others that you plan to call?

**Novick:** I think there are three other organizational representatives or heads here -- and I realize that everybody else is waiting -- but I would like to know is Heather Hoell from Venture Portland; Tom Chamberlain from the AFL-CIO; and Andrew Frazier from the small business advisory committee would be willing to speak.

**Hales:** Come on up, please. Good afternoon.

**Tom Chamberlain:** Good afternoon, Mayor Hales, Commissioners. My name is Tom Chamberlain, and I'm president of the Oregon AFL-CIO. This has been a very interesting discussion today, and I want to commend you first of all for your willingness to have continued discussions on how this is funded. But the bottom line is we can't kick the transportation can down the road. Portland was founded as a port city. It's a transportation hub. Our infrastructure, our economy is dependent upon it. Folks need to get to and from work, and it's a problem that has been ignored far too long. While I understand there may be some wrinkles in the revenue, the basic concept of repairing our streets, keeping them safe for our kids, has to be addressed and has to be addressed now. For example, I happen to live in southwest Portland. I live in a neighborhood that has streets that aren't paved. I have five grandkids that go to a park that doesn't have crosswalks. And people going up and down Capitol are doing 40, 50, 60 miles an hour. Those things need to be addressed. In east Portland, it's even a worse problem. So, please, do not kick this down the road. Get the job done. Thank you.

**Hales:** Thank you. Heather, welcome.

**Heather Hoell:** Thank you, Mayor Hales and Commissioners. My name is Heather Hoell, and I'm the executive director of Venture Portland, but I'm here today filling in for our president Brian

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Alfano who had to duck out for a family commitment. As you all know, Venture Portland is the support system for the city's 50 neighborhood business districts which contain 19,000 businesses and provide 250,000 jobs. 98% of Portland's neighborhood businesses have five or fewer employees. As those dedicated business owners know in Portland, small is really big, which is why the business impact of this proposed street fee is so hugely out of scale with Portland's neighborhood businesses and business districts. We all agree that well-maintained and safe roads are critical for business success. That said, based on feedback from neighborhood business district leaders, Venture Portland has concerns about the fee as currently proposed as well as recommendations for improvement. On business rates, the trip model being used to generate business rates is based on national data and does not take into account the unique nature of Portland's neighborhood businesses. As I said earlier, 98% of Portland's businesses have five or fewer employees and work out of proportionately small spaces. Using trip generation rates for superstores, strip malls, and drive-thrus doesn't make sense for the size and scope of neighborhood businesses. Recommendation. Portland-size the fee model. Broadway Books on northeast Broadway generates significantly less trip volume than a book superstore, and shouldn't be charged as one. Posies Cafe in Kenton generates fewer trips than a coffee shop with a drive-thru, and also shouldn't be charged as one. Recommendation. Make the calculator user-friendly. Help businesses understand and plan for increased costs by streamlining business categories and providing definitions. Currently, an eatery like Wilfs in the Pearl has to search through a long laundry list of unwieldy and alphabetized terms like fast-food restaurant, high turnover restaurant, or quality restaurant, alphabetized under F, H, or Q, instead of simply searching for restaurant, and then being able to pull out the appropriate category. Recommendation. Flip the fee rate discount. Currently, the smallest businesses that generate the fewest trips are paying the highest per trip rate. Costs should ratchet up per trip instead of down, having lower trip generating entities paying lower costs. Final recommendation. Ensure billing equity and transparency. Appropriate bills need to be sent to the entity responsible for paying them. Asking property owners to manage residential fee discounts and determine individual rates for each of their tenant businesses creates an unfair burden, hinders business's ability to accurately plan for costs, and generates unnecessary equity and oversight issues. Speaking of oversight, with at least 50% of projected street fee revenue coming from non-residential sources, it is critical that at least 50% of the members of the oversight committee represent businesses or business support entities. Recommendation. Non-residential representation could include business owners, advocacy groups like Venture Portland, or nonprofits like churches and schools. As you've heard from hundreds of businesses in the last few days, Venture Portland is concerned -- as are neighborhood businesses -- about this legislation. We appreciate the effort that Mayor Hales and Commissioner Novick have made to present this fee to neighborhood business districts, and we strongly encourage you to utilize the creative minds of the business community to craft workable legislation to affects the bottom lines of these businesses and sustainable solutions to the issues that the city faces. On behalf of Venture Portland and neighborhood businesses and business districts, I urge you to slow down, implement the recommendations from Brian, and enable Portlanders to vote on issues that significantly impact them. Thank you. [applause]

**Hales:** Folks, remember, wave if you like it, but, please. Go ahead.

**Novick:** Mr. Mayor, may I make a comment? Two comments. One, I just want to make it clear to our listeners and viewers that it's not as if a small business is charged the same amount as a superstore, because square footage is counted in. It's an amount per thousand square feet. On the issue of the highest trip generators and the lowest trip generators, I hear what you're saying. Something to consider, though, is that the very highest trip generators tend to be things like schools and hospitals. So, I don't know that we would want a formula that has schools paying much more per trip than smaller organizations. So that's something that we have to work through.

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**Hales:** I like the suggestion on the calculator, by the way. As you know, those clunky categories are from the ITE manual, not from the imaginations of our staff, but your idea about combining it in a way that people can reach it better is very helpful. I bet we can do that. Thank you.

**Andrew Frazier:** Thank you, Mayor Hales, members of the council. I'm Andy Frazier, I'm a small business owner and resident in Portland, and chair the alliance small business committee as a part of small business groups and committees for a number of years. I want to start off first by saying that I think everyone understands that there is a need to improve transportation. I don't think that is up for debate. Although, I think we are moving too fast, too much, too soon, too aggressive. I don't know if either one of these concepts, residential or the business, are ready to be voted on, and I personally don't believe that they should be voted on separately. I think this should be one package and bring it here and discuss it. There seems to even be changes as we are sitting here today with the amendments on the six, eight, 12, or whatever the final cost was. I think it would be fair for us to understand how that affects the revenue from the proposal of \$40 million or \$50 million. My point being I think we still want more answers than we do questions. As an example, I live here and work here and have a small business and I will pay this fee twice, as a resident and as a small business owner. I recognize that you made the adjustment on the single-owner credit, but I have a partner who is not my wife on my business. So I don't qualify. I think last week it was, you know, sole proprietor under 10 employees. I don't remember seeing the 10 employee part here anymore. I guess what I'm getting at is I don't think we're ready for all of this. Let's just take a pause and work it out. I think you can get people on the same page, but I don't think you should do it separately. I don't think you should pit residents against the yogurt shop owner down the street by passing one and then, you know, going for another one. That's essentially what is going to happen. Just sitting here already, I've heard a number of comments saying, hey, businesses are going to get a better deal after we vote this one in, when I think we all know that businesses are probably going to get a worse deal. That is typically what happens in these things. Let's just put it all on the table at one time. I think that when we look all of the other communities, we talked about the 28 other cities that have this type of fee, I don't argue with that. I'm sure you are 100% correct, but I would be surprised if they also all had an arts fee, if they also had FOG, if they also had paid sick leave, if they also had BIT, BLT, all of these other layers of fees that are being applied to us at the same rates. From my understanding, if they have it, it's usually at a lower rate than what we're paying, and these things add up. Just like anything. There are going to be residents who can afford this, and it's going to be fine. There's going to be small businesses who can afford this, and they're going to be fine. But there is going to be a lot who can't. Those are the ones that we are devaluing at this point. And from my understanding, we can't go in and exempt who we want to exempt, and we shouldn't. We should have a package, we should bring it, and it should be fair and equitable to everyone out here and allow us small business owners to survive. Like I've mentioned before, it's one pot of money. They pay themselves after they pay everyone that works for them and everything else that is going on. These things don't help. As we've always said, we're willing to work with all of you to come to some kind of solution. We know we need to improve transportation. It is an all over Portland problem and we're willing to help, but I think we're going too fast. Thanks.

**Hales:** Thank you. All right. Anyone else? [applause] Folks, folks, please, I don't know why I have to keep repeating it. Folks, wave your hands. Steve, anyone else you want to call?

**Novick:** I do not.

**Hales:** Let's go to the sign-up sheet then.

**Parsons:** The first three come up, please.

**Hales:** Good afternoon.

**Paul Romain:** I guess my name was called first, I will go first. I'm Paul Romain, Mr. Mayor, members of the commission. I am an attorney in Portland, and I represent the Oregon petroleum association. And I first want to do something that is really politically incorrect, I want to ask people

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behind me to not wave their fingers or their signs or anything else, even if they agree 100% with what I'm saying, because all it does is distract from the people we're trying to talk to and it doesn't get a message across. So, please, keep your hands down. Thank you. That's number one. I know none of you can do that, you're in elected office. [laughter]

**Hales:** I'm keeping my hands down, but, please --

**Romain:** Yes, you can keep your hands down, too. Number two is I have the privilege, or unfortunate privilege, of being around seven years ago when the street fee was around. And a lot of games were played with that fee. What happened was first it was one fee, and then it was broken into three fees, and then it became one fee and it was all in an effort to avoid a public vote. And we played games on our side, too, and we pretty much forced it into a public vote and then it was withdrawn. But it became a game play. I want to commend the ones that I have dealt with -- and I've dealt with two of you recently. You guys have done a great job in keeping it above board. Basically talking about the issues -- we may disagree -- but you have been talking about the issues and keeping it where it should be, a policy discussion. We can still disagree. I understand the dilemma you're under. When we passed or you adopted a utility fee years ago that was supposed to go towards streets. It's gone. Whether those were good decisions or not, it's gone. It's not available. We raised the gas tax six cents a few years ago. I don't know what you've done with that money. It may not be around. The fed -- it was a minor part, frankly, of all of this. So, you do have a dilemma. The problem that I have with it is that we need to have that full discussion before you adopt something. And there would be that discussion, because whatever you adopt -- whether you send it to the ballot or not -- will go to the ballot. It will be on the ballot one way or another, whether it's simply residential or a combination. There's enough people here that will actually put it on the ballot. So what we're saying to you is please, as you saw from the discussion before, there's a lot of pieces to this puzzle need to be put together. We need time. Please don't allow us to have that political advantage, if you would, of putting it on the ballot ourselves. Either you delay it and then work with us, or put it on the ballot yourself. Don't let us do it. Thank you.

**Hales:** Paul, you've been around these issues for a while.

**Romain:** Yeah, unfortunately.

**Hales:** Can you reflect in the history here on why the other 28 cities didn't send the matter to the ballot?

**Romain:** I have absolutely no idea. Mr. Mayor, I make it a policy never to get involved in city politics. I've done that -- [laughter] I got dragged into it seven years ago. I hated it then. I swore I would never do it again, and all of the sudden this thing comes up. And I have the clients. And we begged our way out of it, tried to.

**Hales:** Some pretty conservative places like Grants Pass and Medford did this by council action. So I don't know if they were called upon to send it to the voters or not. We'll obviously talk to those cities and find out. Secondly, if this fails, whether it fails in this chamber or fails on the ballot, what's your suggestion for our next option?

**Romain:** Well, your plan B -- first of all, I'm not the elected official. My job is to basically represent people who are having problems with this. That's why you're paid the big bucks. [laughter]

**Hales:** We hadn't noticed, but keep going.

**Romain:** The problem you have is that you made some choices -- you being the council, not necessarily any of you individuals -- you made some choices. You built a streetcar. Hey, that's a wonderful thing if you've got money. You're doing a study of light rail to Tigard, I understand. That is a great thing, if you have the money. You put money into police and fire and public safety stuff. Yes, that's a great thing. But that's the discussion that needs to be had. We had the money dedicated to a particular purpose, and then it got moved. Should we relook some of those things? I mean maybe it is a sacred cow, but maybe we need to look at some of the things that we're doing out there

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-- and, you know, even police and fire, even though I love that stuff -- and you're talking to a person here who has never voted no on a tax issue. I vote for all of these things.

**Hales:** I think we will have to face the question if this fails of what's the next option. Is it a local gas tax? Is it a local sales tax? Those are the choices that have the potential of raising something about this amount of money. Now the local gas tax would have to be about 50 cents a gallon to raise \$50 million.

**Romain:** Right. And you would have to put that on the ballot because of the change we got in 2009.

**Hales:** Right. Those are the other choices. As you may know, the city's workforce in the last 10 years has shrunk. We had 1300 police officers 10 years ago and now have 1200. So those positions that are funded by a combination of revenue sources in the general fund -- including utility franchise fee -- there are less than 10 years ago. So in order to try to do this out of the utility franchise fee, we would be facing pretty massive cuts in police, fire, and parks.

**Romain:** I agree with you, you might be. And that's a good public discussion. When the public understands that, maybe they'd vote for this thing. I'm not saying I wouldn't vote for it. For me, I mean, I'm very fortunate. I do well. So, I can afford to do all of these things. I can be crazy with a lot of different financial issues. But what you need to do is convince the people that are margins out there -- that they, too, can invest a little more and they don't want to take it from these other things. And I think that's the only thing that seems to be lacking here.

**Hales:** Thank you.

**Romain:** Thank you.

**Hales:** Good afternoon, welcome.

**Eric Fruits:** Hi, Eric Fruits, I represent Laurelhurst neighborhood association, I'm a board member there. And I will start off by saying that we had a unanimous board vote and voted to not support this measure as it is, for the main reason being there has not been sufficient time for any input from any neighborhood community. If you think about it, our last meeting that we had was just on Tuesday. We meet every other month. This measure is changing -- it's literally changing by the hour, it seems. And there isn't any sort of opportunity for input. When I look back at our dealings with the city of Portland, with the Portland Bureau of Transportation, they have been very productive. I would say that some of them have bent over backwards to communicate with us. When the leaf fee pick up charge came in, they called us and asked if they could present that to our meeting. With recap, which has been billed as minor and technical changes to the city code, we've had a huge amount of outreach from the city to discuss this. We have gotten absolutely zero contact from the city on this. It has been railroaded and pushed down on us with absolutely no input at all from neighborhood associations, and for that reason, we have opposed that. Our general membership voted -- if you are involved with the Office of Neighborhood Involvement, you know that now no longer general memberships are allowed to have any voice -- our general membership passed a non-binding resolution that was slightly different saying they do not support this measure unless it goes to a vote of the people. That's our standpoint on that. Also backing up, we also have good relationship with PBOT. And we also do recognize there is a lot of work that needs to be done on our roads, and we think that it does need that sort of support. But the same time, we are actually using our own money. We are not a rich neighborhood association, because we have no businesses in our neighborhood. We are using our own money to maintain Coe Circle, which is owned by PBOT, that is PBOT's responsibility to maintain. We are now paying someone to mow that ourselves. That's our money we are using from our garage sale revenues and donations from people to pay for something that PBOT should be taking care of. I will take off my LNA hat for a second and put on my economist hat. And there's been something that's really bugging me about this. I know that PBOT is very, very confident that they can impose this fee, tax, whatever, on other local and state and federal governments. But I've had some informal conversations with people at the federal government, and they seem very suspicious that this fee cannot be imposed upon them. That

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does two things. One, you're wasting a lot of time trying to collect money from something that you can't collect money from. But, also that's going to ruin your revenue projections. Your \$40 million tax revenues could drop to something like \$30, \$20 million.

**Novick:** Mr. Fruits, other cities that have adopted such fees have been able to collect them. I actually haven't asked them at the federal government. From local governments, from schools, they have collected them. I also want to ask you -- we've had several pretty well-publicized town halls over the past couple of months where we discussed the possibility of an \$8 to \$12 residential fee. Did you attend any of the town halls?

**Fruits:** I did not, but I understand that things have been different since those town halls, and those town halls were more of a listening session on our end than a listening session on your end.

**Novick:** We discussed the possibility of an \$8 to \$12 fee, which is what we're discussing today.

**Fruits:** But wasn't it 11.56 last week?

**Novick:** I think that 11.56 is between \$8 and \$12.

**Fruits:** We can quibble. But again, this is a moving target. I had some exchanges with PBOT regarding food carts, for example. One day, they were insistent that food carts were going to have to pay. And then the next day, they said, oh, we changed our mind, now they do have to pay. Up until about 45 minutes before the announcement was made last night that you were taking the business section off, I got a tweet from PBOT saying everyone has to pay, schools, businesses, federal government, just like everyone else. 45 minutes later I get a call from Willamette Week saying, guess what, everything's changed and everyone left the building and they won't talk about it.

**Novick:** Actually, we've made it clear that everyone will pay, but in terms of the precise composition of the non-residential fee, we're taking some more time to look at that, but we're also going to pass a resolution saying that if we do not pass a nonresidential fee, there will be no residential fee.

**Fruits:** Why can't we consider this all together at the same time? Because it really is a package. It's a package that should be considered together. Because if you can't raise that money from the nonresidential side, then you have to balance on the back of the residential side.

**Hales:** We're not going to do that. He just said that, and that's what's in the resolution. The reason for the division of the matter is that the residential fee may not be popular, but it's simple.

**Fruits:** Well, I think we're all grown-ups here. We know exactly what's going on. We know that this is a divide and conquer strategy to separate the residents against the businesses, pit one against the other, and play a game with the -- [applause] We know that. Come on. Don't play a game with us. We all know what's going on, and we know how the world works.

**Hales:** OK. Thanks. Go ahead.

**Craig Rogers:** Thank you, council for the opportunity to be here. And I'm here as a citizen --

**Hales:** Would you give us your name?

**Rogers:** Craig Rogers.

**Hales:** Thank you.

**Rogers:** And my political education has been a gradual thing. It started in the 4th grade when I went to Barnum and Bailey circus and there was a gentleman standing next to me by the name of Terry Schrunk and they introduced me. It's the only time in my life where I ever asked for anyone's autograph, but it stayed pinned up on my wall for many years. And then, in the 6th grade, my father is introducing me to a gentleman who is a seat mate on the flight back from San Francisco, and that was Mark Hatfield. And then I was in my early 20s and I was in the lobby of a building, just a gentleman and I on a rainy day, and he was wearing a little pork pie hat. And back in the day they put plastic over it on rainy days, and that was Wayne Morse, and I had my opportunity to introduce myself and have a conversation with him. Those gentlemen I have a lot of respect for, because they represent a democratic process which the cornerstone is to vote. And I also had the good fortune to attend Duniway grade school, named after Abigail Duniway. And if you get into looking at her life,

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she came out here on the Oregon Trail, family member dying along the way. Soon after they get there, her mother dies, then their family suffers financial hardship. She opens up the store and she listens to the clientele talking, and they're talking about a lot of their problems. And she realizes there's no resolution for their problems until they can vote. So she organizes people to vote. Cornerstone of democracy. And when she finally met her goal -- there was nobody better than her from her experience in life to have gone through what she needed to get the right for women's vote. And in Multnomah County, Abigail Duniway was the first woman to register to vote. And this is a major policy. And I think we deserve the right to vote on it. Thank you. That's all I have to say. [applause]

**Hales:** Next. Let's take three more and I want to call up Captain Sheffer, because she has a big event to deal with tonight and she's here.

**Parsons:** The next three please come on up.

**Hales:** Go ahead, Paul. You're on.

**Paul Cone:** Good afternoon, Commissioners, Mayor. And I apologize, I prepared for three minutes and I have done lots of editing so I will try to keep it short. My name is Paul Cone and I'm the secretary treasurer for the city of Portland professional employees association, which is also known as the COPIA chapter of the professional and technical employees local 17. I am a PBOT employee, but I'm here today on union time as a union leader. As labor rep to the bureau's Budget Advisory Committee, I'm quite familiar with the bureau's budgetary process, but I'm also the person who many PBOT employees reach out to when they're worried about layoffs due to budget cuts in our bureau. So, you could say that I've been privy to a lot of discussions about the PBOT budget, even though I am not management. On behalf of over 700 professional city of Portland employees, and especially PBOT's 130 COPIA members, I'm here to speak in support of council taking action to adopt the proposed transportation user fee. And I should say, you know, I'm here to support it in some general form. I understand there's been a lot of discussion today -- it's obviously a moving target -- but, in general, we support the idea. We PBOT engineers, planners, technicians and other professional staff have been through too many rounds of threatened budget cuts and layoffs since reform efforts began. Years of revenue uncertainty have led to budget after budget with not enough money to provide maintenance and safety improvements to our critical infrastructure. Today's street fee plan is a culmination of a long and deliberative process that started almost 15 years ago with much public involvement, in consultation with a wide range of stakeholders. While equity remains a difficult goal to meet in assessing fees, the current plan is a generally fair method of discern that all Portlanders contribute to the maintenance and safety of the transportation system that we all rely on. This fee will not fill the funding gap entirely, but we will make a critical improvement in our infrastructure that every resident and business will benefit from. So we, your professional staff, have seen firsthand the impact that deferred maintenance has on the cost and complexity of keeping over \$8 billion of city of Portland public infrastructure in good condition. As we all know from our personal finances, avoiding maintenance costs in the present increases these costs in the future. The question you have before you today is whether to accept our maintenance responsibilities now, or push higher costs on future Portlanders. In our work, we strive to create lasting improvements for the city that coming generations will thank us for, and we urge council to do the same by approving this street fee plan and setting PBOT on a road towards the future. Thank you.

**Hales:** Thank you.

**Robert Pfeiffer:** Good afternoon. I'm Bob Pfeiffer, and I'm from an area mentioned several times today, Parkrose. The concerns I'm having are that the paving of the street, the way they're doing it -- we just had a section in my area on Fremont Street that was paved between 105th and 112th. That area wasn't really that bad. 122nd is a whole lot worse. Why didn't they do that first? I ride a motorcycle to work every day. That's my main means of getting around. I am very intimate with many of the roads and the potholes. I know them very well. Also saw something on the news, they

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were talking about the sidewalks being in bad repair and having to do those because they were a safety hazard. What about the potholes and motorcycles? Those are a safety hazard also, same concern for liability. One thing I am for is I would love to see this voted on rather than pushed to us. But if it were pushed to us, there's other things that I would want to see, too. Like, I see roadways put in. Freshly paved, and within two, three weeks they are being dug up because utilities have to put stuff in. That's ridiculous. There should be a moratorium like a three-year limit where they cannot do any type of thing unless it's an emergency situation, a busted water main or something like that where they have to go in. Because we see streets that are done and then they're being torn back up, and it puts them right back into disrepair, they fall apart faster. And the concerns I had about the people with low income, no income, has already been brought up. Another thing, too. The money going out for curbs and for lanes and the flashing lights -- they're great. But they're being done now with monies that are being -- that you already have. Why can't we take this, the fees that are going to be taken for the roads, and use them strictly for the roads? Nothing else. And get the roads done. And also, one quick thing is we would love to see some motorcycle lanes on our freeways where we can get by the really heavy traffic areas when they're stacked up really bad.

**Hales:** Thank you very much.

**Novick:** Mr. Mayor, do you mind if I? There's a couple of points that you made, Mr. Pfeiffer, that I wanted to respond to. Not all of them. But one is that we share your concern that we should not see PBOT fixing up a street and NW Natural or PGE tearing it up right after that. That's something that Director Treat is really focused on. She came to me a couple of months ago and said that in Chicago, they had a better system based on shared software with the utilities for ensuring that they did not have that kind of conflict and duplication. So we reached out to the utilities about six weeks ago and asked us to work with us in developing that kind of system. So that's something we are very focused on.

**Pfeiffer:** OK. I've been at Parkrose since 1964, and it seems like every time a road's done, you are right back through and they're digging it up.

**Novick:** We hear you. On the issue of our doing works on streets that aren't as bad as some other streets, that goes back to what I was mentioning earlier, where if we wait for a street that needs to be completely rebuilt, it can cost \$1 million a lane mile to do it. But if we get to a street that is just beginning to have problems, we can extend its life for a number of years doing a treatment that costs just \$10,000 per lane mile. We have to spend some of our resources on the streets that aren't that bad to prevent them from getting worse.

**Pfeiffer:** I understand that, but that section between 105th and 112th is no different than 112th to 122nd.

**Hales:** We'll ask for a response on that. Thank you. Good afternoon, welcome.

**David Ferriday:** I'm David Ferriday, I'm a retired architect. I'm still trying to get work, but I'm mostly self-unemployed. I would like to take a little different perspective on how fees might be charged to help maintain and improve streets and roads, something I haven't heard anyone mention up to this point. I kind of see cars into two categories. Certain cars are parked overnight in people's driveways, carports, garages. Other people's cars, in another category, are parked on the public street, in the street. The people parking in their garages and driveways are paying taxes on that property. The people that are parking on the street are paying nothing. They're getting a free ride, and if anything, the property taxes are in essence supporting them to do that. My suggestion is perhaps overnight parking is something that needs to be looked at as a potential source of revenue for street improvements. It seems almost a natural. I'm sure that there's a lot of technical implications in terms of income and you know, size of property, and a lot of other things, but that seems to be something that needs to be addressed in the question of fairness, fair to property owners paying taxes and others getting a free ride with free parking. There was something on the late news last night that I noticed somewhere near the airport, some fellow having a problem with people not

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parking overnight, but parking extended periods of time to take a trip to Hawaii or wherever, I don't know. This would address that problem at the same time.

**Hales:** Thank you. Thank you all. Let me call Captain Sheffer, because I know she has to be on Alberta Street shortly when things start to get interesting out there. Thank you.

**Kelli Sheffer, Police Bureau:** Thank you very much. My name is Kelli Sheffer, and I am a captain for the Portland Police Bureau, currently in the traffic division. And I am here today in support of the Bureau of Transportation, our partners, as it relates to our shared traffic safety goals. The first would be the shared vision of reaching zero traffic fatal crashes in the city of Portland. And secondly, significantly reducing all crashes, especially involving our vulnerable road users, pedestrians, and bike riders. PPB and PBOT routinely educate road users around traffic safety and after a crash to look at the roadway engineering and/or identify locations where additional enforcement could reduce crashes. We will not be able to reach our desired goals through enforcement alone. Most contributing factors are human error, however, 20% of the time, road design is a contributing factor. As we have heard, PBOT has identified the high-crash corridor roadways where reconfiguration or improvements would significantly reduce environmental factors contributing to our crashes. The economic cost of motor vehicle crashes in the state of Oregon for 2012 was \$1.35 billion. That's \$348 per Oregonian. A 2011 national safety council stat put the economic cost of one motor vehicle crash fatality as \$1,400,000. Last year, Portland had 36 crash fatalities, and in 2012, we had 33 crash fatalities. Funding for PBOT will absolutely improve our traffic safety for all road users, and so I'm here to say that in support of the partners that we work together with routinely.

**Hales:** Thank you very much. Appreciate all you and your team do out there every day. Thank you. OK, let's call the next three, please. Good afternoon, welcome.

**Sally Joughin:** Sally Joughin, I live in southeast Portland. I was one of the people who participated in both the phone survey and one of the town halls. And I think street maintenance and safety are extremely important, and I strongly approve of having a plan to take care of them. But I was amazed to learn that the funding gap for this essential work is at least \$800 million. I haven't lived here but five years, so I didn't know the whole history of this. But I wonder if a decline in gasoline sales, and therefore in the generation of gas taxes created this gap. I mean, didn't anybody notice? Why were road conditions and street safety allowed to develop into an emergency? Everyone knows that when you don't take care of infrastructure maintenance, it will cost you more down the road. Fortunately, Commissioner Novick is now determined to fix this problem, but I think that essential services like street maintenance and safety should get adequate funding from the regular city budget. Two percent of the general fund was obviously not enough for transportation needs. If the city does not have enough general funds for essentials like this, then revenue should be raised and it should be raised from businesses and individuals who are most able to pay. However, since we have an emergency situation now, I can see that it might be necessary to institute a special fee, but for a limited time only to reverse the neglect. But it should not be a flat fee based on single family, multiple family households. Why should people in a single family house just managing to make ends meet -- if managing that at all--- pay the same amount as a wealthiest individuals living in Portland? And how about all of the individuals who work in Portland or come here for other activities, and don't live here, but who regularly drive or take buses on our streets? Shouldn't they be responsible for these fees as well? Why would we model our fee system on Oregon City, which is about one-twentieth the size of Portland and is not attracting the same number of people working there and going to activities? I was shocked to hear that other Portlanders who were polled like I was preferred a flat fee to other progressive funding mechanisms. And I wonder if they really understood that flat fees are regressive and unfair. Everyone uses the streets and everyone needs safety, but if we create a fee system for this essential service, it should be linked to people's financial situation as reflected by their property or their state or federal income tax, or their total assets.

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**Hales:** Sally, it's great testimony. I want to ask you to wrap up soon, though.

**Joughin:** Yes. If city council is not sure how to raise revenue in the age of inequality, you should consider forming a revenue advisory group. Local economics professors have offered to work on this, and you should take them up on it. Thank you.

**Hales:** Thank you. One point, you're right that part of the problem with the gas tax is a decline in -- that people are driving more efficient vehicles or driving less.

**Joughin:** Right.

**Hales:** But a big problem, the bigger force at work here is that Congress stuck the fee at 18 cents in 1993 and haven't changed it since.

**Joughin:** Yes, I didn't know about that until today. Whatever the problem is, you didn't just find out about it.

**Hales:** No, no, we didn't, but they get to adopt the federal gas tax.

**Joughin:** I understand that the gas tax is not city council's fault or Portland's fault. But not doing something about it already, I don't know exactly whose fault it is.

**Hales:** All of us, thank you. Me included. I was here 13 years ago talking about it.

**Joughin:** Fix it, that's all. Thank you.

**Hales:** Go ahead.

**Terry Parker:** Terry Parker from northeast Portland. I wrote for three minutes, I'll try to brief. The city that works is no longer working. Housing is becoming less affordable, Portland is fast becoming a city that discriminates, especially as it applies to regressive taxation applied to motorists, seniors, and households of one. Transparency has been slanted, incomplete, and is cloudy at best. Just preaching the sermon about the gas tax not keeping up is short sided. The full picture requires total disclosure of how the gas tax is being raided and siphoned off to pay for social engineering, including alternative infrastructure where the users don't pay their fair share for their stuff. Equity requires that before any street fee goes forward, sustainable user fees be assessed on the alternative mode, such as bicycling and transit. Transit is subsidized at 65 cents per passenger mile. And these are not entitlement programs. Until bicyclists clearly demonstrate they are following all of the traffic laws, any spending that encourages more mayhem bicycling needs to be placed on a strict diet. Any fee needs to be reflective of the number of people in a household, not the type of dwelling. Likewise, annual increases are both an attack on and discriminatory towards seniors and other people on fixed incomes, and even people on lower middle class incomes. Given that the street fee will also pay for sidewalks in areas that do not have them, equity must be applied with PBOT taking over the financial responsibility of all maintenance and repair of existing sidewalks. Finally, truly representative government requires that transportation advisory committees be accurately proportioned to the cross-section of the mode split, not a McCarthyism vetted one-sided stack deck of the usual anti-car subjects. The structure of this street fee is a tax that must be equitably modified, then go before voters and debated in the court of public opinion.

**Hales:** Thank you. [applause] Welcome.

**Robert Parker:** My name is Robert Parker, I live in southeast Portland. Thank you for the instructional on the policy. I hadn't heard a lot about it. A lot of the questions I had were answered. A lot of the questions I didn't have were answered. And I am trying to just try to say a couple of things that I haven't heard come up much. First of all, pertaining to what Commissioner Saltzman pointed out, I have seen a lot of levies and bonds proposed, and many of them, most of them passed. I voted for most of them. Some of them didn't pass and then later on were passed after some adjustment. And the reason being stated for this, why it is not going through that, is simply because it barely has 50% of the support. To me, it seems if something only has 50% of the support, it needs to be changed before it's rolled out. The idea that we should not put it to a vote because people don't want it seems anti-democratic to me. And I've never had any problem with paying for things that made sense before. I don't know if I would approve of it necessarily as it is written right now. A

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lot of the information I heard today was new. One thing I haven't heard addressed is the fact that a lot of things we have approved through levies and bonds have been things like schools, public utilities, and public services. And by charging them the street fee, what you're actually saying is that the measures that we have approved, the things that we have said are underfunded, you are now taking money away from things that we've asked to give more money to. So you're saying something we don't approve is more important than what we explicitly approved.

**Hales:** Thank you. [applause] Thank you all. Appreciate it. The next three, please.

**Parsons:** The next three, will you come up please.

**Hales:** Joe, go ahead.

**Joe Walsh:** My name is Joe Walsh. I speak only for myself today, and I need to understand exactly what you're doing. Because as other people have testified, the target keeps moving all over the place. So, my understanding is you want to pass a tax on everybody in Portland, including churches and schools, which have an abundance of money, and it will cost them anywhere from two to \$300,000 a year. And you also want to set some kind of weird system up depending on your income, and then you gotta figure out how you're going to really bill this. Of course, the first thing that was suggested was that we should put this on our water and sewer rates, I understand Commissioner Fish sky-rocketed straight up. So, if I had that -- if that's the understanding of what's happening, I have to just laugh. I mean, this is so incredibly stupid, I have to laugh. I mean, I cannot imagine any adult coming up with this. And then you have the audacity to keep us waiting for three hours while you bring your little cronies up here to tell you how wonderful you are, including the AFL-CIO. What is that? The AFL-CIO president can afford to do this. There are people that I know that cannot afford to do this, and that's the problem. And you say, OK, we're going to lose the vote, so we're not going to vote. Are you insane? Are you totally insane? Have you completely lost it? And where the hell is Steve Novick? [cheering] [applause]

**Hales:** Go ahead, you're on.

**Elaine Friesen-Strang:** Thank you for this opportunity to speak. My name is Elaine Friesen-Strang, and I live in northeast Portland. I'm here today as an executive council member for AARP of Oregon, and I'm speaking on behalf of 65,000 AARP members in the city of Portland. Safe and walkable streets are critical for people of all ages. Especially children, older people, and people with disabilities. We applaud the council's commitment to creating a livable city and ensuring safety and mobility options for all. We also recognize that funding is a critical element in making this happen. However, based on what's currently outlined in the proposed fee, AARP has grave concerns. Unless key issues are adequately addressed, we cannot support this fee and believe it could prove inequitable and burdensome to the most vulnerable Portlanders. AARP Oregon calls on this council to prioritize equity, transparency, and accountability in its deliberation regarding the fee. These are our equity concerns. User fees need to minimize burden to individuals, families, older adults, and people with disabilities who live on limited incomes. In addition to the sliding fee scale structure, it needs to include a provision for fee waiver for the lowest income households, regardless of the type of housing that they live in. And the fee collection needs to be accessible and equitable. AARP Oregon has submitted a letter to Mayor Hales and Commissioners which details our concerns more fully. We urge you to do the right thing and stand up for equity, accountability, and transparency, and not rush into a solution that is going to burden the most vulnerable. Thank you for this opportunity to express our views.

**Hales:** Thank you. [applause]

**David Strough:** My name is David Strough,

**Hales:** Closer to the mic, please, David. Thank you.

**Strough:** My name is David Strough. I'd love to name off a bunch of organizations that I have been a member of, but I can't. Six years on Kitzhaber's Medicaid advisory committee, I volunteer for the past three years for an arts organization here in town that helps seniors. That has nothing to do with

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this issue. But I noticed everybody else coming up had all of these titles. Charlie, I understand you said you wanted to get the facts first, and then the rest of us could speak. I hope I'm considered one of the facts, I hope I made the cut. I want to thank Saltzman for understanding what democracy is. [applause] I don't know if I am for or against this. It's a moving target. I had three minutes written out before I got here. And everything you said today moved all of the targets. If nothing else, we need a vote so that we can stop the moving target, find out what it is we're doing, what it is we're going to vote for, and then decide. Charlie, you asked one of the guys earlier, well if the vote fails, what do I do next? I would like to tell you what you do next. You be a leader, not a dictator. You're not our parents, you're not a dictator. We're not your children. You are a leader, all of you are. You come to us with your good ideas and convince us. We're the citizens. We can say yes or no. Saltzman has faith in us. I wish the rest of you did. I can't say if I'm for this or against it. But I want to know, and I want to know and I want to vote for it. And that's what I'm here to say today. Please, just give us the vote and let us know what you're doing. Thank you.

**Hales:** Thank you. [applause] Go ahead.

**Bob Clark:** Bob Clark, southeast Portland. I volunteer for the Oregon taxpayer association. The amount of the proposed tax is very excessive for homeowners, and the taxpayer association urges council to sharply reduce the rate. For one, the average street fee for those Oregon cities you've mentioned here is only a little over \$5 per month per single family home, not the proposed \$12 or whatever it is as it moves. For another thing, the original -- or, the former transportation commissioner Adams had a \$5 proposal on about six or seven years ago. And adjust that for inflation, you still get about only about \$5.50 for his proposal for a street fee. Since Adams' proposal, there has been a 6% increase in the gasoline tax. And if I look at the city auditor's review of the transportation budget and discretionary budget, it looks like it has been growing like 5% a year for the better part of a decade, and that's twice the rate of inflation. These are things that we didn't really get from these town halls -- how the budget is changing the actual numbers for the last umpteen years. I know there was a drop-off there for a bit in 2008 with the Great Recession. But overall, things are still growing fairly robustly. You have restrictions, I know, but a lot of that doesn't come through in the presentation we've had. We also recommend that the two measures be combined and citizens be allowed to vote on this special -- we call it a tax because you're saying it's a replacement for a gasoline tax shortfall, so that makes it a tax in our mind, and we think that that should be referred to voters. The city charter is born in the spirit of the referendum and the initiative, and talks of referring special levies like this -- so it talks to referring these type of special taxes to voters. So, the secondary [beeping] oh, OK, I'm good.

**Hales:** Thanks you very much. Good afternoon.

**Fish:** I'm just curious, Mr. Clark, since we don't often have the benefit of your wisdom on these things. If this particular approach has significant shortcomings, do you have an alternative approach you want us to consider?

**Clark:** Well, I think we would be happy with the reduced rate we recommended here, somewhere in the \$5 to \$6 area for the single family homeowner. We're not totally trusting this big new figure we're getting of \$12 per month, and it would raise our water and sewer bills by 10% or more if it hits right now. A \$12 fee for the average water and sewer bill, I think it is like 10% -- would be a 10% increase, and you are raising it 5%. So we're talking a hefty increase in the water and sewer bill effectively, because -- you might say it is not related, but it is related to the total water and sewer bill.

**Fish:** If the figure was lowered, as you suggested, and it was referred to the public for a vote, would you support it?

**Clark:** Oh, yes, I think so. But I can't talk for all of the members. I'm just a volunteer, but I'm pretty active in the community.

**Hales:** Thank you very much. Good afternoon.

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**John Shetterly:** Hi, my name is John Shetterly, I'm just a homeowner in northeast Portland. I have to say I'm against this, but as a responsible voter in the city, I think if it was worded differently and rewritten better, I think a vote by the people -- it would pass. I agree with what Dan said, thank you for the support. Some of the things I thought about this afternoon was, suppose Congress comes to light and changes the gas tax. Can this be worded where this would be decreased, stopped, or adjusted accordingly? I don't like the open-ended, here is this tax, and you want us to pay it for the rest of our lives, and there's no way of stopping it if there's anything else that takes care -- so, I just think it could be passed by a vote if it were worded properly and put up to the people for a vote.

**Hales:** Thank you.

**Fish:** Mayor, can I just ask -- because it is a very thoughtful comment, and I don't know why I don't know the answer. So, why can't a future council discontinue this tax with or without a sunset?

**Hales:** It could.

**Fish:** Is there something in the referral that requires it to be in perpetuity?

**Hales:** As it's now constructed, the referral is the safeguard on how it is spent, not on what the rate is or anything else. It's on how the money would be spent. Because there is a concern in the community -- we heard it in all of the forums -- of, look, this fee could come in for this purpose and future councils could wander off and spend it on other things.

**Fish:** Right.

**Hales:** So, I understand it and hear that concern and understand that fear. So, let's put that in the charter and say, if there's a transportation fee, it goes to transportation, period. And that was the point of the charter amendment. But he's making another suggestion, which is if the federal government came back to life and started increasing the gas tax and indexing it to inflation like they should have in 1993, if they do that -- hope springs eternal, and maybe it springs eternal for you -- but if they did that -- I'm teasing a little bit. But OK, let's assume that might actually happen, then we should be prepared to reduce this fee, or eliminate it if they really did their job. So again, we're here because the federal gas tax, if indexed in 1993, would be 30 cents today and not 18. And if that actually happened, we wouldn't need this anymore.

**Fish:** Because a couple of people testifying have floated the idea of a sunset, and I don't know how I feel about that conceptually -- just to your point, sir, I mean, the council can withdraw this fee at some point in the future. To your point about if the gas tax is raised or there is some other backfill, as I read this, and the mayor just confirmed, it doesn't lock us in to any period of time for this fee. So, a future council could do that. Are you suggesting that we have an explicit trigger that says if something happened, we would act?

**Shetterly:** Well, how many councils have voted to decrease taxes ever, take away a tax --

**Fish:** I hear you, I'm just trying to understand.

**Shetterly:** I would say it should be written into it. I don't know how to do that. I'm not a --

**Hales:** No, there's a way to do that. It is an option.

**Fish:** Interesting point, I'm just trying to make sure.

**Shetterly:** I just think there ought to be a stipulation at least, where this will go away some day if other means were to --

**Hales:** Yeah, and there's been talk in transportation circles for years about moving away from the gas tax entirely and going to a mileage-based system by which the federal and state government assess us what they now assess us through the gas tax. That there be a transponder in each car and we would pay based on how much we drive. And that makes some people crazy, because they think the government's going to be following them around. But nevertheless, the federal and state government have been talking about that. If they ever actually worked up their courage and did that, it would change the whole foundation under this discussion and we might not need this more either. You raised a valid point of what happens if they finally bestir themselves, and I appreciate that.

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**Shetterly:** That's why I want to vote on it. Put it up for a vote, Charlie. We're going to fix the potholes, remember?

**Hales:** That's why we're here.

**Parsons:** Next three.

**Andy Cotugno:** Good afternoon, Mayor Hales and member of the commission. I'm here to testify on behalf of the Metro council in support of this ordinance. This hearing conflicts with our regular council meeting time, so they're unable to be here and they asked me to come and provide this testimony. But I'm also here to express some concerns that they asked me to share with you as well. Your proposed action is exactly in line with the direction the region set some time ago recognizing not just the feds but the state are not going to bail you out of this operations maintenance needs. Mayor Hales, I would suggest even if the feds do wake up and start raising federal funds, they're not going to go to operations and maintenance at the local level. They're more likely to go to improvements to the larger highways. And even if they wake up, you're still stuck with this part of the problem. We know the asset that you're responsible for is vital to the economic viability and livability of the community, and it's much more expensive to replace if it's not taken care of. And you're in very good company. The region as a whole concluded that we're not going to meet local maintenance needs, and a dozen other jurisdictions in this region have adopted local actions to begin to address the need. There's a lot of features about this that I think really stand the test of a really good framework. Obviously, there are parts that are being raised here that are sort of hard to tell where things are going to land. But there are a number of features that provide a really good framework. There's a good way of prioritizing how the revenues are spent. There is a recognition of the low-income is part of it, there's transparency and accountability build in to an oversight committee. All of those things are important. The caution part is really consistent with some of the comments made about time and your own action about delaying the time for an adequate participation. Council president said please take the time to do this successfully. If you're not successful, then there's a big hole in the region's attempt to meet the maintenance needs of the entire region through local efforts. I would like to point out that Metro is an owner of major regional facilities. We're going to have to pay this bill, too, for the Convention Center, the Expo Center, other facilities, even parks that we operate. And those directors are having the same kinds of reactions: I don't understand it, what is my fee going to be, is there an ability to make sure that these national rates are actually appropriate for our experience and our use? I have confidence that your system will provide for that sort of custom calculation where national rates don't make sense, but you've got built in the ability to account for the specific activity in question, and that there's time to work out those kinds of details. But I want you to know, they're definitely reeling with kind of cost impact this represents, and they are concerned that perhaps there be the kind of phase-in that's suggested on the commercial side on the commercial nonresidential side as well. In fact, Expo in particular is still trying to swallow a drainage fee in the north drainage district, and that's been phased in at 25% per year to allow them to sort of absorb that over time. And I think this 6-9-12 sort of pattern on the nonresidential side would accomplish that as well. It would help to understand a more complete picture. What are all the fees that are going hit them in the future? Is there a way to tell a more complete story about sewer fees, water fees, transportation fees, whatever other fees might be coming so they can anticipate that and budget that in the future? I also provided a little map of the testimony that shows who else has done what in this region. And there's quite a bit that's been done. That puts you following suit with the rest of the region. Four of the seven members of the metro council have done this very thing in their previous life as the city councilor or mayor of Hillsboro, Tigard, Milwaukie, and Gresham. And they all had difficulty with lots of hand-holding. That's what this extra time is all about, lots of hand-holding so that people understand it. By the time they understand it, in a lot of cases, they support it.

**Hales:** Thank you.

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**Fish:** Can I just ask, what's the back of the envelope cost that you estimate that Metro would incur under the current assumptions?

**Cotugno:** Your staff has provided us with some preliminary calculations, and we don't have it for one of our facilities, the north transfer station, the garbage transfer station --

**Fish:** Not my staff, you mean PBOT staff?

**Cotugno:** Sorry, I meant PBOT staff. I think of it as all your staff.

**Fish:** Well, it is -- but I'm just curious, what's the figure?

**Cotugno:** \$150,000 a year for everything minus one facility where we don't know the numbers yet.

**Hales:** Thank you very much, appreciate it.

**Rob Sadowski:** Mayor Hales, members of city council, thank you for the opportunity to speak with you today. I'm Rob Sadowski, executive director of the Bicycle Transportation Alliance. The BTA supports raising new revenue to fund basic maintenance and safety of our transportation system. We think it's appropriate for everyone to make contributions towards the maintenance and safety of the streets we need to get around. Portlanders are following the national trend of relying on our cars less, but we still rely on a declining source of revenue that only captures value of automobile trips with the gas tax. We agree that treating transportation funding like we treat other city utilities makes more sense in the long term. The street fee is also a layered solution that complements the existing gas tax. I'd like to share some resolvable concerns with the current proposal that we'd like to see changed before we arrive at our final position on the issue. It's imperative that the city works to reduce the burden on our lowest income Portlanders with a steep discount on lone households to be sure they do not bear a disproportionate impact from the costs. The BTA strongly believes that no family should have to choose between paying for safe streets and paying to feed their family. We trust that our friends in the affordable housing sector can work with the city to help resolve these conflicts. Additionally, we'd like to see the fee used in a way that encourages motor vehicle trip reductions. Let me share two examples. Every morning when I come to work, I ride by Beach Elementary School, and I see scores of parents bringing kids to school by foot and on bikes. And whenever I stop by Hopworks in the evening, the steps they've taken to encourage customers to arrive by bike impressed me. The BTA would like to encourage the city to grant discounts or a waiver of the fee to groups who make an active investment in reducing their and their customers' maintenance burdens on our roads. Safe and well-maintained streets are worth paying for. We applaud the city councilors and especially Mayor Hales and Commissioner Novick for taking on this tough issue. As everyone in the U.S., from the federal government to the state of Oregon to our local communities grapple with declining revenue for transportation's increasing maintenance costs, it's refreshing to see the city of Portland step up with a proactive solution. Thank you.

**Hales:** Thank you. Good afternoon.

**Aaron Brown:** Good afternoon, Mayor Hales, Commissioners, my name is Aaron Brown, and I'm the board president of Oregon Walks. I'm going to tell a quick story as to why I'm here and believe this is the right thing to do. In 2012, I sat on the network policy expert group when we were looking over the city comprehensive plan. Had some really fascinating, interesting conversations about what our city was going look like in 20 to 30, 40 years. Really enjoyed my mornings there. And then I went to my day job, which was out at David Douglas High School working with a bunch of SUN students. It put into stark relief where we have this values about what Portland's transportation system looks like and sort of what we want it to be, and going out and asking 15 high school students to cross Stark at 135th before that crosswalk was put in. I had 13, 15, Somali students in full burka and hijab in heels, running across what felt like a state highway. It put into stark relief the importance of investing now in what safety looks like to make sure that Portland residents, regardless of what neighborhood they lived in, felt that they had safe streets to live in and safe neighborhoods. Our transportation system is currently way out of line with Portland's values. Based on this premise, and my own personal experience attending vigils for hit pedestrians, I just can't

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help but think it is time for us to find the political motivation and courage to invest in safety in our streets. In light of the two pedestrian fatalities that happened on Valentine's Day weekend this year, my organization got over 730 people to sign a petition asking the city to prioritize pedestrian safety and street safety around the notion of vision zero. This funding is crucial. Our organization has totally signed on and totally supports everything that OPAL and Jon Ostar and a lot of the equity advocates support, making sure we're looking at mitigation for low-income housing, making sure that there's significant equity oversight, considering a sunset clause to allow to us to review a more progressive measurement maybe in the next five to 10 years. And we are really interested in making sure that 50% of this funding comes from businesses and at least 50% is going to come to safety. If we're going lower to it \$6 a month, it is absolutely crucial that we continue to push on the safety. In short, I know this is a difficult vote, but it's even more difficult to cross 135th and Stark. It's even more difficult to find something to say at these pedestrian vigils. It's even more difficult to imagine what it means to lose a loved one. I encourage you to use this opportunity and your leadership to make sure that we are investing in safe streets. Thank you for your time.

**Hales:** Thank you, thanks very much. Next three, please.

**Malcolm Chaddock:** Afternoon, council. My name is Malcolm Chaddock, I've spoken to you before on a couple of things. I think that what I've heard today seems like people have defined the problems pretty well. There's been what looks to be quite a bit of effort given to defining the financial structure, the problems and the percentages of this and that. And I think you've probably done your homework there. What I have a problem with is that this process was not completed, does not seem complete to me. That we have an issue here that supposedly is going to be voted on today or may or may not be --

**Hales:** No, not today.

**Chaddock:** OK. We have an issue that's voted on separately from another issue that's an integral part of the problem. And it just doesn't work for me. I can't see how you're going get into a car without the wheels on. How are you going to drive it if it's not all the way hooked up? And what are you going hit if you don't have control? That's all I had to say.

**Hales:** Thank you. Thanks very much. Go ahead, Lee.

**Lee Leighton:** Thank you. Mayor and council, I'm Lee Leighton. My wife chris and I moved here in 1990, and chris owns and operates Here We Go Again, Inc. which has two retail locations in a neighborhood store front. Locations in Portland. I can speak for both of us to say we really support your effort to address this problem. It needs attention, it takes courage and tenacity and I endorse the effort to address it. That said, I also support representative democracy and I like this council. I think it's one of the best councils since we moved here, quite frankly. I don't want to have to participate in campaigns to defend the rear guard action against recalls and so forth. I'd like to see this effort achieve the brought political legitimacy to stand once it's adopted. Whether you do that as a council action or whether it's done by referral to the popular voters doesn't matter to me, but I want it to have the legitimacy to not have to fight a contest so we can implement the thing and get on with it, because that's what we need to do. With respect to Here We Go Again, our two storefront locations give us some perspective on the travel behavior of our customers. I'd like to talk about that just a little bit. The Portland Business Alliance comments -- I want to endorse those, they really hit some of the unique aspects of Portland businesses on a small scale. How they operate in these main street business districts is dramatically different from larger stores and shopping malls. The ITE manual data falls into a Murphy's Law trap. There's a corollary that says the data we have to deal with the current problems were collected to deal with the previous problem. Those trip generation data are based on historical examples that are not a good fit for Portland. Those trip generation rates are based on auto-oriented locations that typically have their own parking lots and stuff. And people's travel behavior and decisions are affected by the destinations they are visiting. 20 pedestrian trips does not have the same wear and tear on the road system as 20 vehicle trips. It's never going to. And

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right now, the only adjustment available is one that's available through an appeals process. Metro council at their scale can afford that. A business like ours -- that's completely unapproachable. The cost of collecting the data and paying the consultants to even make the argument frankly probably exceeds the difference we could hope to make, if not the tax itself over a three-year period. It's simply burdensome for small operators who generate a lot of the employment in Portland. I'm glad to hear you want to take more time. We'll be happy to participate in the discussion around how to make that work better for Portland.

**Hales:** Thank you.

**Saltzman:** Wait, why don't you tell us -- what kind of business is Here We Go Again?

**Leighton:** Here We Go Again are consignment boutiques for women's clothing. Somebody mentioned -- the business owner earlier on Foster Road talked about how customers and UPS trucks can get to him better. Well, the supply lines from our business are women coming in with hangers of clothes that they're carrying in. And we get a lot of walk-by traffic and so forth. We don't consider ourselves heavy road users.

**Hales:** Thank you.

**Craig Beebe:** Good afternoon, Mayor Hales and Commissioners, I'm Craig Beebe. I'm a southeast Portland resident, and today, I'm representing the City Club of Portland. I'm the chair of the City Club's bicycle transportation advocacy committee. As you know, last year City Club of Portland overwhelmingly approved no turning back, a research report that endorses the integral role of bicycles in the city's transportation system. I'm pleased to share these comments on the transportation user fee proposal as it relates to the Club's adopted recommendations, and I'm also providing some more detailed comments in writing. City Club recognizes that a shortfall in funding is a key barrier to building and maintaining the safe, comfortable, and convenient bicycle network that Portland needs. At this time, however, City Club neither endorses nor opposes the proposed fee in full, because a full analysis of that option was beyond the scope of the bicycle report, and the Club has not had adequate time to study, debate, and vote on the current proposal. We note, however, that three key recommendations from the bicycle report particularly pertain to this proposal. First, City Club's report states that that should such a fee be adopted, bicycle infrastructure should be given "a specific allocation commensurate with the City's stated goals for bicycle ridership." As presented by PBOT, the transportation user fee before you contains a 44% allocation for safety projects, which would include bicycle projects. This prospect aligns with the spirit of the City Club's recommendation. We are interested, however, to know the estimated amount that would be dedicated to each mode of transportation, including bicycles. Second, the Club's record called for PBOT to improve community outreach. PBOT has undertaken outreach in development on this proposal through the advisory committee on which I served, polls, and the town hall meetings, which you heard about today. As a result of that, PBOT has made changes to the proposal, including a better allocation for safety and stronger oversight components. And we're pleased to see that. City Club does share concerns expressed by some that the specific proposal is being hurried, such as some elements like fee collection remaining unspecified that we would like to see, you know, be furthered. Finally, the Club's report calls for the city to be more strategic in planning and funding bicycle projects. To do so, strong oversight is crucial. The proposed oversight committee should have considerable independence from PBOT and city council. We're pleased to see that, and we hope it'll continue to have that independence. I again emphasize that City Club is neutral on the transportation user fee itself at the moment. But the current proposal aligns with City Club's recommendations on several points, including financial support for bicycling, outreach, and strategic transportation planning. We would, however, like to see greater specificity about funding allocations and implementation and oversight. Thank you for the opportunity to comment.

**Hales:** Thank you. Thanks for serving on the committee as well.

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**Chris Smith:** Chris Smith, I'm a member of the planning and sustainability commission. I was also a member of the 2007-2008 safe sound and green streets committee, so I'm well acquainted with the need and I applaud Commissioner Novick and Mayor Hales for their courage in calling the question on this. Chair Baugh will be up here in a few minutes, and we'll talk about the general alignment with Portland plan objectives, but I want to call out one specific Portland plan connection where the plan observes that our strategy in the city is to reduce the amount of driving, both for our climate objectives and for the livability of our neighborhoods and the general health of the city. So we are strategically removing our funding source to maintain the transportation system. And the plan says we need to change that, or we're on the road to doom. So the plan calls for a new funding source by 2016. So the good news is, you're still on schedule, but let's not pause too long. I want to make a couple observations. I would add my voice to those saying we should continue to work on the regressive nature of this. If you can find another tier of discounts or exemption for the very lowest income Portlanders, I think that's very important. To the discussion that we've heard here today about, at some point, does this go away? Are there triggers where we would repeal this? I'll throw a little cold water. I want to point out that in the best scenario, this revenue source is only going to produce about half of the need. We know that the gap for maintenance is \$90 million a year, the safety investments that the community has told us they'd like us to make are even more. This is only going to get us part way. We're going to continue to have this conversation even if we succeed in this particular piece. Thank you.

**Hales:** Thank you.

**Novick:** Mr. Smith, may I paint an even bleaker picture? The 91 million a year for maintenance was purely for the pavement, it doesn't include maintenance of the bridges, of the streetlights, or the signals.

**Hales:** Thanks, all three. Let's take three more.

**Parsons:** The next three please come on up.

**Hales:** I would estimate we have 30 or 40 left, based on the number of people in the room. Maybe more than that.

**Parsons:** Anyone in that group?

**Hales:** Sorry, you called multiple names?

**Parsons:** Angie Even, Dennis, and Jane.

**\*\*\*\*\*:** A lot of people have had to leave.

**Hales:** OK.

**Fish:** Why don't we keep going.

**Parsons:** Bernard Parks, Per Fagereng.

**Fish:** Did you skip over the Mandels?

**Hales:** Well, let's call them up together after these two. Why don't you hold for a moment, Mr. and Mrs. Mandel. We'll hear from these two and then we'll call you up. And then we might take break for five minutes. Go ahead.

**Angie Even:** Hello, my name's Angie Even and I'm here today representing myself as a resident of Oregon and also someone that was born in Portland in 1959 in the Parkrose area. In addition to that, I am a community business leader, business owner, and a property owner with rentals. Today, I decided to testify because I'm just very gravely concerned about the street fee that's being proposed. I don't want to talk about how we got here, but I'd rather talk about where we're going. I really want to talk about how this is going to burden families and close small businesses doors and cripple our economy and growth. But I don't feel that there's time for that today, because I think what I need to talk about is the process and why this is going to harm our city. I also agree with the people who have testified today that we all are responsible for everything that happens in Portland. And I believe most Portlanders have that same sentiment. But there's a few things that bother me about what I've heard in the media and what I've seen in emails. One is that is we're doing this just like Oregon

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City. Well, I called Oregon City and I talked to the city office of public works. And the question and answer person for Oregon City spent an hour and a half on the phone with me. [beeping] What she's told me that is Portland's plan is not like Oregon City, although it's been quoted that it is like Oregon City. It's a 70/30 plan, 70% by residents and 30% by businesses. And the reason why they can do that is because it's a curb-to-curb street fee plan. They're just fixing roads, they're just maintaining roads, they're just making roads safer. [beeping] With that, the calculations are skewed for Portland compared to Oregon City in that the Oregon City Safeway is paying \$275 a month for their street fees. A Portland Safeway will pay \$1800 a month. In Oregon City, McDonald's is paying \$67 a month. McDonald's is paying \$67 a month. In Portland, McDonald's would pay an average of \$1500 a month. For schools, they're charging by the number of students in each school. So a grade school that has 500 children in it pays \$75 a month. So there's something wrong with the math. We know that the residents -- you can see that by looking at how many households there are. But just looking at the fee calculator and calculating that Portland Public Schools pay this and that, do you have the number for what the other side of this fee is going generate? Because if you look at Oregon City's numbers, they're far less than what the numbers of the city of Portland is proposing for businesses. I think the second thing I want to talk about -- and I have the email from the auditor of the city of Portland -- that the auditor's report states from 2013, that revenue has just -- keeps going up. And that it's projected to go up until 2017 in their current report. I have the email. And I think another gentleman actually had the report in his hand. What the email states is that -- sorry -- in the audit, we reported that transportation revenues are up and that the city expects them to continue to go up through the forecast fiscal year of 2016-17. And this includes both the gas revenues and the parking revenues going up. He also states incident report that we found that spending maintenance is down, even though revenues are up. I can leave this, this is an email.

**Hales:** Alright, thank you. I'll need you to wrap up soon.

**Even:** OK, I will. I'm going to talk about being a landlord. With this proposal, what I'm seeing is that I'm going to be in a position to be a fee collector. If I'm a fee collector, a tax collector, I trust myself to be prudent if I had to do that -- which I probably will sell my properties because I don't want do that. But I want to ask you is, will landlords be punitive? Will there be clauses written into lease agreements that say that the street fee is part of their obligation as renting the property? And if they're not able to or don't pay the street fee, can a landlord then evict a resident or a business because they're not able to make the payment? And then I guess as I'm wrapping up, the last thing I will say is that we're smart. Portland's smart, you know? You're smart, we're smart. We should be able to work together and find a solution. This is -- this went way too fast. Half of it getting passed and the other one coming up to speed, pitching businesses and residents together. That's not the Portland I was born into in 1959, and that's not the Portland I would want to live in now. Thank you.

**Hales:** Thanks very much.

**Novick:** Ma'am, I'd like to quickly address the gas tax revenue increases. In fiscal year 2011-12, we got \$55.910 million in gas tax revenues. This year, it's projected we'll get a total of \$57 million in gas tax revenues, so it's a little over a million dollar increase. The auditor has said that we would need to spend an extra \$75 million a year over 10 years to address our maintenance needs.

**Even:** I guess what I'm saying is that in the media, and in the emails, the snapshots that are being given to the public are not full disclosure. Thank you for your disclosure.

**Hales:** We'll try to get all the numbers out. Thank you. Good afternoon, Per.

**Per Fagereng:** Yeah, my name is Per Fagereng and I live in southeast Portland. I am retired, I live on a moderately low income. I'm the only person in my household, and I've got a 13-year-old car with less than 70,000 miles on it. And a big chunk of that was driving it to the Pine Ridge Reservation a few years ago. But I would be paying the same fee as a millionaire with three teenagers and five cars. That just seems terribly wrong to me. Now I might get a 30% discount, but

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that doesn't really mitigate the wrongness of this thing very much. It's just that this kind of a tax is really uncalled-for. So that's my main point. I would just say that, welcome to the world of the imperial war economy, because that's what we're dealing with. We're living in a world of diminishing resources, and I think we need a real long conversation about this and a whole lot of other things. Thank you.

**Hales:** Thanks very much. Good afternoon -- good evening.

**Lili Mandel:** Good afternoon. I've almost forgotten who I am.

**Hales:** We haven't.

**L. Mandel:** I have.

**Irwin Mandel:** Better not have an identity crisis.

**L. Mandel:** Not here, I'll wait until I get home. Lili Mandel, downtown resident. A resident who cares about all our roads and all our residents, not only my roads in my neighborhood. I care about all of us. And I am tired of hearing the idea -- you know the road you take -- you know the road you have chosen, and you were well-intentioned, is the wrong road. Why don't we take the right road -- and I didn't know where he was going until I sat here and figured it out. You know, so you talk about -- they're doing it this way, they're doing it that way, and why don't we do it that way -- you know what? Why don't we do it the old commission form of government way, the way we've always done it before? You can't just take short-cut road and get there, you can't do that. You do it the old democratic way where we all get up and speak our mind, no matter who you are, poor, rich, or infirm. And that's the only way. Start all over, forget this [indistinguishable] statistics up the kazoo. You know what they mean to me right now? Absolutely nothing. Throw them out. Go and use your Portland brain. You don't have to have it go down the drain with all this modern, oh, we've got such wonderful ways to present it now. No. Let's go back to the way it's been before. It's worked. And you see, I've noticed something else. You are going in -- we haven't touched upon this, we haven't touched upon that, that's true, because you're trying to rush it. You can't do that. You've got listen to everyone, and everybody's opinion counts. I don't care who they are. And so let's start all over and go the right road. Thank you.

**Novick:** Ms. Mandel, I just want to state for the record that no kazoos were harmed in the production of these statistics.

**L. Mandel:** What did you say?

**Novick:** That no kazoos were harmed in the production of these statistics.

**L. Mandel:** I'm not sure about that, and neither can you be. [laughter]

**Hales:** Nice having you back here.

**L. Mandel:** I've been an old dame, I've been around, baby.

**I. Mandel:** I think I know her. Irwin Mandel, downtown resident. And she lets me accompany her once in a while. Just coincidentally, this month marks 21 years since I retired and we moved to Portland. It took a year or so of living here before we caught on to the fact, my god, this government listens to the citizens. And Charlie, you had brown hair then, I'll testify to that. And when is it -- let's hope it never does stop listening. The other issue is, Steve Novick, you're right, we've got people pissed off with what you said in the paper. I was one of them. Pick up The Oregonian, and I see Steve in there saying, well, if we can't do it this way, I'm just going to bring it to city council and run it through. Wow. What nerve, what --

**L. Mandel:** Chutzpah.

**I. Mandel:** Yeah, chutzpah. That's a word to use.

**L. Mandel:** It's audacity.

**I. Mandel:** An audacity, to think that one commissioner can just ram things through over the heads of the people. This issue is highly complex, but come on, the citizens of Portland are not idiots. They can read and make sense out of what's there. You've got to put this to a vote. It is the citizens of Portland who have to decide what they're going to pay for, how they're going pay it, and when

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they are going pay it. Dan Saltzman, of course, we go back long way. Absolutely, there has to be a vote on it. This council does not have the authority to put this type of thing through on its own. I don't think so. [beeping] OK, time's up.

**Hales:** Thank you both, thanks. Let's hear Andre and then we'll take a break.

**Andre Baugh:** Mayor, Council, Andre Baugh, chair of the planning and sustainability commission. I'm here today -- usually you hear me talking about big plans and things we have coming forward. But today, I'm here to encourage action. As chair of the planning and sustainability commission, we've heard from citizens in developing the Portland plan, and continue to hear for the need for safer streets, additional sidewalks, and increased active transportation choices. We've heard the dissatisfaction with transportation, especially from east Portland. The transportation user fee addresses this dissatisfaction. The transportation user fee supports the Portland plan's 12 success measures by which we will measure the city for the next 25 years. Directly, the fee supports -- in my view -- the following success measures. It provides a key component to a complete neighborhood, healthier citizens through increased sidewalks, increases active transportation choices for our citizens, and offers the opportunity to increase prosperity of households, especially to low income, because they can get better transportation choices that are cheaper than driving a single car to their jobs. It provides for a safer city, it increases the opportunity to reduce carbon emissions, and improves citizen satisfaction in addressing a significant concern. The fee will improve transportation mobility for businesses offering greater growth opportunities for those businesses within our city. And lastly, it advances our commitment to equity and inclusion in this investment in our city. Like football, teams that win have self-discipline. The transportation fee is self-discipline fixing our streets and sidewalks, thereby providing our citizens better chances for success. So support the transportation user fee for our city's future success. Thank you.

**Hales:** Thank you, and thanks for your volunteer service as well. OK, let's take a five-minute break and return to the sign-up list.

At 5:40 p.m., Council recessed.

At 5:50 p.m., Council reconvened.

**Hales:** I'll ask the council to come back to order, and we'll get more people here to speak. Sue, go ahead and read the next three names. Good evening, welcome. Go ahead, please.

**Lori Boisen:** I want to thank Mayor Hales and the city council for this opportunity to speak with you all today about this proposed street maintenance fee. I'm Lori Boisen, I'm the district manager for the Division Midway Alliance for Community Improvement. I'm also on the Powellhurst-Gilbert neighborhood association board, and I am a home-based business owner. I am here actually representing the 125 business owners in our district who were unable to take time off of work to come and speak to you about this. We are happy to see that the city is tackling the difficult task of repairing and maintaining our city streets, and you all know that we're happy about that. But we really want you to put this measure to the city of Portland voters. The polling and work group process used to determine this proposed fee was inequitable at its base. The tax -- I mean fee -- that you proposed places 50% of the revenue generation on Portland businesses. Thanks to Venture Portland, we are all aware that 98% of Portland businesses are neighborhood businesses with five or fewer employees. As far as my research has determined, this transportation finance working group was comprised of less than 50% of Portland's businesses representation. And because of Portland's unique business environment, a larger representation of those businesses needed to be at that table. Additionally, after speaking with a committee member who expressed the fast-paced nature of the working group's process, I would urge you to reconsider this proposal. And in light of the fact that it's always changing, I think you are reconsidering this proposal. I was grateful to read in the Oregonian that you are restructuring the fees, and I'm glad you have addressed that today. I am

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concerned that splitting the businesses and residents will pit businesses and residents against each other, and that is very disconcerting to me. I still believe a tax -- I mean a fee -- that generates from \$40 to \$50 million annually for the city should be put to the voters. I would compliment Commissioner Saltzman and Nick Fish both for saying that we need to trust the city voters, not pollsters, to intelligently pass or defeat this fee, like we did by passing the regressive arts tax and defeating the recent water measure. I want to thank you for giving Portland voters a voice in this decision.

**Hales:** Thank you, thanks very much. Good evening.

**Kim Marx:** Good evening, my name is Kim Marx, I am in the Powellhurst-Gilbert neighborhood association. Please bear with me while I read this -- it's not that easy, due to my vision. Thank you for the opportunity to speak to you today regarding the proposed street fee. I am also very heartened the city is taking seriously the need to improve the transportation system of our city. We most certainly need to pay for the maintenance and improving of the roads, biking, and pedestrian infrastructure. As some of you know, these are issues that are very near to my heart due to other times that we've spoken. However, I have some concerns about this particular fee. The policy is regressive. How is it that a person who is living just above the poverty line like myself can be treated the same as some executive who lives in a downtown condo or a Pearl loft? How is it that a small businessperson being charged a per capita rate at a big box store or chain store is -- excuse me one second -- even though they have more customers that drive and use the roads due to their heavy truck traffic? I understand that you all understand the fee is regressive. Frankly, this is no consolation. Yes, there are some protections for the worst-off residents. But all this proves is the complete lack of understanding that people in power actually have about the average person's economic situation. It is not just the person on welfare who is having a hard time making ends meet. There are many people who live -- who think of themselves as middle class or having the same problems of keeping the lights on and paying the mortgage. There are also small business owners who will think twice about hiring new employees or expanding because they will not be able to afford it. I had more to say, but my time is up. Thank you.

**Hales:** Thank you. Good evening.

**Shawn Miller:** Good evening, Mayor Hales, Commissioners. Shawn Miller. I'm here on behalf of the northwest grocery association in opposition to the proposed street fee. Our organization has 46 grocery stores in the Portland area, and we are not opposed to improving and maintaining the city's transportation infrastructure. However, the fee needs to be reasonable and affordable. We believe the current proposal is not in the ballpark of being reasonable and affordable. The impact to the grocery industry is significant. Our stores will average or could average over \$2300 a month. So our 46 stores would be paying over \$1.2 million a year. The trip generation methodology that has been discussed, the ITE manual, is controversial -- can be controversial. It is national data, it doesn't utilize Portland data. And again, we look at this methodology as something -- the trips to our grocery stores are ancillary to the travel between work and your home. And so, again, I know there's an appeals process -- that does seem very expensive process. What we would like to do is work with the mayor, Commissioner Novick, on how to identify those particular projects, get very specific on the projects that would be used for residential fee and a nonresidential fee. For instance, identifying these 50% of the -- identifying the residential projects, 50% of the collector projects, prioritize those projects and then have that being paid by the residential fee. Identifying the arterial projects and then 50% of the collector projects could be then paid for by the nonresidential or the business fee. Again, it's being very specific to what our investments would be paying for, and I think it would be a better solution. Because right now we're still unclear of those specific projects. And that's very important to us, knowing what our investments are paying for. Again, Tigard is an example -- and I know you mentioned earlier the 28 cities -- Tigard is an example as a city that we actually worked with on a methodology, something that we did believe is a fair, reasonable street fee. Again, it's a different

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methodology. It may or may not work for Portland, but it's something that we -- again, we worked with them, we did support them 10 years ago, so they have been supporting their streets for the last 10 years using that fee. Again, we're here today in opposition. We appreciate the conversations we've had with the mayor and members of our organization, with the commissioner and happy to continue that discussion.

**Hales:** Thank you very much.

**Novick:** A comment and question.

**Miller:** Yes.

**Novick:** Tigard's fee relies on the parking spaces each business has. In Portland, of course, we have a lot of businesses that do not have their own parking spaces. So we would have to attribute parking spaces to them, so it would be a somewhat theoretical exercise, not any different from the exercise through the ITE of assigning trips. That's my comment. My question for you is, it appears, looking at the numbers, that Safeways and Fred Meyers in Medford are paying about the same as, perhaps a little less than they would pay under the proposal we had on the table the other day. I'm curious as to whether your organization has ever launched a campaign to eliminate the street fee in Medford?

**Miller:** We have not. My understanding -- Medford was quite a long time ago, and I wasn't around and a lot of the folks that I work with. So I can't say what happened close to 19 years ago when they enacted it. I think those decisions are also built on some of the overall business climate. Again, I can't say back then that it was something that they accepted. I don't know what projects are being funded. It may be something the business community felt was very, very important to fund those particular projects. So again, getting very specific to the projects and what we're paying for I think is an exercise.

**Novick:** Well, on the projects, although in most of our town halls, the majority of people there said they wanted most of the money to go to safety, and there wasn't all that much passion expressed about maintenance. We are saying that we will spend slightly more than half of the money on maintenance, and most of that will be on the busy streets. And those are the streets that your customers use to get to your doors.

**Hales:** Thank you. You wanted to make another point?

**Boisen:** I did. I just wanted to let you folks know that I'm very dedicated to this. I've been down here for four and a half hours now. I will be incurring a parking fee which I will be paying to PBOT for my time here today.

**Fritz:** Mr. Miller, I have a question. Because many of the small businesses have been telling me what their monthly profit is and then what their calculated fee is, which has been very helpful to me to understand the impact. You mentioned the average fees to your stores would be a little over 2000. What's the average profit for your stores?

**Miller:** Again, I represent the association, I can't get into the profits of an individual company. But I can say that just generally in the grocery industry, we're very low margin. To keep groceries affordable, you know, we're 1%, 2% margin. So it's high volume that has to go out the door. When making these decisions, our members look at us and look at expenses and how it affects the cost of groceries. When I use the word affordability, you could say yes, could some of our grocery stores pay this? Yes. But yes, it does go into the cost of goods and groceries. And so again, we look at the overall expenses and again, this is another expense where we feel this is just too much and there are still unknowns on what we're getting for our investment. And again, if we can link that and make it reasonable -- I mean, we understand the need that you all are talking about. We want customers, we need get our trucks to our stores. No question. I'm not arguing with that. It's just again, what is fair, what's reasonable? And again, we're willing to have that conversation. Again, when this first came out, we were very concerned about how fast this was moving. I know things have changed the last 24 hours, so hopefully we can take a deep breath and keep having this conversation.

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**Fritz:** Thank you. Let me ask my question in a different way. How much would your average grocery store pay in Tigard?

**Miller:** In Tigard -- I'll have to get that back but in that range I think it's around \$250 a month.

**Fritz:** Thank you.

**Hales:** Thank you very much.

**Parsons:** Next on the list. Are they here?

**Hales:** Mary's here. OK, we got two. One more?

**Parsons:** And how about Gary Sargent.

**Hales:** He's here. OK, go ahead.

**Rebecca Hamilton:** Good afternoon, my name is Rebecca Hamilton, and I'm an appointed member of the city's pedestrian advisory committee, I'm an elected board member of the northwest district neighborhood association, and I am here today to ask to you pass this fee. As a member of the pedestrian advisory committee, we periodically review lists of projects that we would like to fund. Projects to put in crosswalks at high-crash corridors, or to provide various neighborhoods with sidewalks. And we prioritize these lists, we try to make our best judgment decisions on which neighborhoods are in most need. But that means that there are projects and neighborhoods that fall to the bottom of that list. And I know that those neighborhoods might not see funding for critical projects for many years. I believe that we as a city have a moral imperative to provide complete and safe transportation networks for all of our residents. But the neighborhoods in our outer lying districts lack the infrastructure to safely support the most basic mode of transportation: rolling and walking. Because of our failure to fund sidewalks and safe crossings, we have watched as low-income citizens and neighborhoods of primarily communities of color bear a disproportionate burden of traffic casualties and fatalities. So as individuals, this street fee upsets us. And you have heard from many people today, many people who are angry about the idea of the street fee. But if you have the courage as leaders to pass this unpopular but deeply necessary measure, I believe that you won't hear from heartbroken families and friends who have lost a child or a mother to crossing a city street; and you won't find yourself attending candlelight vigils, making promises to neighborhoods that you know you can't afford to keep. We elected you to lead, to make difficult and necessary decisions in the best interests of our neighborhoods, not to pass the buck without offering real solutions to do what is right. I know my time is up, so I would just again, please, urge you for our neighborhoods, pass this fee.

**Hales:** Thank you, thanks very much. Good evening.

**Mary Vogel:** Good evening, I'm Mary Vogel and I'm on the Portland downtown neighborhood association land use and transportation committee, but I'm not testifying for them. I didn't have time to run this by them, so I'm testifying just for myself. Even though I live without a car on a poverty income, I would not necessarily oppose a monthly fee to get better sidewalks with more street trees and better bike lanes and fewer streets with potholes if you first prevent more unnecessary road damage. Charge the people who drive into the city with studded tires their fair share of the road health damage they cause. ODOT estimates that studded tires cause \$40 million in damage to our roads each year. During its life span, the average studded tire chews up one half to three quarters of a ton of asphalt that results in a fine dust that gets in the air, on the land, and eventually washed into our rivers. It also gets into our lungs, causing an inflammatory and toxic effect. A Swedish study found that the toxic dust created by studded tires is 60% to 100% greater than the amount from regular tires. The average damage from studded tires greatly increases our consumption of petroleum products, and hence our carbon footprint. So they should pay a greater carbon tax. A second suggestion, charge the speculators who own parking lots and other vacant lots in downtown to add street trees around their properties. Nearly all of devoid of such trees right now. This is one thing that my downtown neighborhood most needs for livability, and it should be done -- one less thing on the city's list to pay for. Third, increase the property taxes for speculators who own

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downtown surface parking lots to give them an incentive to develop their property or sell it to someone else who will. By taxing land at or near its development potential, owners of land being used at less than maximum productivity would be paying an extra tax in order to keep it that way. This will give you more residents to tax as well, because you'll get that development. So in any case, I have also submitted to you my testimony on the west quadrant plan to the strategic advisory committee as part of the statement I sent you earlier from the Oregon -- American planning association conference. Anyway, consider these and other tax fairness measures first before instituting the proposed street fee.

**Hales:** Thank you, Mary. Good evening.

**Gary Sargent:** Good evening, Mr. Mayor, Commissioners, I'm Gary Sargent. I also sit as vice president of the 82nd Avenue of roses business association. I've served on the Lents urban renewal district advisory council since 1996, and I currently serve as vice president of the national independent automobile dealers association and chairman of the board of the Oregon independent automobile dealers association. So roads are of great concern for my industry. And we won't deny the fact that the roads do need to be repaired. But there's a couple of things that haven't been brought up here today that I want to pose some questions to the council. One is how the urban renewal dollars are being spent and how they will be used. Now in the Lents urban renewal district, the district that my business resides in received \$180 million in funds. And with an urban renewal project -- I understand there are four or five going on in the city -- how are those dollars going to be put to work? Now with the Lents project urban renewal district, we first saw money disappear mainly because marshaling and administrative costs by PDC. So then they had to extend the urban renewal district and with the carrot, if you will, that the Foster Road would receive a streetscape if they could extend the urban renewal district from 82nd to 52nd. OK. That was about four years ago. Nothing has happened. Second question is, Mr. Mayor, I've been to two meetings where we've talked about this, and you and I may disagree. But we'll agree things need to happen. You stated that currently, the public works department has gotten 100 miles of road done a year. OK. Now, that's operating within budget and at capacity, I assume.

**Hales:** Not at capacity, but within budget.

**Sargent:** Within budget. OK. So now you have this influx of proposed \$40 million to \$50 million. How will you get that money out the door per year? That's a real key question. Because a lot of what happened with our urban renewal district, and why the money in Lents disappeared in the first run of it was not only administrative costs, but there were money put into budgets to get things done and nothing did get done. The money disappeared. That's why it is so paramount that there is an accountability on this money. And then trying to try -- not to disguise projects that might be for bike lanes, or calling them safety things. To actually dedicate projects and earmark those, that this is what we're going get done for this year. And then budget it for accordingly. Thank you for your time.

**Hales:** A quick response on one of those things. We need to explain to the community, if we haven't done so already. If these funds are approved how will we get them out of the door? To directly answer your question. So I won't try to do that on the fly right here, but that's something we ought to be able to explain to people. Some of it will be contracted out, some of it will be done by our own workforce, but we ought to explain that to people. It's a very good suggestion and we'll follow up. On the Lents urban renewal area, you may not have heard, but yesterday actually the council approved a new five-year action plan for the Lents urban renewal area that was heavily supported and created by the neighborhood and local businesses. I'll make sure you get a copy, because I think it's designed to not be a shelf study and to actually get things done. I think you'll like what you see and I'll make sure you get a copy of that.

**Sargent:** I appreciate that.

**Hales:** Thank you very much.

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**Sargent:** Thank you. Go ahead, you're on first.

**Richard Kiely:** Mr. Mayor, Commissioners, thank you for taking time to listen to me. In front of you, you have one of these that was supposed to be passed out by the council clerk.

**Hales:** We'll make sure we do.

**Kiely:** I will just read this verbatim, so we can get this short and to the point. My name is Richard Kiely, I'm the president of the 82nd Avenue of roses business association. May 27th, two days ago, the 82nd Avenue of roses business association board of directors voted unanimously to request the city council defer a vote on the proposed transportation fee until it can be properly vetted. A number of concerns were raised about the legislation for which we believed deserved further study and input from the constituents most severely affected. An issue of this magnitude that affects all citizens and businesses in the city of Portland should be referred to the voters with proper disclosure. Among our concerns are, there is no time limit on this fee. At what point does the city see the fee being removed? There is no limit on the amount of funds that constituents will be required to pay. Current public works is operating at max capacity within budget, paving up to 100 miles a year. If the road fee is truly to be used to repair roads, what is the plan to increase their capacity? The city has already made substantial financial demands on the business community, including extremely high water and sewer rates, system development changes, stormwater management requirements, and recently adding sick leave ordinance to the payroll burden. Portland has developed a reputation as being unfriendly to business, and we are seeing established businesses leave for what they consider better conditions. A recent example of this is the departure of Banfield Pet Hospital corporate headquarters to Vancouver, and the loss of nearly 600 jobs on the 82nd avenue of roses business corridor. Also, Portland was rejected by the Nike expansion, and has not benefited from any of the recent massive Intel expansion. Proponents of the transportation fee were not forthcoming about the true cost of this measure. It was sold to the public as either an \$8 or \$12 per month fee per residents. Only in the last few days have the true costs to the business community been disclosed. The public may not realize that they will eventually be responsible for paying higher prices on everything as a result, similar to a hidden sales tax. The rates proposed in the PBOT street fee rate calculator seemed biased against small businesses and restaurants. It is confusing and difficult to determine the categories for different businesses. A small 2000 square foot restaurant may pay between \$200 and \$700 per month, depending on how it is categorized. More time is needed for many small businesses to adjust their budgets to accommodate this increased cost. Many may not be able to survive this increase. As representatives of 82nd avenue businesses, we are acutely aware of the lack of services that have been provided to the outer southeast neighborhoods. We are also caught in the middle of a tug-of-war between ODOT and the city regarding overdue maintenance and improvement to the 82nd Avenue corridor. We travel daily on a state highway burdened with potholes, inadequate crosswalks, and many deficiencies. It is an affront to the taxpayers of the area who have received so many promises from our elected officials. The irony of this transportation fee is that none of the money will be spend improves this decrepit roadway.

**Hales:** Thank you.

**Kiely:** I'm not finished.

**Hales:** Sorry, go ahead.

**Kiely:** That's OK. I know, I come up for a breath, and even my wife says, are you done? [laughter] This is just one of several things the city council is considering passing on to taxpayers. Other financial requests are coming to revamp the city's emergency response system and parks maintenance. What other projects does the city council have in mind to add to the burden of Portland's business community? We respectfully request city council delay implementation of the user fee until some of the many issues surrounding it can be clarified. That said, as the president of the association, most of you know me personally on a personal level. I won a spirit of Portland award a few years back because all the residents in this community need attention, and they all

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deserve the best that we can provide for them, whether it's business or households. My thought on this, just speculating -- most of you that know me know that I never come to the table with just a problem, but I try to bring some sort of a solution with it. In hearing what's been said over the news over the last couple days regarding the water hiccup we had -- and I'll use that term lightly 00 there were 461,000 reverse 9-1-1 calls to residents. As Heather earlier from Venture Portland stated, there are close to 20,000 businesses in Portland. Not to simplify this issue, but if we charged them just \$12 apiece per month across the board -- do the math. You're \$8 million over what you need to have this project work. And that's just 12 bucks. And that way, the businesses won't be incurred with this giant charge and have to pass it on to the consumers that can't afford more than they're already buying now.

**Hales:** We'll check the math, thank you.

**Fish:** I know it's late, but we are all appreciative of your service. And just had a quick reaction, because I agree with so much of what you said. If you think there's an opportunity for us to get Intel jobs, you'll let us know. [laughter]

**Kiely:** It's like what I was telling you the other day, when you see that job opening, give me a call.

**Fish:** If we're missing something on Intel jobs, we want to know. On the Nike thing, over a beer sometime, I will give you the chapter and verse. Nike chose to defer coming here, but not because the city didn't give them a very competitive offer. Everything that wasn't nailed down was offered to them. So I want you to just have confidence in that. But your point about the Banfield is the same concern I have with Siltronic, which is we put a lot of million into inducements to get companies to come here, and they sometimes leave. And one thing I'd like to know more about is when we put that public investment in on the front end, are we making sure we get a fair return on our investment on the back end? Companies are free to leave for many reasons in a system like ours. But it troubles me that we threw in the kitchen sink, for example, with Siltronic, created an urban renewal district, an e-zone, did a number of other -- we were going to except them from the river plan, and they're still down less than one quarter of the jobs that were promised when they located here. So there's a bigger question about the two-way street with some of the folks we invest public dollars in. I just want to assure you that with the Nike thing, this council went to the mat. And if you hear about any Intel jobs, we're all ears.

**Kiely:** And I understand that, Commissioner Fish. What I'm just trying to bring across here is that, as small business owners, we don't mind paying our fair share. I have never shirked at my responsibilities as both a resident and a business owner in Portland. But to be weighed down, being a small printing company, and I'm barely making ends meet because my trade is in flux and I have to find a whole new market for that. So to do that, I have to spend money to make money. Whereas with these added fees and taxes, it's only going to make start-ups that are the life blood of this city a moot point.

**Fish:** You made that point very eloquently. I didn't mean to take away from that. Your point stands, and we thank you.

**Hales:** Thanks very much, appreciate it.

**Harry Sampson:** Nick Fish asked people if they went to the town hall meetings. I went to it. When he was talking about businesses, how many people thought that would mean churches or charity organizations? We didn't think he meant that. He did not bring it out. He did say, what are we supposed to do? Take this money out of the schools? [indistinguishable] Are we supposed to take the money out of schools and libraries and that? That's what he said. That's why we are doing this, where we won't have to take the money away from the schools and libraries. Especially churches. If he brought up in the meeting that the churches and nonprofit organizations were taxed, how many people would be against him? He withheld the information. You're talking about the smaller cities that passed the taxes. Are you considering that a lot of those cities have waste [indistinguishable] property taxes in Portland? The tax system is different. You're comparing apples with oranges. If

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you're paying way less property tax, you can't afford a street tax. Why aren't they bringing that part up? I mean, that's important. You're comparing oranges to apples. We have programs gone in in Portland -- the streets, everyone knows need to be fixed. They have to work with the state. Take money out of programs that aren't essential. The urban renewal that helps new businesses. That could be put on the back street. And I think you'd get the voters in Oregon to vote on it. Here's \$50 million. That's a year's taxpayers' money and businesses that could be put on the streets. Everyone agrees the streets need to be fixed. And you're up there screaming, the streets have to be fixed -- everyone knows. But how is it to be paid? The pet projects. You take the Maple Leaf on Foster that gave money, didn't increase the businesses. We need to put the money on the streets, take it out of urban. And there's a way we can have people vote on it. Don't put people that are handicapped \$70 a month, pay \$8. They can't afford it.

**Hales:** Thanks very much.

**Sampson:** What do you respond to that?

**Fritz:** Can I just get your name for the record, please?

**Sampson:** Harry Sampson.

**Hales:** Thanks, Harry.

**William Newman:** Mayor and council members, my name is William Newman, I'm a resident of southwest Portland, and I agree that many of our roads and sidewalks are in need of maintenance. And yes, there does appear to be an emergency with deferred maintenance having grown to critical levels and apparently insufficient funds. But is it true that funds are insufficient for these basic and presumably essential and priority municipal services? Or instead, have existing tax revenues been poorly spent often on inessential and even frivolous projects, deferring essential maintenance and upkeep and allowing this emergency to occur. Not a week passes without exposure of yet another poorly-managed government project of waste, inappropriate use of funds, even extravagance in public sector spending. Rather than asking taxpayers for additional monies, I would ask you as stewards of our government to instead responsibly manage the city's existing financial resources, and only then if a shortfall or emergency occurs to come to us. An apt analogy that I read compares the situation as that of a parent who gives their child an allowance for school books and clothing, but the child spends it on other things, comes back claiming an emergency that there's no money for schoolbooks or clothing. You would not simply hand the child your credit card. Why are you asking us to hand the city ours? As taxpayers, we work hard for our money and we try to spend wisely, because when it's gone there ain't no more. As recipients of our hard-earned dollars, I would ask you to please spend our money with the same care, responsibility, and discipline. Thank you.

**Hales:** Thank you. Go ahead, please.

**Marion Haynes:** Good evening, mayor, councilmembers, my name is Marion Haynes, I'm representing the Portland Business Alliance. Thank you for the opportunity to speak. I'll be brief, I have basically three points that I'd like to make. First is the alliance absolutely supports the goal of maintaining streets and improving safety. We know that there's need. We have been supportive of a street fee in the past. In 2007, after a lot of discussions and lot of process, we did get there and support of that fee that unfortunately didn't move forward at the time. This one is different. It raises twice as much money. The details on some of the exact projects have not been scoped out quite as far. So we're not supportive as this approach is currently constructed, but there is a conversation that we can have there and that we can build on. To that point, number two, is the details matter. This is a very complex fee structure. You've heard a lot from businesses -- I won't repeat what they said -- about understanding what the fee means to them, what the funds are going to go to. But there's a lot of detail and a lot of complexity. It has been a bit of a moving target, and we really need to dig into those details to get something right here and something that we can support. Number three is we don't support splitting the business and residential. We think we should slow down on both aspects of the fee in order have the conversations about those details, get some clarity to some of the

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questions that have been asked. You know, we appreciate the effort to slow down the business fee, but some of the concerns and questions that we have are related to the funds that are raised for both. How is the money going to be spent? Some of the questions both Commissioner Saltzman and Fish asked in the beginning about administrative costs, and how much goes to maintenance. Is it the 80%? Is it the 50%? These are the kinds of things we want to work through and they apply to both pots of money. In conclusion, our ask today would be that we delay both aspects of this fee and have that conversation. We're committed to having that conversation with you, and trying to get to a solution. But it feels like right now it's time to start that conversation, and not end it. Thank you very much.

**Hales:** Thank you.

**Fritz:** Thanks for staying, and for your very constructive comments.

**Hales:** Good evening. Are we letting Wayne go first?

**Wayne Stoll:** OK. Mayor, Commissioners, I'm Wayne H. Stoll. We own a small family business that started in 1950 by my parents teaching dancing and investing in an apartment building that we still own today. And now, we're starting with our third generation that's in the business with us. And for years, we've prided ourselves in providing affordable housing to people in Portland before there was affordable housing. We've had one resident with us for over 40 years. We've had two or three for more than 30 years, several 20 years and more. And many of these people are on fixed incomes. We have several tenants on Home Forward. And these are real people with real lives. We send out a little goodie bag at the holidays for our tenants. One person wrote me, I'll quote part of his letter. It says, for an elder on a fixed income, this is truly a wonderful gift. And this is a person -- he's an older man, he's on a fixed income. I don't know how he's going to be able to afford a fee such as this. We like to give our people good deals on our rentals. One of our managers at a premier property of ours just checked the competition. Their two bedroom apartments are running for more than \$250 a month more than ours, and that's catty corner from our property in the Hollywood district. At our commercial properties, one tenant has been with us for 46 years. A couple others for more than 30 years. Several for 20 years and more. And most of these are small businesses, individually owned by Barbara and Stephanie, by Ron and Jim, by Annette and these people are working hard daily in their businesses. All of our income is derived from our rent. We don't get anything else. When our expenses go up, the rent goes up. All of us want affordable housing. We want vibrant storefront businesses and we want employee-generating offices throughout the city. We have employees. Susie has worked for us for over 20 years. Babakar has worked for us for 15 years. And in the last three years, I've hired two new employees. We want to continue to employ these people, we want to continue to maintain our properties by employing plumbers, electricians, sheet rockers -- that's a tough job -- HVAC techs, carpenters, etc. Last night, we attended the Parkrose High School senior recognition evening where the Parkrose business association awarded four \$2000 scholarships to graduating seniors. That is out of 42 applicants. So that's obviously a need in our neighborhoods, and this is something for money that was donated by Parkrose businesses and/or residents. And we in Parkrose want to continue to provide those scholarships to those people. So this is money coming out of our pockets, it can go to scholarships, it can go to street maintenance fees. Now, I'm going to digress a little bit because some of you know about what happened to our daughter three years ago. She was hit by a car standing on the sidewalk in downtown Denver. On the sidewalk. So transportation, sidewalk safety means a lot to our family. Three years ago at this day, she was just coming out of a coma in a Denver hospital before she went to Craig rehabilitation hospital. So this is very important to us. But we do think that this is an item that must be referred to the voters of Portland. As people have said before, we're smart, we know what's going on, we'll do the right thing, and please, please, let us all vote on it. Thank you.

**Hales:** Thanks, Wayne. Thank you. Good evening.

**Adele Nofield:** Good evening. Is every day like this for you guys? [laughter]

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**Hales:** The last couple of weeks yes, but not every day.

**Fish:** Thank god we didn't have a boil water notice last week, because that would have just put us over the top.

**Nofield:** I'll tell you how I dealt with that on Friday. Anyway. It was successful, though. Parkrose really does rock. I mean, it's a great neighborhood, and it's one that I happen to live in, also. And not to digress, but just for a moment -- Adele Nofield, and I am representing the Pearl district business association today. But I do live in Parkrose, and no one has mentioned the incredible traffic that comes from Washington that uses our streets every day. And I see that going to work, I see it coming home from work, I see it in my neighborhood because Costco's there close to Marine Drive, Airport Way. IKEA, all of those places. Everywhere is Washingtonians. How do we deal with that? Because they are using our roads. Just a question. Thank you for bringing this hard issue to the forefront into our concerns. PDBA and many property managers of the district on the north and south, we've sent you a letter with our statements. I would just like to talk about a different tack, though. Our concerns is not to repeat ourselves today -- excuse me. Portland is based on small business, especially in the Pearl, but all over the city. And they need a voice. I've felt like when you passed the sick leave, we didn't have a choice in that action, and we really need to have one for this. We're small businesses that work on small margins. We do want safety, for sure. We do want great roads. But you need to include us in that process with our smart, intelligent people who want to find the best solution, not to fight you on this at all, but include us. We ask that you vote no on this. We have a membership of 197 people and growing, but we need to grow strong. And for us to do that, we have to control our dollars. So please allow us to be part of that and vote no today and let us work through this on a longer process.

**Hales:** Thank you very much.

**Parsons:** Is Olga here?

**Olya Karloeshkina:** It's Olya, actually. Sorry about my hand-writing. I'm a small business owner, and I am here on behalf of my fellow business owners from what we like to call the republic of St. John's. It's in north Portland, and most residents in my area passionately hate corporate businesses. I don't know if you guys have ever been to downtown St. John's.

**Hales:** We were all there for the parade.

**Karloeshkina:** Exactly, so you know what it looks like, I actually happen to be the only restaurant/bar within a mile radius. I have about 5000 people also within a mile radius that live there, and most of the traffic I generate is foot traffic. And you know, we did a lot of talking about this with the fellow business owners in my area. And for some of them, this fee will mean closing our doors. We have to work really hard in these times because of just the economy. A lot of us have taken a big hit, and we often don't get a two-day weekend. We don't get a vacation. I haven't had a vacation in four years, you know. I don't know if you guys have, but I bring home about -- sometimes, less than what my staff do, you know. And I am willing to continue doing what I'm doing and I would absolutely vote for a reasonable fee, because I do care about my streets. But I just really, really ask you guys to give us a chance to keep our doors open and write this well, and make it to where people understand what's going on and just slow down. And I will gladly vote for this myself if it's written well and put up for a vote for us. Thank you very much for this opportunity to speak.

**Hales:** Thank you. Thanks for staying, appreciate it. Good evening.

**Eileen Kohn:** Good evening. My name is Eileen Kohn, and I think some of my concerns have already been addressed, but there's some issues I want to point out that are sort of on a different slant. My background was -- I'm retired now -- I was an accountant, tax preparer. And in items like this, including when the arts tax was passed, people jump up and say, yes, it's a good idea. But my experience with people is that most people don't keep a budget, they don't know what they have and what they can afford, what their future expenses are, they don't have any money for emergencies,

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they don't have money for their retirement, they don't have savings. Very few people have savings accounts anymore. And you know, we're in a consumer-type economy and people come up and say yes, let's do this. And most of us -- I know I don't have that extra money. I would love to say it, but right now with the cost of food -- I'm not spending money for the type of food I need. I don't buy clothes, I don't go on vacation, I practically have a very Spartan life and yet I'm over that low-income level. But with rent and food and everything is -- and then this last week, unexpectedly, I had medical problems, and now, I'm in debt for some medications that were very expensive that it turned out I couldn't use anyway because I had reaction to them. So my point is that even though I realize how badly you need these things, you know, we have to take into account where people are economically and that people tend to agree on things without ever looking at their budget.

**Hales:** Fair point. Thank you. Good evening.

**Paul Comery:** Good evening. My name is Paul Comery, I'm a resident and I've been a bike commuter in this town since I was in third grade, so going on 20 years now. I have to say I'm not here to oppose paying a street fee. I think, particularly as a bicyclist, I would love to contribute if for nothing else than people would stop saying that bicyclists aren't contributing. And I'm not here to question whether or not we need this money for the streets. I think that's absolutely true. I don't think anyone wouldn't question that. What I do disagree with is the regressive nature of this fee, and I also question the rationale in defending this funding mechanism as the best option. I know Commissioner Novick has many times said to me and publicly that he's not happy with the regressive nature of the fee and he would prefer to see something more progressive. And your own poll there showed -- I mean, granted it was only 51% the second time people asked -- but it was an increase from 44%, and that increase only happened because they were given more progressive options to put on the tax. I think people would be more in favor of this tax if it was more progressive. And so what I'm hoping that you guys will do today is instead of just nixing this completely or passing it the way it is, is maybe empower Commissioner Novick to rework it and make it more progressive. And I have some ideas on how we could do that. First thing -- it's already been mentioned -- that we currently aren't capturing any money from people who live outside of Portland who commute into Portland and use the streets. Vancouver was mentioned, Washington residents were mentioned, also, you know, in 2012 Metro released a study. 45% of employed people in Gresham work in Portland, 41% of employed people in Milwaukie work in Portland. You know, we could capture funds from those people that commute into downtown Portland or commute into Portland to work if we did some sort of car user fee, similar to what they do in Chicago. If you operate your car in Portland, you have to have a sticker, pay for that sticker every year. That would capture money from people who live in Vancouver, people who live in Gresham, people who live in Milwaukie. Additionally, it would also help kind of alleviate the discrepancy that currently exists with the fee setup. Right now, you have a single family that has four cars and a single family that has one car, you pay the same amount. If you do a car user fee, you're capturing more money from the family that has more cars. They use the streets more. I think a couple of things that have been put out there -- everybody pays and everybody benefits. And I'm for everybody paying, but I would like people who use more to pay more. I would like to try to figure out a way that we could capture more money from folks who use the streets more. I don't think it's fair to ask a single family house that doesn't have any cars to pay the same as a single-family house that has three or four cars. In that sense, I'd like to see maybe a no car discount in addition to the low-income discount.

**Hales:** Good ideas. Just want to get you to wrap up soon.

**Comery:** I appreciate the time. I did the online survey, and I came to the town halls, and I really didn't feel like my suggestions were listened to then, so I appreciate you listening to me now. Item number 11 here on the proposal says the transportation user fee is based upon the premise that all users in the system contribute to the maintenance and safety costs. And I agree with that but I don't

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think we're capturing all users of the system in a very fair way the way it's designed right now. And I would really hope that a further iteration of this proposal would look to alleviate that.

**Fish:** Can I ask you one question? Because it's too bad that now we're a quarter to seven to put a complete alternative on the table and express yourself so thoughtfully. Kind of wish we could have put you back a few hours. But I disagree when you said we should think about a system that puts the fee on the car. So, for example, let's say I don't have a car, but I take a bus. Do I not have an interest in making sure the Sandy is well-paved so that the bus gets me to work? I'll give you three examples, and then --

**Comery:** OK.

**Fish:** If my road in front of my house is not paved, don't I have an interest in having it paved so that fire trucks can get there a minute quicker in the case my house is on fire? Or if I don't have a car, but I happen to be very social --which in this job I have no time for [laughter] -- say every night we have 50 friends over for a party, don't I want to people to be able to get there and people able to park? I'm intrigued by what you're saying, but don't I indirectly impact the streets even if I don't have a car in ways that in my own self-interest I would like to have them paved?

**Comery:** Absolutely. And let me be clear, I wasn't advocating that people without cars wouldn't pay anything. I like the model of everybody paying a little bit.

**Fish:** So this is high fee --

**Comery:** Exactly. You get some more money from the higher --

**Fish:** You'd get a base charge from everybody, and then you'd have an escalator clause based on how many cars you have or some other factor.

**Comery:** Yes. The way I look at it, the street is a public space, and if you have more cars you're using more of that public space whether or not you're driving them, if you're parking them on the street you're still using that space. So that's why I want to see something -- I want everybody to pay. I think that promotes the idea that this is public space and we're all responsible for it, and I like that. What I do want to see, though, is if you use more, you also pay more. And that hopefully would fund -- by requiring higher users to pay more, maybe we could lower the amount that lower users had to pay and still generate the same amount of funds.

**Fish:** If you use more water, you pay more.

**Comery:** Yes, that's true.

**Fish:** And the basic is that there are no [inaudible] --

**Novick:** Actually, despite the lateness of the hour, I'd really like to take a moment to respond to what you're saying, because those are very important questions. And I want to let you know, we have spent some time thinking about them. Actually, we've heard from a lot of folks in these forums -- we've heard from several folks saying what you're saying. We also heard people saying gosh darn it, the cars pay for everything through the gas tax, it's time to just make the bicyclists pay. We kind of came to the conclusion that well, drivers are paying for a big chunk of the transportation system through the gas tax which people who don't drive at all aren't paying, so we're now asking for a piece of the transportation system to be paid for by a fee that everybody pays. We also took into consideration the fact that -- and I'm very depressed by this fact by the way, I found this out about two years ago, and I wish it wasn't true. Buses -- which I wish people used more, because environmentally, public transportation is so much better than all of us driving in our own cars -- buses actually impose substantial wear and tear on the roads. Our engineers told us that one TriMet bus is the equivalent of 11,000 Toyota Camrys in terms of wear and tear on the road. Now, I don't want to put a big tax on bus drivers. There's all sorts of reasons we want to promote public transit. But this fee would be a way for people who are using the roads in that way to pay. Another point is that freight trucks that come through town impose wear and tear on the roads. And at the state level, there is a weight mile fee, so the freight trucks pay sort of an alternative to the gas tax. We did ask whether that was possible at the local level, and we discovered two things. One is that in the city of

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Eugene, they considered doing a local weight mile tax and they concluded that administratively trying to figure out how much time a given freight truck spends on the streets of Eugene as opposed to somewhere else was just impossible to figure out. Also, the lawyers told us that the freight community would have a reasonable legal argument that state law prohibits us from having a local weight mile tax. And you know, if they have a legal argument, they will pay the lawyers to jig it up. So I'm not saying that your points aren't worth taking into account, or maybe we could have explored some of them more -- but many of the points you raised we did think about and explore to a certain extent.

**Fish:** Steve, could I just ask a question? With our utility bills, we charge a flat fee for all customers, and then we pay for the services used. How could -- so assuming there were no legal issues, practical issues of doing this, what could you construct as an alternative that had a base charge, as he suggested, that puts everyone [inaudible] as we do with our utility bills. But then -- well in your case, you suggested you pay more the more cars you have, or some other quantifiable measure above that. From your point of view and given the thought that you put into this, is that just unworkable?

**Novick:** I think it's administratively very difficult. Because unless you put sensors on people to see how many miles they spend walking and how many miles they spend driving and how many miles they spend biking and how many miles in a bus, and figure out the precise impact of each of those modes of transportation on the roads, I think it's difficult to get something that is all that defensible. Because you could have a couple of cars, and if you don't drive them very much, you're having somewhat less impact.

**Fish:** Isn't the irony in that that it's moving us away from a lot of the current thinking by using pricing to change behavior? We use congestion pricing -- I could get on a speed lane on I-5 if I have someone in my car at rush hour, it would encourage me to have someone in my car. If we ever put a toll on the bridge, people have congestion pricing to discourage people going at rush hour and encourage them to go at 4:00 in the morning. By having a flat rate, aren't we putting a reverse -- are we missing an opportunity to create some incentives?

**Hales:** I'll jump in there. None of the four of us was here in the previous round on this issue, but I think this time around, the proposal is sort of borrowing the Oil Can Henry's corporate slogan, we don't want to change the world, we just want to change your oil. We're not trying to change behavior, we're just trying to pay for the streets. And I think the last time around, as Mark Lear alluded to earlier, the council and the community got pretty tangled up in the social engineering of the measure versus just paying for the streets. So this was a simplicity decision to construct it this way, which also has community and political implications that we're not carrying out a program of social change here, we're just paying for the streets. And you can play that either way, but it didn't work out so well the last time in part because of those mode wars, as Mark described them.

**Fish:** That makes sense. Ironically though, we are maybe at risk of going so far the other way of decoupling the charge from any [inaudible] and the impact.

**Comery:** I want to respond really quickly to Commissioner Novick's comments about the gas tax. You make the argument that vehicle drivers are already paying a lot into the system because of the gas tax, but, you know, earlier today you were talking about how it's declining and we need to find another way to recapture that revenue. How would charging people to operate a vehicle in Portland, a yearly fee -- would that not make up for the declining gas tax revenue?

**Novick:** I don't know how Chicago's system works, actually, and it might be worth finding that out.

**Fritz:** We have someone who knows.

**Novick:** Oh, I didn't see that Leah was still here.

**Fish:** There's an expert witness in the room,

**Novick:** Colleagues, would you mind? Maybe we're too late in the day.

**Fritz:** I want to make sure that people testify.

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**Hales:** Yeah, it's a good discussion but let's let people testify.

**Fish:** If you have other suggestions -- it in your testimony, you said?

**Comery:** I didn't provide written testimony but I would be happy to stick around afterwards.

**Novick:** Do you mind in the next day or so sending us an email? Just with the ideas, you don't have to do the background piece.

**Comery:** I can do that.

**Hales:** Thank you all. OK. Extra credit for creativity. You might be able to take a hand count here and see where they show up on your list. Who's left to speak? Why don't the first three closest by come up and just give us your name. We can dispense with the list I think at this point. The other three just stand by and we'll get you next.

**Murray Koodish:** Alright. Yeah, a long evening. Slash afternoon. I'm president of the northeast Broadway business association and represent 300 plus businesses who'd see a significant new expense due to the transportation user fee. Obviously, as you've heard from many small businesses and folks representing other districts, a bill to businesses in the mid hundreds of thousands of dollars a year would be extremely damaging to them. In addition, the planning around this proposal has been rushed. The rate setting methodology for the fees is flawed in the current system. And real discussion of alternatives to overcharging businesses hasn't quite happened. I also want to note that the overall business community was not polled on this or brought into the discussions until months after the public outreach began mostly in neighborhoods. We're asking that you vote no on the current version of the fee, and then regroup to find a way to reduce the cost for business. Any new proposal should then be referred to a full vote by Portland citizens and not simply put into place by council. I'm going to go into a couple of things. I looked at some of the data on the transportation site and have also spoken to PBOT, been putting it together in the couple of the meetings that you've had. The overall payment of the fee may be split 50/50, but the tax burden on businesses is much higher than for residents if you look at the rates. \$11.56 a month, the old thing we were talking about, the burden on free-standing households is one quarter of 1% of Portland's average taxable income in 2012. Using the sample of business net income, taxable income, the business fee equals to 2% to 6% tax rate in comparison, which is 800% to 2000% more. Why should businesses pay so much more than residents?

**Novick:** Sir, are you saying net business income?

**Koodish:** Comparable net taxable income for residents, net taxable income for a business.

**Novick:** But don't businesses get to deduct most of their expenses for taxable income for like income tax purposes?

**Koodish:** As do residents --

**Novick:** Actually, no --

**Koodish:** That's after deductions for net taxable income.

**Novick:** OK, but residents don't get to deduct, for example, all of the cost of their homes, they just get to deduct the home mortgage interest. They don't get to deduct the cost of food. It's my understanding that for an income tax, businesses get to deduct pretty much the cost of wages, the cost of facilities, all that stuff.

**Koodish:** And you're ending up with -- right. But it's what you're taking home at the end of the day after all the expenses, especially for small businesses in Portland, it's a small figure which I think you've heard from people today.

**Novick:** But I want to clarify.

**Koodish:** I get where you're coming from. Right. I'm trying to go apples to apples here as closely as possible. Bottom line is it was less than 140 a year for residents. We're looking at 800, 900 for businesses, up into the thousands per year. A not dissimilar amount of net taxable income for a very small business versus the average taxable income in Portland. Also, the generic ITE national categories that are being used to set fees clearly -- as you've heard -- don't work in Portland, where

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we've got so many small businesses not generating anywhere near 5000 trips a month. In addition, the ITE trip categories -- there's only 30 or so on the calculator, there's a bunch missing, it's confusing, obviously, it needs to be simplified. I went looking for typical businesses in my district, coffee shops, pet stores, dry cleaners, barber shops, bakeries, small bookstore -- none of them are in there. It needs to be streamlined. What we could be looking at is having thousand of Portland businesses, depending on an appeal to PBOT, to set their rate properly would just be a disaster unless we can find a way to properly get this figured out up front. Also wildly different variations in costs -- this is pretty interesting -- depending on who receives the bill. Because you have to depend on the water bill to do it, you can end up with totally different fees based on whether it goes to somebody is on their own meter versus a building with the landlord gets to bill for multiple businesses. I took the example of a 1500-square-foot apparel store in a 9000-square-foot building. If the store is billed directly on their own meter and categorized as an apparel store, it's \$1446 a year. If it's billed via the landlord still categorized as an apparel store, it drops to \$984 a year. Then I was told, how do you classify these buildings in Portland with multiple businesses, like we have five or six businesses in the building? They said, well, there's a specialty retail center slash mini strip mall that you would use. And I said, isn't that more like for the suburbs where you've got little strip malls like in California where you pull up and you have parking? We don't have that here. They said that's the closest thing. Well that would be \$745 a year. So that's 50% of what the individual -- same business, same square footage -- would pay, but because they're on their own meter they're paying double. Then suppose the predominant use of the building is a restaurant, at a much higher trip rate -- I mean, we're talking two, three, four times a month in fees, but the entire building would be classified by predominant use according to the legislation that I read. You'd be looking at 1240 a year. So there's this crazy different wild variation that's totally unfair for businesses, and it's going to lead to a lack of equity from business to business who could be across the street from each other. It's confusing, and clearly, that needs to be dealt with. Obviously, there's no system in place to bill this. A big reason this is that way -- my understanding is you have -- the only way to bill people monthly is the water billing system.

**Hales:** Not the only way. But it's one.

**Koodish:** And you take all this money to do it. The suggestion would be each business should be billed individually for their type of business and their type of square footage, but we're having to get into it via the water bill and who pays the water bill, because that's the process cross-referenced with the tax database and the business license database. Clearly, it needs to go back to the drawing board. And the folks I've talked to at PBOT, they're trying hard to make this work and I certainly appreciate their time, but it's clear this puppy isn't ready for primetime yet and we definitely need to step back and find a way to reduce it. I'll finish by saying, as you've heard, the economy's flat, the cost is going up for small businesses and this is on top of all these things and you know, when I went out to members in my district I said, what's going to happen? They said, well, we're going to have to cut employee hours, reduce benefits, increase prices and there's definitely people who will have to close. They're barely hanging on. City of Portland likes to brag about how small businesses form such a crucial part of our economic base, you proclaimed small business week a few weeks ago, and our reputation is built on our vibrant neighborhoods and business districts that are prime examples of urban livability that makes Portland oh so Portland. We all agree that well-maintained roads and sidewalks, crosswalks, signals are critical and the deteriorating transportation system clearly needs help, but bleeding our business community dry to make up for past mistakes by the city isn't the answer. Do we want to damage the economic fabric of the city and the very people who make Portland unique? I don't think so.

**Hales:** Thanks, Murray. Good evening.

**Amy Estrin:** What he said. [laughter] My name is Amy Estrin and I have a business here in Portland and I'm going on my 23rd year. And in all that time, I have never let go a staff member,

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even as our economy this last several years has been really tough. What we've done -- myself and my husband who own the business -- we've reduced our wages as much as we've needed to in order to keep everyone on staff. When I heard about this and read about the size that things were going to be based on the size of the building, it kept me up at night, because I have a business that requires a large space. We are inventory heavy. So we are about 4500 square feet. And besides that, we have parking for both the staff and for customers. If I get a dozen people in the store a day, I'm grateful. It takes sometimes months of working with somebody for us to be able to sell them what they need from our business. And so the balance of what I would pay when I try to look up the system was frightening to me. I just hired someone because we started doing just a touch better, and I'm trying to -- as people have left, because the economy or someone was naturally leaving their job, I didn't fill the job because we're trying to stretch these very thin dollars. But in this case I just hired someone before I found out about this, and I don't know what this will mean to that person's job, to how all this is going to work. It's frightening. I don't believe the city owes me a living, this was my decision as a small business person to take this risk. I put my house up against my business to support and build this business. This is my risk. But I don't understand fundamentally why my business gets -- why I get taxed or excuse me, why I get this fee so much disproportionate to me than you do living in your house, having your job that you have it. I don't understand it. I get paid after all my staff get paid, all my bills get paid -- this thing about you said it gets taken off your taxes, it still has to be paid. Money still has to be there to pay this. So after everything gets paid, what's left over is my living, which I am pretty positive is less than many people that you might think -- you think people who have a business are loaded. Believe me it's not true. It's the joke of small business. We wish -- [laughter] I wish I had the money that people think I have when they come in my business. I work harder now than I ever have. My ideal was to work less as I got older, I'm working longer hours and I'm doing more than I can do to keep my staff employed, but I don't understand why the logic in Portland is always to turn to small business for the larger chunk of things. As a citizen, I absolutely want to pay my fair share. But there's nothing fair about this, and I don't understand the concept of it.

**Hales:** Thank you. Good evening.

**Richard Reuss:** Good evening. I'm Richard Reuss. I'm retired. I would like to see you enact it so that the people who are on welfare and on low-income don't pay anything. They can't afford it. They have a system now in the tax -- in the courts where they're sitting there and they're throwing people in jail because they can't pay the court fees after they've been convicted, so they put them in jail. We don't need to pick poor people and make them pay money. I would like to see people over 70 not have to pay anything -- next year for me. As far as charging people outside of the city limits, take a look at Denver. They do it. It's an employment fee. If you work in the city, you have to pay the taxes for the city. It's a set fee. And they do it quite regularly, quite easily. And it's everybody who does not live in the city. That will lower the tax burden on the people who live in the city. I like the fee where it's on the number of cars you have. Or a small fee. That works very well for me. But I had problems digging up the \$25 to pay for this stupid art tax. It just occurred at the wrong time of the year. So, it's tough. I would like to see the things with a limited life, OK? You say you need it for 10 years. I'll give you 12. But I want to see it -- if anyone needs it more than 12, let them come back and reenact it again and get the input again. By then, they should be able to find all the flaws in it. Thank you.

**Hales:** Thank you very much. OK. I think we have a few more folks, come on up. Just volunteer. Thank you for waiting.

**Brandy Pace:** Thanks for hanging in there for us. I'll start. I'm Brandy Pace, Portland, Oregon resident for 35 years. Last month, I called PGE and had the extra fee for blue sky usage removed. It added \$8 to our monthly budget. I called my car insurance company to see if we could squeeze in one more discount. That added \$12 more a month. My husband's replacement work boots came

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from Goodwill. The paint on my house is peeling, my gutters are leaking, and my husband and I shiver through the winters with an old oil furnace converted from a sawdust burner. Our household paid the \$70 arts tax. It had to come out of our grocery budget. So it was beans and rice until the next pay day. My monthly mortgage payment is now almost even with my monthly Portland property tax. \$80 million to repair the Sellwood Bridge, underutilized street cars, and more speed bumps than I can count. I don't pretend to understand the workings of your transportation decisions, but I do understand what it takes to maintain my budget. A \$12 monthly bill does not look the same to a person making \$25,000 a year as it does to a person making \$100,000 a year. Studies show that people who will be the most impacted by a fee of this sort are the least likely to come to a meeting such as this. So for them, let me say: I am the face of Portlanders stretched to the limit. Thank you.

**Hales:** Thank you.

**Fritz:** Thank you so much for coming and staying and for making that statement, it's very important.

**Hales:** Thank you. Good evening.

**Ann Sanderson:** That was moving. And hard to follow. My name is Ann Sanderson, I'm a resident, I'm a small business owner, and I'm a co-creator of the stop Portland street fee Facebook page. And I'm also the president of the Woodstock community business association, and while we oppose the tax, I'm not speaking for them today, I'm speaking for me and for the people who have contacted us looking for a voice. And for the people who couldn't stay the five and a half hours to speak today because they had to pick up their kids and feed them dinner. Nobody's going to defend the deplorable state of our pavements or the lack of a good sidewalks or crosswalks. We all agree that safety is a priority. But dividing the issues between residential and businesses are not going to make this better government, and half a bad plan is still a bad plan. Portland has a strong tradition of citizens making decisions through the voting process. Not too long ago, we voted on the art tax and fluoride -- you win some and you lose some -- but I trust the people to decide, and I wish you did, too. Large lobbies can only bring the issue to the ballot, the people are still the ones that vote. By saying you won't challenge big interests, you are saying you will take the path of least resistance, which in this case results in imposing a regressive tax on those who lack the power to oppose it. I expect better from you. I expect that when you say you know it's a regressive tax, it does not followed exactly with the words, but it is the least unpopular. And as an aside you've made this the most unpopular option. Most importantly, I expect you to trust us. We the people collectively are capable, knowledgeable, and interested. We can help you govern in a respectful way. On behalf of myself and the people of Portland who are making their voices heard, we've heard you, and we vote.

**Hales:** Thank you. Good evening.

**Chyerel Mayes:** Good evening. My name is Chyerel Mayes. I happened to be watching the news, that's the only way I knew this meeting was going on. And I guess it was meant for you to be here late, because at least it's not over. So I am glad that I'm able to at least voice my opinion or what have you. First of all, I'm a native Oregonian. Retired with a disability, on fixed income, and I'm speaking and representing myself and a lot of the elders and seniors that don't have a voice in this. When you say fees, not taxes, my right to voting is omitted. Why? You know, I've been to forums and what have you in the past, and there was questions that was asked about, is Portland friendly to elders and senior citizens? As a senior, hoping one day that I would become or have the luxury of being an elder, it's very unfriendly after working all my life, paying taxes, what have you. I'm trying to own my home. I live in north Portland, grew up in Irvington area, and the thing is that being priced out with everything increasing. I'm going to move it faster because the thing is that even with the art tax that you mentioned, that was something -- and I'll let you know, I didn't pay it because I didn't have anything to pay it with. I also owe a student loan after being in academia for 10 years. So the thing is, where is there to stretch? And to my knowledge of growing up and being taught about working, having a job, retiring, or whatever -- retirement was not even in the vocabulary.

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Schools closing. There's neighborhoods which I've watched the gentrification, whatever you want to describe that in the inner city. It hasn't gotten better. In fact, it's gotten worse. I know about urban renewal. The sprawl. That's what's happening. And I think it's unfair when taxes or fees, whichever, is placed upon people that worked all their lives. A lot of the people that came up were talking about businesses. I had families that had businesses. I even had a self -- home business but the thing, too, I had to figure out other ways to get in. Also too, I was here on recognition day for the AARP volunteer grandparent program. Now that little bit of money, it's not the purpose. The thing is that trying to reach back and help the shortfall and trying to educate our kids one way or another, I have -- my kids are grown. I have grandkids and I have great-grandkids. But I can't give up. But at the same time, you know, try to do something. And we're talking about another tax? Cutting corners? And I've come from the professional world. In fact, I retired from the Federal Reserve Bank, so talking about small businesses making Oregon. I wonder now, because as I look around especially in inner city and in the neighborhood that I live in today, it's a job just trying to maintain and exist.

**Hales:** Thank you. There there's more issue --

**Mayes:** There's more issues, but I just want to voice -- and like I said, thank you for hearing me.

**Hales:** Thank you very much, we appreciate you being here. Thank you. Thank you all. Are there some others still that want to speak? Going, going, gone. Thank you for being here. So we're going to conclude the hearing. This rolls to second reading, the resolution goes forward with it, it doesn't have to be acted on tonight.

**Fish:** I know it's late, but I have about 500 questions and some procedural things I want to put on the record, so could we get the team back up? I would like to know where we're actually going from here.

**Hales:** Alright. I'm not sure if we know that tonight. But, go ahead.

**Fish:** So Leah, procedurally -- I started this morning by getting a copy of the substitute, and we've gone five and a half hours of testimony. And I've got about five single page questions and concerns. So, we're not going to stay here much longer. Procedurally, where are we going with this?

**Novick:** Commissioner, where we're going is we have the resolution that says that we will by November 14th pass a nonresidential portion or the residential portion is repealed. We would have next week a vote on the residential street fee. And on that resolution, committing to have a vote on a nonresidential one and we have next a vote on the mayor's proposed charter amendment, which I support, which would dedicate any money raised by this fee to transportation, and primarily to maintenance and safety.

**Fish:** Steve, as we sift through five and a half hours of testimony, if any of us choose to have an amendment we want to offer, or clarification or something, what's the procedure?

**Treat:** Any kind of clarification that you would like --

**Fish:** Let's say an amendment.

**Treat:** I would refer you to my commissioner for that.

**Novick:** I think that in order to have a second reading next week, it would have to be acted upon now.

**Ian Leitheiser, Office of the City Attorney:** [inaudible] if an amendment is introduced for next week, it would then have to pass on to the following week for a vote -- [inaudible] -- an ordinance.

**Novick:** Oh, that's right.

**Fish:** Well I've made no secret of the fact that I'm going to vote to refer this to the voters. But even with the arts tax, we spent actually a fair amount of time making sure that what we referred had the consensus of the council. And I'm not even remotely prepared now to offer amendments or to address the concerns that I have, because I haven't even digested them, and I haven't even had the chance to read the substitute that was handed to me before this hearing began. So, I don't control the process here. But if what we're saying is we are not going to have a substantive discussion about

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any of the testimony tonight and the opportunity to potentially refine what's before us, I think we should make that clear.

**Hales:** I think we all need to consider the testimony that we've heard tonight.

**Fish:** But Charlie, what I've just been told is we're going to a second reading next week. So it's considered for what purpose?

**Hales:** To decide how to vote.

**Fish:** But we actually have two functions as legislators. One is to make sure that what we vote on is the best possible legislation, and two, then to cast a substantive vote. So if Commissioner Fritz or me or Dan thinks that this can be improved, what is the mechanism for us to do that?

**Hales:** It's an ordinance. So it's enacted and can be amended later.

**Novick:** But Commissioner, this does not go into effect, we do not actually start sending people bills until next July. So if there is a minor modification which you wish to propose, then you can propose that between now and then. I think that we did something similar with the paid sick leave ordinance, that we did do some cleanup after initial adoption.

**Fish:** OK. Well, I just feel like I've been trying to absorb five and a half hours of testimony.

**Hales:** So have we all, but this is an ordinance that has an effective date of July 1 of 2015.

**Fish:** There's the easy solution to that. Let's bundle the two matters and take them up in November, together.

**Novick:** Commissioner, I think that we have made clear for some time that it was our intent to conclude voting on this proposal in time that if somebody did gather signatures and it was referred, it would appear on the November 2014 ballot as opposed to on a low turnout ballot. That is still our intention. We concluded that the business side, the nonresidential side, was sufficiently complex that it required additional discussion. We have been talking very openly for the past several months about an \$8 to \$12 a month residential fee with an intent for low-income discount. We've been talking about that very openly, and that is a fairly straightforward proposal.

**Fish:** Steve, I appreciate your view of it and you're entitled to it -- then why do we have a five and a half hour hearing?

**Hales:** Because it's an ordinance and we have to have a hearing. I'm sorry, maybe I'm sleep deprived here, but what's your point?

**Fish:** We normally take testimony for the purpose of considering what's before us and then we take to see the time to see if we improve what's before us.

**Hales:** We've already got amendments that have been proposed.

**Fish:** Before taking any testimony.

**Hales:** Do you have other amendments to propose now?

**Fish:** I have five pages of questions and follow-up and issues that I would like to have some answers on.

**Fritz:** So often what we do in situations like this, since it does go to second reading, is to try to get questions and conflicts resolved. I appreciate your concern, Commissioner Fish, because it has been an excellent hearing -- five and a half hours of exceptionally on-target testimony. I have also to say that the hundreds of emails that I've read already have been without parallel the most informative sets of emails that I have read on any subject in the six years that I've been here. There have been no form letters of spamming my inbox with the same thing 50 times. It's all been completely on target and frankly, I have another 500 that have built up since the three-day weekend that I have still to read. So I think that there is some more work to be done between now and next week. And I'm not - - I don't know how that will work out. I want to just read something that I wanted to read into the record from somebody who couldn't be here, Bill Barnes. And he wrote it on a different issue but it's very pertinent. And he said, we can get out of this, but time is working against us. It's like our streets. We've let things go for so long trying to keep everybody happy, that we've lost control of our own future. Honesty, responsibility, accountability, they all matter. And I think that I've heard

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here tonight is a shared awareness that our streets are in bad shape, and for the most part, people are understanding that we don't have enough money to fix them. We did hear some people who still think that if we just managed the money that we have better we would have enough. \$91 million is a lot of money, and when you look at the \$410 million general fund budget, there is no way that we are going to find \$91 million for transportation any time in the near future. So I'm very concerned about not only the business side which I think was an elegant proposal to consider splitting them off. We've heard some significant testimony tonight about the residential side. That even with the proposal for starting it at \$6 per month, as was just mentioned, for some people \$6 is a lot of money. I think we have some thinking to do about the best way forward.

**Fish:** And I'm open to creative ways of resolving this, and I don't have the vote to stop us from taking a vote next week, but let me give you just a concrete example and you can tell me how procedurally we address it. The affordable housing community and particularly Home Forward came forward with a specific set of concerns around Section 8, VASH, and STRA. Big ticket items, significant number of people impacted. I have no way to evaluate the problem, potential solutions, whether they should be in or out. Commissioner Novick you talked from time to time about some legal advice about treating classes of people differently -- that makes sense to me. If we don't resolve some of those questions between now and next Wednesday, when do we resolve them?

**Hales:** Any time between now and next July.

**Fish:** But Charlie, adopting something that potentially has a flaw in it in its application?

**Hales:** No one's going to get billed for this before July 1, 2015.

**Novick:** Commissioner --

**Fish:** I'm missing something, because this is not how we normally --

**Hales:** There's part of this we have to refer to the voters, and there's a timeline for that.

**Fish:** Which part is that?

**Hales:** The charter amendment has to be referred to the voters.

**Fritz:** That doesn't have to be referred until July.

**Hales:** But it has to be referred. And there's part of this that isn't being referred in its current construction, and that the council is free to change at a future date.

**Fish:** So the timing for next week is driven by the timing of the referral of your charter amendment?

**Hales:** In part. In part by the need, as Commissioner Novick said. There's been a concern about this being undemocratic. I'm very happy about the results of the last election, but only 30% of our voters voted. And the one time when more of our voters vote is in a November general election. So if this is going to be referred to the voters, then, in fairness, the time that that ought to be is the November general election.

**Novick:** And what people will hear in a November general election is this is going to be a fee that single family residences will pay \$6 in the first year, \$9 in the second year, and \$12 in the third year, and that there will be a low-income discount and the people in multi-family housing will pay less because of the trip generation formula. That does not preclude subsequent action to address some of the concerns that we've heard here today. But it would give people a chance to vote on a basic premise, and for the vast majority of Portlanders to know exactly what's going to happen.

**Fish:** That's a helpful explanation. It's an unusual procedural posture to put a body that is also a legislative body in terms of refining work -- this is the first time in six years that I've gone through an exercise like this.

**Novick:** But Commissioner, I would also add we've had a number of town halls about this issue around town over the last few months. So a number of Portlanders have had a chance to weigh in, although this might be the first hearing in this room, but it's not the first public discussion of these issues.

**Fish:** That's true, but it's the first time some of your colleagues as legislators have had the benefit of public testimony.

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**Novick:** But two of my colleagues announced in advance that they were going to vote no unless this was sent to the voters.

**Fish:** In fairness, there's two issues that I have to grapple with. One is the substance of whatever we're crafting, and then two, philosophically, I think it should be referred to the voters. But I'm not going to vote to refer to the voters something that I don't think is properly crafted. So I didn't refer the arts tax, because I thought the arts tax was a bad idea. I referred the arts tax because I was given the option by the team that crafted it to either adopt it or refer it, and I joined with the majority of the council saying it should be referred. But I referred it saying I hope it passes. So actually, there's two exercises I have to go through. One is, is this legislation, which I as a legislator have an obligation to shape to make the best possible? Is it fair, is it balanced, is it well-written, does it apply to the circumstances, does it address concerns the public has raised? And two, philosophically, I said yes, I think we should refer it. That's a separate issue. I have to go through a two-part test. And I'm asking these questions because it's 7:30 and I can't possibly absorb all the information. I haven't received some of half the emails that people referred to in the record. And there may be some tweaks that I or another member of this body want to offer. If the answer is we're going to go to a vote next week and there won't be the opportunity to do that but there would be a chance at some future time, then I have to assess personally whether that's a sufficient guarantee that I get a way to shape this thing at some future time. I think it's a fair point, I'm not objecting to that procedure. But I don't know that we've ever actually followed that procedure before in my six years. So I just want to contemplate that. I don't control the vote on this, so my concern can be discarded. But I also want to honor the fact that for five and a half hours, we've listened to people raise concerns about the structure of this, alternatives, about the impact on certain vulnerable communities, about ways of making it more progressive or lessening the burden, and I, frankly, at 7:30 after two days of the kinds of hearings we've gone through, I don't have the capacity.

**Hales:** And again, I want to honor the good ideas that we've heard from people and your interest in making sure that we shape an effective proposal. But I think, as Commissioner Novick just articulated, the basic framework of this is simple enough that we ought to make a decision about whether we want to enact it or not. And I believe we should. And that's a decision that we can make even if we know later we're going to make technical or policy corrections to this construct.

**Fish:** Charlie, that may be -- I will say that we have actually, as a council, spent more time deliberating in public forums over a proposed 4.9% increase in our utility -- existing utility charge -- than we have for creating a fee of this magnitude. I'm not saying this to be critical.

**Hales:** Actually, we've spent 14 years, as I said earlier, talking about just this idea, just the idea of the street utility fee. And it's been -- it's started, granted. It hasn't been continuous for 14 years, but we have been talking about this for 14 years.

**Fish:** I'm actually not being critical of my colleagues. Every time I've been asked, I have complimented the mayor and the commissioner in charge for leading the conversation, don't misunderstand that. There is a problem, you have put a solution on the table. What I am trying to balance is that we have gone through a public process, and I'm trying to understand, what is the value of that public process if we don't absorb the information and consider changes to this if we think it improves it? And the answer is that we can do that at some future date. And that's a fair answer, but I need to consider that because that's not what I would call regular order.

**Hales:** As we did with sick leave and with the arts tax, there have been occasions when the council needs to modify a policy or a revenue mechanism that's already in place. And we have that opportunity as a council to do that. And, in fact, particularly in this case, there will be no harm done by -- or no impact, harm or good, of a modification of this plan in October or February, because it doesn't charge anyone until July of 2015. So it's all prospective -- no matter what our procedural machinations in this room, it's all prospective. And the division we're going to take this business piece up a little bit later, because there are a lot of complexities -- a lot of which got better

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articulated in this room by folks who came in and spoke today. And I'm more interested in that discussion than I was before, because I've heard some very significant critiques of the ITE manual, and we have some opportunities, I hope, to continue to do a better job with that.

**Fish:** Charlie, I listened to those concerns about the bifurcation, I actually came to the other conclusion, which was I was persuaded -- at least on the basis of the testimony we had tonight -- that we might benefit from taking them up together and balancing and consider how they interact and considering the equities as to both at the same time. We heard almost uniformly from people saying they had heartburn around the bifurcation simply because you could have an inconsistent process. And my reaction was we might benefit from taking them up together to make sure it's a balanced and equitable process, and something we learned from the business consideration might inform what we do with the residential. So it cuts both ways. I'm not at 7:30 trying to pick a fight on a minor procedural point. I've actually been listening very carefully to testimony and have a number of questions. What I think I'll do is forward my questions tomorrow. And then if they rise to the level of a major modification, discuss it with my colleagues in the respectful way that we've had this process so far. But this is a somewhat unusual process, and I understand that timing dynamics, but I also want to be faithful to this public process we've gone through and make sure that whatever we're crafting is the best possible legislation it can be. And I don't have the bandwidth right now to sift through everything I've heard, and I apparently didn't get half the emails, so I would like to have the chance to see those as well.

**Hales:** Alright. Commissioner Novick or Commissioner Fritz, any other closing comments on your part? Then -- oh go ahead, Steve.

**Novick:** I very, very much appreciate all the testimony we've heard tonight and I very, very much appreciate all the hard work that PBOT staff has put in. Leah, Mark, Dylan, Ken Lee, Jamie -- and actually I think I might have to say especially Jamie, because she has been tasked with a huge percentage of this work and I'm amazed she is still upright. Thank you all very much.

**Hales:** Thank you very much. 536 goes to second reading and 537 is set over to accompany it. [gavel pounded] Thanks. And we are adjourned for the week.

At 7:35 p.m., Council adjourned.