



CITY OF
PORTLAND, OREGON

OFFICIAL
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **10TH DAY OF DECEMBER, 2014** AT 9:30 A.M.

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

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Ben Walters, Chief Deputy City Attorney at 9:30 a.m.; Linly Rees at 2:03 p.m.; Jim Wood, Sergeant at Arms at 9:30 a.m. and 5:03 p.m.; and Greg Seamster, Sergeant at Arms at 2:03 p.m.

Item No. 1267 was pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

The meeting recessed at 1:30 p.m. and reconvened at 2:03 p.m.

COMMUNICATIONS		Disposition:
1257	Request of Eltah Brinson to address Council regarding the Young Entrepreneurs' Advocate House (Communication)	PLACED ON FILE
1258	Request of Linda Birth to address Council regarding saving the Gasco Building (Communication)	PLACED ON FILE
1259	Request of Nicole Brannon to address Council regarding saving the Gasco Building (Communication)	PLACED ON FILE
1260	Request of Jamie Partridge to address Council regarding the City Fair Wage Policy (Communication)	PLACED ON FILE
1261	Request of Scott Matley to address Council regarding spray paint fume issues at Skidmore Fountain (Communication)	PLACED ON FILE
TIMES CERTAIN		
1262	TIME CERTAIN: 9:30 AM – Accept report from Market Street Services on a Draft Implementation Assessment: Portland Economic Development Strategy and Neighborhood Economic Development Strategy (Report introduced by Mayor Hales) 45 minutes requested Motion to accept the report: Moved by Fritz and seconded by Novick. (Y-5)	ACCEPTED

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1263	TIME CERTAIN: 10:15 AM – Mt. Hood Cable Regulatory Commission TechSmart Initiative (Report introduced by Mayor Hales) 15 minutes requested	PLACED ON FILE
CONSENT AGENDA – NO DISCUSSION		
Mayor Charlie Hales Bureau of Planning and Sustainability		
1264	Authorize an Intergovernmental Agreement to provide the Multnomah County Department of Health Services \$60,435 in FY 2014-15 for efforts related to the enforcement of specified animal regulations in the City (Second Reading Agenda 1239) (Y-5)	186914
Fire & Police Disability and Retirement		
*1265	Amend contract for interface development, maintenance and upgrade services with Piracle, Inc. to extend term and increase compensation in the amount of \$15,000 (Ordinance; amend Contract No. 30003095) (Y-5)	186915
Office of Management and Finance		
*1266	Authorize contract with Cardno GS, Inc. in the total amount of \$786,935 to provide consultant services for Facilities Conditions Assessment (Ordinance; Contract No. 30004265) (Y-5)	186916
Office of Neighborhood Involvement		
*1267	Accept and appropriate a grant in the amount of \$50,000 from Multnomah County for the East Portland Action Plan at the Office of Neighborhood Involvement (Ordinance)	REFERRED TO COMMISSIONER OF FINANCE AND ADMINISTRATION
*1268	Authorize contract for \$700 with Victoria Morgan, a City employee for audio description of a training video to accommodate people who are blind (Ordinance) (Y-5)	186917
Commissioner Nick Fish Position No. 2 Bureau of Environmental Services		
1269	Authorize an Intergovernmental Agreement with the Oregon Department of Transportation for the operation and maintenance of the I5 at SW 26th Avenue Water Quality Facility (Ordinance)	PASSED TO SECOND READING DECEMBER 17, 2014 AT 9:30 AM
Commissioner Dan Saltzman Position No. 3 Portland Housing Bureau		

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1270	Establish annual sales price cap for the Homebuyer Opportunity Limited Tax Exemption Program (Resolution) (Y-5)	37098
REGULAR AGENDA		
1271	Create the Portland Street Fund and establish a non-residential transportation fee to fund Portland's street maintenance and transportation safety needs (Previous Agenda 1233; Ordinance introduced by Mayor Hales and Commissioner Novick; amend Code Chapter 7.02 and add Code Chapter 17.21) 45 minutes requested for items 1271 and 1272 Motion to put amendments regarding home-based businesses as stated in Bureau of Transportation memo dated December 8, 2014 on the table: Moved by Novick and seconded by Fritz. (Y-5)	CONTINUED TO DECEMBER 17, 2014 AT 9:30 AM AS AMENDED
1272	Establish a residential transportation income tax to fund Portland's street maintenance and transportation safety needs through the Portland Street Fund (Previous Agenda 1234 ; Ordinance introduced by Mayor Hales and Commissioner Novick; add Code Chapter 5.76)	CONTINUED TO DECEMBER 17, 2014 AT 9:30 AM
Mayor Charlie Hales Bureau of Police		
*1273	Amend an Intergovernmental Agreement with Multnomah County for the Sex Buyers Accountability and Diversion Program (Ordinance; amend Contract No. 30002122) Rescheduled to December 10, 2014 at 2:00 PM. (Y-4; Saltzman absent)	186918
*1274	Authorize application to the Oregon Department of Transportation Transportation Safety Division for a grant in the amount of \$12,000 for overtime reimbursement for enhanced speed enforcement at top speed-involved crash locations within the City during Federal Fiscal Year 2014-2015 (Ordinance) Rescheduled to December 10, 2014 at 2:00 pm. (Y-5)	186919
*1275	Accept and appropriate a grant in the amount of \$100,000 from Oregon Impact for the 2015 DUII Traffic Safety and High Visibility Enforcement program for sworn personnel overtime (Ordinance) Rescheduled to December 10, 2014 at 2:00 pm. (Y-5)	186920
1276	Authorize a competitive solicitation for an on-body camera system for Police Officers (Ordinance) 30 minutes requested Continued to December 10, 2014 at 2:00 pm.	PASSED TO SECOND READING JANUARY 7, 2015 AT 9:30 AM
1277	Amend a grant agreement with Central City Concern to increase funding by \$136,955 for transitional housing for chronic offenders identified by the Service Coordination Team (Ordinance; amend Contract No. 32001079) Rescheduled to December 10, 2014 at 2:00 pm.	PASSED TO SECOND READING DECEMBER 17, 2014 AT 9:30 AM

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<p>1278</p>	<p>Amend an Intergovernmental Agreement with Multnomah County to decrease funding by \$136,955 for transitional housing for chronic offenders identified by the Service Coordination Team (Ordinance; amend Contract No. 30004147) Rescheduled to December 10, 2014 at 2:00 pm.</p>	<p>PASSED TO SECOND READING DECEMBER 17, 2014 AT 9:30 AM</p>
<p>City Attorney</p>		
<p>1279</p>	<p>Authorize the City to intervene in a proceeding in the matter of The United States of America v. Linnton Plywood Association, U.S. District Court Case No. 3:14-1772, pending in the United States District Court for the District of Oregon (Resolution) 15 minutes requested Rescheduled to December 10, 2014 at 2:00 pm. Rescheduled to December 11, 2014 at 2:00 pm. (Y-4; Saltzman absent)</p>	<p>37099</p>
<p>Fire & Police Disability and Retirement</p>		
<p>*1280</p>	<p>Amend the Fire and Police Disability, Retirement and Death Benefit Plan so that the Plan will retain its tax-qualified status (Ordinance) Rescheduled to December 10, 2014 at 2:00 pm. Rescheduled to December 11, 2014 at 2:00 pm. (Y-4; Saltzman absent)</p>	<p>186926</p>
<p>Office of Management and Finance</p>		
<p>*1281</p>	<p>Authorize a contract with Pierce Manufacturing, Inc. for the purchase of up to nine Pumper Fire Apparatus for a total not to exceed amount of \$5,000,000 (Ordinance) Rescheduled to December 10, 2014 at 2:00 pm.</p>	<p>REFERRED TO COMMISSIONER OF FINANCE AND ADMINISTRATION</p>
<p>Commissioner Steve Novick Position No. 4</p>		
<p>1282</p>	<p>Direct the Bureau of Revenue and Financial Services to research and report to Council on the feasibility of applying a local income tax to income earned in Portland by individuals who are not Portland residents (Resolution) Rescheduled to December 10, 2014 at 2:00 pm.</p>	<p>RESCHEDULED TO JANUARY 7, 2015 AT 9:30 AM</p>
<p>Bureau of Emergency Management</p>		
<p>*1283</p>	<p>Authorize the Director of the Portland Bureau of Emergency Management to execute Intergovernmental Agreements and amendments for administration of the FY 2014 Urban Areas Security Initiative Grant funds (Ordinance) Rescheduled to December 10, 2014 at 2:00 pm. (Y-5)</p>	<p>186922</p>
<p>Bureau of Transportation</p>		
<p>1284</p>	<p>Amend Lease Agreement with Union Pacific Railroad Company for pedestrian and bicycle path facilities on the east bank of the Willamette River and the Steel Bridge (Second Reading 1251; amend Contract No. 51354) Rescheduled to December 10, 2014 at 2:00 pm. (Y-5)</p>	<p>186923</p>

<p>Commissioner Nick Fish Position No. 2 Bureau of Environmental Services</p>		
<p>1285 Amend contract with Natt McDougall Company for additional compensation to resolve final contract claim for the Guilds Lake Pump Station Improvements Project No. E08877 for \$661,902 (Ordinance; amend Contract No. 30002577) Rescheduled to December 10, 2014 at 2:00 pm.</p>		<p>RESCHEDULED TO DECEMBER 17, 2014 AT 9:30 AM</p>
<p>Water Bureau</p>		
<p>*1286 Amend contract with Cogan Owens Cogan, LLC in the amount of \$28,048 to provide additional Utility Oversight Blue Ribbon Commission Facilitation Services (Ordinance; amend Contract No. 30004067) Rescheduled to December 10, 2014 at 2:00 pm. (Y-5)</p>		<p>186924</p>
<p>1287 Authorize a change order for Powell Butte Reservoir 2, Phase 2 project at a cost of \$1,600,000 (Ordinance; amend Contract No. 30002100) 10 minutes requested Rescheduled to December 10, 2014 at 2:00 pm. Rescheduled to December 11, 2014 at 2:00 pm.</p>		<p>PASSED TO SECOND READING DECEMBER 17, 2014 AT 9:30 AM</p>
<p>1288 Authorize as surplus the City-owned Sandy River Conduit 2/4 Bridge and authorize the Water Bureau to proceed with the sale, donation or recycling of the property (Ordinance) 15 minutes requested Rescheduled to December 10, 2014 at 2:00 pm.</p>		<p>PASSED TO SECOND READING DECEMBER 17, 2014 AT 9:30 AM</p>
<p>Commissioner Dan Saltzman Position No. 3 Portland Housing Bureau</p>		
<p>*1289 Amend Intergovernmental Agreement with Multnomah County for an additional \$207,273 for outreach and housing placement for veterans and people experiencing homelessness in East County (Ordinance; amend Contract No. 30002899) Rescheduled to December 10, 2014 at 2:00 pm. (Y-5)</p>		<p>186925</p>
<p>FOUR-FIFTHS AGENDA Commissioner Amanda Fritz Parks & Recreation</p>		
<p>*1289-1 Authorize an Intergovernmental Agreement with the Multnomah County Sheriff's Office River Patrol to provide law enforcement services at the Riverplace Marina Municipal Boat Landings (Ordinance) Rescheduled to December 10, 2014 at 2:00 pm. (Y-5)</p>		<p>186921</p>

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WEDNESDAY, 2:00 PM, DECEMBER 10, 2014

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

1290 TIME CERTAIN: 2:00 PM – Consider proposal of Mark Edlen for Demolition Review approval and the Bureau of Development Services staff recommendation for denial for the demolition of the Buck-Prager Building, a contributing resource in the Alphabet Historic District, built in 1918 to allow for the construction of a 6-story apartment building with below-grade parking on the west half of the block at 1727 NW Hoyt St (Hearing introduced by Commissioner Fritz; LU 14-210073 DM) 3 hours requested

**CONTINUED TO
DECEMBER 18, 2014
AT 2:00 PM
TIME CERTAIN**

At 5:57 p.m., Council recessed.

December 11, 2014

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 11TH DAY OF DECEMBER, 2014 AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fish, Fritz and Novick, 4.

Commissioner Fish arrived at 2:07 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Ian Leitheiser, Deputy City Attorney; and Jim Wood, Sergeant at Arms.

The meeting recessed at 3:39 p.m. and reconvened at 3:45 p.m.

		Disposition:
1291	TIME CERTAIN: 2:00 PM – Accept East Portland Action Plan Transition Plan Report (Report introduced by Mayor Hales) 1 hour requested Motion to accept the report: Moved by Fish and seconded by Fritz. (Y-4)	ACCEPTED
1292	TIME CERTAIN: 3:00 PM – Accept the annual report of the Public Safety General Obligation Bond Program Independent Citizens Committee (Report introduced by Mayor Hales) 45 minutes Motion to accept the report: Moved by Fish and seconded by Fritz. (Y-4)	ACCEPTED
1293	TIME CERTAIN: 3:45 PM – Amend Transient Lodgings Tax to add definitions and clarify duties for operators for short-term rental locations (Ordinance introduced by Mayor Hales; amend Code Chapter 6.04) 30 minutes requested	RESCHEDULED TO DECEMBER 18, 2014 AT 3:30 PM TIME CERTAIN

At 4:36 p.m., Council adjourned.

LAVONNE GRIFFIN-VALADE
Auditor of the City of Portland



By Karla Moore-Love
Clerk of the Council

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

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Closed Caption File of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

DECEMBER 10, 2014 9:30 AM

Hales: Good morning, everyone. Welcome to the December 10th meeting of the Portland City Council. Would you please call the roll?

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

Hales: Good morning, everyone. We have a pretty dense agenda this morning, so we'll move right into it. We have some communication items up front. I understand that some of the folks that signed up aren't here, but some are, so we'll hear from the ones that are. Then we have time certain items and a number of other regular Council business to conduct today. If you are here to speak on a calendar item, we typically allow people three minutes. If you're listening to what your fellow citizen says and agree with it and want to indicate that, give them a wave or a thumbs up, but we ask you not make vocal demonstrations against our neighbor's opinions, but let everybody have their say. If you're a lobbyist representing an organization, let us know that because that's required by code. If you are here to speak, you don't have to give us your address, just your name for the record. So, welcome, everybody. And let's take up the first of the communication items, which I think is 1257. Oh, I'm sorry, proclamation. Never mind. Sorry. We get to do the proclamations here, and some of them are seasonal, and this one is, too. And it's a fun one. So, let me read it. It says, whereas, volunteers of be a Santa to a Senior intend to positively affect the city of Portland and surrounding communities by providing holiday cheer and gift-giving to senior adults who are least likely to receive presents during the holiday season and who are socially isolated, lonely, or financially challenged; and whereas, Be a Santa to a Senior and its volunteers seeks to eliminate the holiday isolation felt by our senior adults; and whereas, Home Instead Senior Care and Be a Santa to a Senior partners share a belief that our senior adults should not be alone or forgotten during the holidays, as they have been instrumental in defining our community; and whereas, Be a Santa to a Senior participants intend to recognize and celebrate our senior adults and the invaluable contributions they continue to make to our communities; and whereas, the citizens of Portland recognize that our diverse population is committed to improving the peace and wellbeing of the community and wish to focus on our lonely elders through Be a Santa to a Senior; and whereas, the city of Portland will join together to reinvest in our elders and provide warm smiles, holiday cheer, and gifts through this program; now, therefore, I, Charlie Hales, Mayor of the City of Portland, Oregon, the city of roses, do hereby proclaim the month of December 2014 as Be a Santa to a Senior Month in Portland and encourage all our citizens to participate. I don't know if we have anyone here this morning on behalf of the program? Yes, we do, come on up, please. Welcome. Tell us a little more about this great volunteer effort, and thank you.

Aimee Roth: This is a great program for our seniors, and like you said, they are isolated, and many of them don't receive gifts.

Hales: And just tell us who you are.

A. Roth: Sorry. Aimee Roth, Home Instead.

Preston Roth And Preston Roth with Home Instead.

Hales: Yeah, it's a great program. How long have you been involved now?

A. Roth: About six years.

Hales: But the program has been around for 20?

A. Roth: Since 1995.

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Hales: Yeah, that's great. And how many folks do you think that you'll end up serving this season?

P. Roth: About 1500 in the Portland metro area, including Vancouver. So 1500 gifts we're working on collecting to help to provide that extra cheer for them during the holiday.

Hales: That's great. Well, thank you so much.

Fritz: How can anybody contact you if they would like to become involved?

A. Roth: You can go to our website at beasantatoasenor.com. And all the local retailers that host the gift tags are lifted. That's where you can pick up a tag.

Fish: Can I ask, what are traditionally the most popular gifts? Or to put it differently, what are the seniors thrilled to have under the tree?

A. Roth: I'll just give you a handful. Blankets, socks, slippers, and food -- like snack bags -- things like that.

Novick: What about ugly sweaters?

A. Roth: I haven't had that request for an ugly sweater. [laughter]

Hales: Thank you very much, we appreciate you being here. I'll give you the proclamation itself. Thanks for your good work. Let's hear it for this program. Thank you all. [applause] [photo taken]

Fritz: With the mention of socks, I will just remind folks that the city employees and visitors to our facilities are collecting socks for people who live outside. There's containers in City Hall and several other of our buildings, and that drive will be done next Monday. So, if folks are coming back for hearings this afternoon and Thursday and want to contribute to that, we would very much appreciate it.

Hales: Great. And again, it's beasantatoasenor.com, so go to that website, and find out where you can make a difference. We each have the opportunity to do that. Alright, let's move into the communications items, as I said a moment ago.

Item 1257.

Hales: Is she here? Good morning. Come on up.

Eltah Brinson: Good morning. My name is Eltah Brinson, I'm the founder and CEO of the Young Entrepreneurs' Advocate House, also known as YEAH. Have you ever been told no or discouraged from following your dreams? If you have, then you will understand the importance that YEAH can bring to the community. YEAH is a safe haven for dreamers. Our goal is to create a safe place where dreamers can come and create their future. They will be inspired by the quotes and teachings of some of our most influential teachers, such as Napoleon Hill, Earl Nightingale, and the like. My goal is to bring these master teachings to a larger scale so we can reach everyone who wants to achieve a goal, and we can provide them with the tools in order to reach them. Money-making skills is something that is not taught at school, it's taught in the home. And I find this to be a problem, because poverty thinking, or as some would like to say, poverty consciousness is the real cause of the generational poverty that goes on for years and years and years. YEAH will provide a lounge for people to meet and share ideas, a cubical room for quiet concentrated writing -- if someone wants to write a book or a business plan, a fitness room, and even a small music studio, all for a price as low as \$50 a month. Our competitors are charging around \$350 a month without the extra amenities. So, our business plan has been honed and approved by the SCORE chairman in Vancouver, Bill Ruttledge, and is ready to go. All we need is the capital. I'm here asking for your support and the support of the community to help to bring this into fruition by making a generous donation to our crowd funding campaign, which be found on our Facebook page at [Facebook.com/YEAHDreamBig](https://www.facebook.com/YEAHDreamBig). So, you don't need to wait until the next seminar to fill inspired, and you don't need to continue to limp to the negative things that people will say about what you can and cannot do. If you're ever feeling down or doubtful, just come into YEAH and our environment will quickly remind you that whatever the mind of a man can conceive and believe, it can achieve. Thank you.

Hales: Thank you. Good luck. Good work. OK, I think 1258 and 1259 will be rescheduled, is that right?

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Moore-Love: Yes, Linda Birth and Nicole Brannon are addressing the Gasco Building. They'll reschedule.

Hales: Alright, then 1260, please.

Item 1260.

Hales: Good morning, Mr. Partridge. Welcome

Jamie Partridge: Good morning. I have a copy of a proposed improvement in the fair wage policy that our lawyers have drawn up. I'm representing the 15 Now PDX and Portland Jobs with Justice. My name is Jamie Partridge. The fair wage policy has been in place since about 1998, as a result of a campaign from Jobs with Justice championed by a former Commissioner Jim Francesconi, and it applies to workers who work for companies that contract with the city for services, such as our janitors, parking lot attendants, security guards, and civic stadium workers. Currently, the fair wage is at \$10.38 an hour with \$1.92 benefit. It's supposed to be a living wage, it's supposed to lift workers out of poverty, it's supposed to represent the government providing a model to private employers of bringing workers out of poverty so that they don't have to rely on food stamps, Section 8 housing, Oregon Health Plan, childcare subsidies. And currently, that is not a living wage -- 10.38 an hour. Certainly not a living wage in Portland. And studies show from various agencies, such as the Alliance for a Just Society, the National Low Income Housing Coalition, the self-sufficiency standard established by the University of Washington school of social work, that at least \$15 an hour is what a single person needs to live -- to have a living wage in Portland. So, we're asking the city council to hold a hearing on these proposed changes in the fair wage policy, which would bump up to \$15 fair wage policy plus improve the monitoring and the enforcement, which has been lax in this fair wage policy over the years. For example, the workers organizing committee sued the city successfully in getting back wages for parking attendants when they weren't being paid a fair wage at the civic stadium. The private owner avoided the fair wage by subcontracting jobs, by not paying [indistinguishable], by not paying new hires, and as well, paying just the minimum wage, and expecting the city to make up the difference for the fair wage. So, we're asking that the ordinance be changed also -- as well as being bumped up to 15 -- changed to include a citizen's fair wage review board that would include labor representatives, from groups such as Jobs with Justice or the service employees Local 49, which represents security guards and janitors at the city. And we're asking that the city hold a hearing on our proposed language so that the affected workers and their allies can testify. We did hold a community hearing on the fair wage policy with over 100 attendees and a couple representatives, we'd like an opportunity to have a full formal Council hearing. As you know, the county has recently made decisions to bump up to 15 the union workers, and the chair just had an executive order to include temporary and seasonal workers in that \$15 minimum wage, and we're looking forward to the city doing similar type of action. And again, our ask is that you hold a hearing on this proposed language. Thank you very much.

Fish: Jamie, can I ask you a question? Because you mentioned the county. The county, like the city, does a lot of its -- provides a lot of its services by contracting with third parties. The county typically nonprofit. So, the bulk of the services provided by the county are services provided by nonprofits that then hire employees provide those services. The impact of the change the county just made was very modest because it only applied to a small number of workers that they directly have control over, because they provide direct services to the county. Is it your intention at the county to expand the fair wage policy to the employees of nonprofits that the county contracts with?

Partridge: We haven't gotten there yet, but we want all workers to get 15.

Fish: Your first phase is the contracts where the local government has a direct relationship to the employee providing the services.

Partridge: Yeah, and in the city of Portland, that's only a couple of hundred workers.

Fritz: What's only a couple of hundred workers?

Partridge: Janitors, security guards, parking attendants.

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Fritz: Right. The challenge is that we don't have that many contracted employees who are making less than \$15 an hour. We have over 2000 city employees who are making less than \$15 an hour.

Partridge: Well, want that, too. We just want to start somewhere.

Fritz: Well, here's the issue. We have over 2000 seasonal Parks employees who don't make \$15 an hour. To bring them up to \$15 an hour would cost about \$2 million, which we don't have in the city budget. And my preference -- in fact, what we've been doing is to create more full-time union jobs, which do pay \$15 an hour with any available ongoing revenue. And so, it would be a choice.

Partridge: We understand your position.

Fritz: Do we have more seasonal workers who make more but don't have the full-time jobs and don't have city benefits? Or do we create more full-time jobs with benefits? And I couldn't support something that would require contractors to do something which I don't have the capacity to do. I have many flaws but most of the time, I'm not a hypocrite. So I just -- it's a conversation that we need to have with new resources as well as how do we treat our employees fairly. Because at this point, we don't have the resources, although we have created over 40 new union jobs in the time that I've been the Parks Commissioner. So we'll continue -- I'll be having a request at the council to create -- to change the seasonal park rangers, for example. Just recently, we have an agreement on the union contract, which raises those seasonal workers to \$15 an hour.

Partridge: Right, that's great.

Fritz: The next step for me, if I have additional support from the council, is to create more full-time jobs from those positions rather than to then spread the wealth in other ways.

Partridge: Thank you, and we appreciate your position, and we're asking that you consider holding a hearing on our proposal. We have quite a lot of support for this idea, and, you know, the rent can't wait.

Fritz: What's your position? Are you saying that you would prefer to have \$15 an hour for seasonal workers who get no benefits rather than to have more full-time jobs with benefits?

Partridge: We're asking that you hold a hearing on our proposed language changes to the fair wage policy which would bump it to \$15 for the --

Fritz: That didn't answer my question --

Partridge: For the janitors, security guards, parking attendants, and civic stadium workers.

Hales: We should get this choice under discussion, because I think your advocacy has been real clear, and we appreciate that. But as Commissioner Fritz says, there's more than one way to approach that economic justice issue in the city, and I think that it's a difference among friends here that we need to think about. So, we appreciate all that you are doing on this issue. Thank you.

Thanks very much.

Partridge: Thank you.

Hales: OK, let's see. Do we have any other communications items? I don't think so, because 1261 is being rescheduled, as well, right?

Moore-Love: Correct, Mr. Matley.

Hales: Let's move to the consent calendar. I have one item being referred back, that is I am going to refer -- if there's no objection I will refer 1267 back to my office for some more work. Any other requests on the calendar? Hearing none. Let's take a vote on the balance of the consent calendar, please.

Roll on consent calendar.

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

Item 1262.

Hales: As Patrick is coming up -- this is a work in progress. We have an advisory committee and a consultant who we'll hear from this morning who are at work on the question of what the strategy for the PDC should be for the next five years. That's going to be the business of the council work session that's upcoming, as well. And then, we also have this committee at work. It's a diverse group of people that have been involved in what PDC has done in the past, and some things that

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they have not engaged in in the past, and they are going to be reporting back to us, as well. But this morning's presentation is essentially a progress report, and a chance for the council and the community to hear about this discussion and to start influencing it. So, we have Patrick Quinton and Mac Holladay here, and PowerPoint when we can get the machinery to cooperate.

Patrick Quinton: Well, I can kick it off. Good morning, Mayor and Commissioners, and thank you for the opportunity to present this assessment. As the mayor mentioned, we are in the middle of a strategic planning process that includes both an assessment of our work to-date and the work over the past five years, and then more importantly, the production of a new five-year strategic plan, and we come to you next week with a work session to begin to discuss some early ideas for that strategic plan. So, we've had the opportunity to bring in an outside expert to take a look at our work to-date, and that's a company by the name of Market Street Services. Mac Holladay is here to present those findings. I want to highlight that it's been -- you know, we've obviously been working on this from day-to-day over the past five years and know the ins and outs of what's been going on, but it's great to get an outside perspective on what we've been doing, and so we're happy to be able to share that with you. And as Mac will highlight, in the second half of this presentation, we are -- Mac and his firm are also working with Greater Portland Inc., our regional economic development on their new five-year plan, So, there is tremendous alignment of not just in the development of the plan, but in the people that we're working with to bring new ideas to the table. I think Greater Portland Inc. would be happy to come to Council at some point and talk about what they're working on so you can see how that plan is coming forward. Mac, if you will just move forward one slide. So, I just want to highlight the timeline that we're on, just to give everybody a sense for how early we are -- as the mayor said -- in the process. We have an advisory committee that's been pulled together, and they've been meeting since August. They've met, I believe, four times, and we meet again next week to continue to look at early drafts of the framework for this strategic plan. And as we mentioned, we're coming back next week to Council for a work session. We're also having a retreat with our PDC board next week, and so there is a lot of conversation about some of the early ideas that are happening this month. And then based on that, we'll be able to produce a revised 50% draft, and then we can go public with that document broadly. And so, we can share with you next week our outreach plan for that. But we really have allocated at least two months to solicit public input on that plan before we come back in March to finalize the documents. So, just to reemphasize what the Mayor said, this is very early part of the process, and there is a significant amount of conversations both with this body, our board, and the public before we get to a final document. And today is really about this assessment piece of our work. So with that, I'm going to turn it over to Mac.

J. Mac Holladay: Patrick, thank you very much. It is my pleasure to be back in Portland. Again, I want to say, first of all, that we have had wonderful cooperation from the commission staff and from all of those people who have been engaged in this. The mayor mentioned a very strong steering committee, which has given us great feedback and input throughout. Our analysis of what's here. Let me tell you a bit about what we're going to try to do. I am going to briefly go over with you the take-aways from our report as to what happened and what we see in terms of the strengths and the ways forward. I don't think that any of us are at all -- you know, we completely understand the Great Recession has changed everything. Therefore, strategies need to be retooled and thought about in a very different way, perhaps, than they would have been four or five years ago. I also want to tell you about where we are on the Portland 2020 update, which, as Patrick said, I think is a wonderful opportunity for serious complements and cooperation and moving forward. And when I finish, I would be delighted to answer your questions and have any discussion that you'd like to have. Just so you know, this company -- I started in 1997. Prior to that time, I had been a chamber of commerce executive in Memphis, Columbus, Indiana, and Charleston, and I was the state economic development director for South Carolina, Mississippi, and Georgia. When my mother was still alive, she used to say, I'm not sure what the boy does, but I think that he's a migrant worker. In

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fact, that's what I have done. Our firm has been fortunate to work in over 160 communities in 34 states. This is all we do, community and economic development strategies and analysis. Our clients are from shore to shore, from here to the south shore of Massachusetts. We're currently in Nashville, and in Indianapolis, Sioux Falls -- a variety of different places. We have assigned our senior project manager to this project, Christa Spaht, who has been here four times already. And she's been backed up by great staff we have in Atlanta. I want to say, Patrick, and just whole staff, as I said, has been great to work with. As he reviewed, this the timeline and where we are today. Again, a great group of folks in terms of the steering committee that we've been working with. We spoke to over 30 different people in focus groups and interviews. We talked to the staff, talked to the mayor's staff, to entrepreneurs, to technology developers, and to manufacturers, to folks who have been involved day-to-day with PDC, with the leadership folks in the neighborhoods, with main street managers, with workforce development folks, business technology assistance folks, and the microenterprise program in Portland State, and on and on. I think that we've got a very good feel for where things are and how this is coming together. As I said, part of this was to look at what was decided in 2009 to think about how those pieces have gone to comment on them knowing that -- and the thing that I would tell you I'm proud of for the PDC board and staff is that they have made this a living document. They have not intended to have it static or to say well, if it's not here, we're not going to do it. I will say that they have really changed things over time, and yet, there are some very powerful I think results in terms of the things that were talked about early that have been carried out. The emphasis of this strategy was job creation. There is no question about that. So, we took a look at the measures of success, noting that in fact, as I said, the Great Recession really changed everything on terms of the people's numbers and possibilities. What happened to those implementation efforts? What has happened? What is the evaluation really of what they have done? In 2011, they took a very strong step forward, in my opinion, in talking about neighborhood economic development strategies. This is where the rubber meets the road, particularly for those neighborhoods that have been left behind. This is probably the hardest work in the field. It is very difficult. It is neighborhood to neighborhood. It is very much -- in terms of this part of the strategy - - focused on people's wealth creation, on asset creations in the neighborhoods to see if they can be brought along in a different way. This was really quite different for PDC in terms of the things that were there, but what we tried to do is to capture what's happened, what's gone on in terms of the flexibility and the changes that were made. And again, I think that it really has grown and has really become, as I said, a living document, and far beyond what perhaps people might have thought. Because without a question, it's been a learning process for PDC. We do this work all over the country. I want to tell you very clearly that we have never seen a city effort of this breadth and depth anywhere. What this organization does and its importance to the community and holistic development here really is something that many, many of our clients do not have -- do not even come close to approaching. When we talk to business owners, when we talk to people who've been involved, they are very satisfied. Many of them tell us that PDC's involvement is the reason that they're still in business. The reason that they have been able to grow. As with many organizations, we are not certain that PDC has been very good at telling its own story, at doing what it needs to do to really talk about the return that this community has gotten through all of its work. Bringing the public and private sectors, promoting and adopting new technologies developed by firms here -- which you have, obviously, a very large number of -- and looked to PDC's international experience --and we'll talk more about the export program in a minute -- entrepreneurship, the crossover between the public and the private sector and in expanding those companies in the target areas that have been established previously in clean tech, outdoor, athletic, software, and advanced manufacturing. I'm going to talk to you about the work that we're doing for 2020 to review those targets and look at them maybe in a different way. But connecting the other piece of this, which I think is very difficult and not complete, it is connecting all the city bureaus together to have one goal, if you will, in terms of the thinking about wealth creation, and neighborhoods, in connecting

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businesses is something that everybody at the city is involved in. I say oftentimes, it's very much a community team sport, it's not one entity's responsibility. I think when you look at the export plan - - which I will tell you has been modeled all over the country -- that not only the folks at Brookings but many others are looking at it again, we see a great learn there, at the same time, we think again the validation on some of these other things are from local firms and really, they're telling us the story of success that's here. As I mentioned, one of the most widely recognized -- a team sport effort noted and copied -- I think the effort to start the seed fund. We heard a lot about that. We heard a lot about the need for capital here, as we hear in many places around the country, and the Startup Challenge have both have been excellent efforts and need to be continued. We think too, as we are looking also at what is happening in the region, that the cluster portfolio needs to be updated. It needs to be looked at in terms of the new realities not only of what the Great Recession has left, but what's happening and how can we get folks in a career path that we would want in a way that they can be part of wealth that, that we can do something about the wage disparity that's out there. So, what we're going to be doing and talking about the targets with GPI is to broaden the range, define them more clearly, connect the workforce issues -- as PDC has done in its effort --- and again, we think in the upcoming advance strategy and action plan that PDC is working on now, that incorporating the NPIs and the workforce outcomes in the tactics is what's got to happen. It's not a disconnect. The number one issue in economic development in the world is the quality of the workforce. So, we have to connect those two. And I think certainly that PDC understands that as we move ahead. I mentioned the neighborhood work is complicated and difficult. It causes the staff and everybody to just think anew about how this is done and what it's about. So many of us have been involved for so long on specific development projects or specific companies or what do they need. And to take it down to the neighborhood level requires a different thought process and a different inclusion. I think that there's no question that there was a shift in culture needed, and this has been a learning experience, but we are convinced that frankly, making the progress they've made in just a couple of years is an important accomplishment, that they are learning about flexibility and reporting and understanding the expectations are very different. As one of our NED leadership group members said, this has been a flag or a rallying point. That's the most important thing about the NED strategy. People are hearing about it, believing in it, and I think that really, it's a way forward for you that's very different from what a lot of other folks are doing. It's interesting, too -- not only about the funding dedicated to this, but how can we see -- as I was mentioning earlier -- about the leverage ratio of what PDC dollars are going into and what's happening to them? The capacity building, the asset building in terms of the main street network, the urban renewal areas, the property owner engagement, looking at microenterprise -- what's happened there? Beginning to count those numbers, talking about the work systems, about the partnership, about the opportunity programs so that we can kind of see how does this all come to go to begin to really see those neighborhoods in a very different way. This is a team sport. It's about leveraging everything. That's one of the messages that I'm giving to GPI as well in terms of the thinking about how do we do this in a different way, the involvement of the different people. Thirty-plus folks have come together in the leadership group for NED. They're really trying hard. They come from different backgrounds. Getting the group off the ground was important. Accentuating what they do in the program, we think is important as well. And again, helping the decision-making be clear and move forward. I mentioned earlier the effort to have a city action team that really does represent all of the efforts of the city. We're not certain that has gone as far as we hoped that it could have. Again, we know the pressure but we do think that the stability of funding and looking forward for how does NED continue to grow is a very important part of that piece of the strategy going ahead. This is really a marathon. I think that this community understands that. You have a long history of putting pieces together that other folks had ignored, or other communities were not thinking about 25 years ago. This is a hard piece of work, but one that we think is very important to continue and one that we think can gain momentum over time as we look for the vast majority of job growth coming from

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entrepreneurs, from small companies, existing businesses that are already here to really kind of turn the corner in terms of the pieces of the puzzle. Overall, we think that PDC has made great progress. There is a lot to do, but we found professionalism, we found people who cared about what they were doing, we found relationships that were building, we found people on the private sector side who felt engaged and that were really happy with what was happening. Let me spend just a minute if I might talking a bit about what's happening on the regional level as we are engaged by GPI to create a regional community in the economic development strategy. It is to be a five-year effort. There are lots of folks from across the regions that will qualify the city and the region which allows for the application for certain federal grants and other pieces of the puzzle that might be of help not only to you but to other cities throughout the region. We started in September, we'd be working through May. It's interesting that the sequence of things, and the creation of the draft strategy and the final strategy before we start the implementation plan very much follows closely the PDC timing, which we think is great. The cycle is 2016 to 20, we think that there is a great deal of overlap and possibilities. We're making sure that the communication is strong across the board. There is some overlap in terms of the steering committees on both sides. At the same time, obviously, Christa and Matt DeVeau -- who will be here next week -- are staff folks holding these pieces together. One of the things that's most important we believe is that they be complimentary, that there be collaboration that is real and continuing, that the implementation guidelines that we're going to create for this strategy are going to be very specific and serious. Here's the process that they're going through. We have completed the first two phases. The talent review was quite interesting to see where you ranked and what was there, and as was the competitive assessment. We're now at the point of looking at the targets. They will be introduced next week when Christa and Matt are here, along with the marketing review. We have about 40 people on the steering committee, and a technical advisory committee of all the economic development professionals across the region. There are four research pieces. We'll complete that next week as I mentioned with those first four phases that you can see there. We have had 10 focus groups, from major employers to labor to education to regional ED people, to workforce people and so forth. One of the things I thought I might share that was pretty interesting was we did what's called a dashboard where we compared Portland with nine other metros to see how things were. As we looked at the metro, now, in thinking about rankings one to 10 on five different areas, performance, workforce, innovation, environment, and quality of life. First, let me tell you that this is tough competition. These are the best cities in the country, and so, I don't want you to feel, my god, we're not first on everything. No, you're not. But you're not last, either. So, remembering we were looking at five counties in Oregon and two in Washington. This was their first step of research as we begin to look at the pieces. And I will tell you that we feel like there's some things here that require a sense of urgency. To reverse. To think carefully about, what are we going to do about affordability, wages, unemployment trends, the age of some of the workforce. In terms of the sectors that we found. Let me just share a couple of these with you. Here's the economic performance index. You can see all the different things that were measured. Again, your recovery has been a bit slow on the unemployment piece. You can see where you are on average wages, about seventh among this group. Strong performance in exports per workers in terms of the dollar value of what's being exported here. Really good position in terms of the number one in opening new companies. That's one of the things that we want to see. We're still concerned about the wages. We want to see that productivity index keep going up. Intel obviously has been a big part of that. But we're concerned about the low share on the per capita income side, but we really think that there is some sweet spots going in terms of how we might improve this.

Hales: Mac -- sorry, Mac, go back for a second.

Holladay: Yes, sir.

Hales: Remind me -- the business bankruptcy rate, does one mean we're the best or worst?

Holladay: It means you're the best.

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Hales: So it means we have the least of it.

Holladay: The least -- yes, sir, the least. Which is very interesting. It's fascinating, when we did there for Raleigh, Durham, they came out last, and they kind of went, what the hell are you talking about? And I said, excuse me, I'm just reporting the numbers here, I didn't make it up. It's interesting. What it means is that people who are starting companies may not be growing that fast, but they're hanging in there. Now, we're not happy with what they are making individually. We can talk about that more later, but that's a good one. Again, most of these are solid. I don't really -- you know, yeah, we have got some things to work on.

Fish: Can I ask a question off this chart? Is there a separate appendix somewhere that has all of this data?

Holladay: Absolutely. Yes, sir, I would be glad to share it with you.

Fish: I would like to see that.

Holladay: Yes, sir. And we have a narrative on each section. As we wrote them, we have a narrative.

Fish: Is this part of the assessment or the draft action?

Holladay: Part of the assessment.

Quinton: This is the greater Portland work. This is all metro-level data.

Holladay: It's just research. No conclusions.

Fish: I would love to see it. And I'd also -- we got a fascinating briefing from the state and employment department recently on some trends, and they had comparative data, comparing us to some of the cities that you've put into this. So, I think that it would be interesting to see the disaggregated data and then compare it to the presentation that we got. Because what I'm noticing is one of the questions here is, what is the indicator? And you can have people on both sides of an issue pick an indicator to show that we're in the toilet or the penthouse. And I want to at least understand the methodology of which indicator we have.

Holladay: Absolutely Here's the other thing to point out. The difference between number one and number two could be minuscule, or it could be very wide. Because remember, this is just a one, two, three, four, so if it's .05 difference, you know, that's different than being a point and a half difference, so the data will show you that. When we do this chart completely, we actually put the actual numbers next to it, so the steering committees can see how that's going.

Fish: And likewise, if we were to compare ourselves to San Jose and per capita income, it would be a dozen footnotes to explain the differences in the economy and the scale of the economy.

Holladay: Yes, absolutely.

Fritz: That was my question, this is just numbers. It doesn't compare the cost of living.

Holladay: Yes, ma'am. We do have that and we compare it, we do look at it. It's a different place.

Fritz: But in this number, it's just the absolute --

Holladay: Right, yes, ma'am. When we looked at workforce -- again, noting how strong the folks were -- one of the things that worried us here as we looked at and we saw this in the talent review -- which was much more in depth, and I will be glad to share that with you if you would like to see it -- is that worker over 55 number. We've got some folks aging out, and we're worried about coming along and who's going to take the place and so forth.

Fritz: Isn't that a good thing, though, that our seniors -- including myself -- over 55 are employed?

Holladay: Yes, it is, and I am one of those, too. And I very much appreciate that that they don't throw me in the garbage can just yet. But part of the question there is, what is happening to the baby boomers? For example, what we saw before the Great Recession was about 20% of them had chosen to continue to work after 65. What we see now three or four years later is it's up to 23%. So, they are staying longer -- not too many of them, but some of them.

Fritz: Yeah, I would be interested to see the number for 65 plus.

Fish: Following up on Commissioner Fritz's comment -- since the average age is 55, would you put us at the high end or low end in relative to our peer cities?

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Hales: Don't answer that.

Holladay: Does anybody else have a question? [laughter]

Hales: We hope so.

Fritz: What does the dependency ratio mean? What's that?

Holladay: It's really about how you rate in terms of where you are. The folks in the 25, 44 are the ones who are going to be earning for 25 years. The other folks are who's going to be in retirement. So part of what we're looking at is what is the number and how many do you have coming along to take the place of those people aging out -- and the problem here was your 25 to 44 number was not as strong as the other cities in terms of being able to handle what's coming in terms of filling those slots that are going to be gone. So, we'll have more people retired is the point.

Fritz: So Portlandia is incorrect, we're not attracting all those 25-year-olds.

Holladay: It's a little more complicated than that, but the answer is yes, that's wrong.

Hales: That's wrong.

Fish: This is metro data.

Holladay: Yes, sir.

Fish: Because we got a report that had us best in class with the adults with bachelor's degrees or advanced degrees, so these are diluted by virtue of the fact that you are looking at them regionally.

Holladay: To some degree, that case is true. Again, remember that all these places -- we're also looking at their regional data. And let me remind you when a company or anybody looks at a place, they look at the labor shed. The city limits are not terribly important to them. They want to know that's what there within 40 miles, who's going to work for their company. Or, the entrepreneur who wants to attract other people like him or her in a certain place is going to look at what's there and coming out of the pipeline.

Fish: I get that, but sir, what we're finding is that the tech firms and other companies are moving from the suburbs to downtown because they want to be in a thriving -- and they want to be with the workforce, so, that would suggest an exception to that rule.

Holladay: And it's happening in Atlanta. We're seeing the same thing in a number of places.

Quinton: We still lag -- if you look at the peer cities here, we lag Seattle, we lag San Jose -- so, this is like in the top class of the United States, but relative to the cities, even though we have this increasing percentage of people with bachelors, we still lag those cities.

Holladay: No question, the international folks moving here are strong, no question about that. We saw that. Here's innovation and entrepreneurship. Venture capital is a tough one. You know, what's there? We heard this, we heard this from our steering committee that we've been working with, with PDC and the work that's gone on there. Again, number one on the self-employed workers, but the income of those folks is last among this group. Again, it's a mixed bag, and some of it is not completely surprising, and you're right, it is important to remember that we're still looking at regional here. When we look at business environment --

Novick: Can I ask a question?

Holladay: Yes, sir, certainly.

Novick: Percent of employment in firms less than 50 employees, number three, that means that we're high?

Holladay: Right.

Novick: Also, jumping back a couple, I noticed that you had us fairly high in terms of the exports based on the per employee, but low in exports as a percentage of supply. What does export as a percentage of supply mean?

Holladay: We believe in that there is a lot more to do here, there. That you scratched the surface. Certainly, the big guys are all over it. We think that there's a great deal more opportunity for the export of service and products.

Novick: I just want to know -- what does exports as a percentage of supply mean?

Holladay: The supply of what we think is exportable.

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Hales: Could be exportable.

Holladay: Supply of products and services that you are producing but are not being export idea is where we're trying to go with that one. Yeah.

Quinton: I think that's a good thing, I think that means that we have a lot of potential to grow the economy through exports.

Holladay: I do want to tell you that we are very serious about data sources, and we are very careful. We don't put something in here that we're not very sure -- we buy a lot of proprietary data from around the country. Again, very competitive in a lot of places against these folks in terms of what you have got.

Fish: This is finally a slide I can get my teeth into. Bless you on the water availability.

Novick: Commissioner Fish brags about that constantly.

Holladay: It's a very important asset, it really is.

Fish: Can I just say that every day in the newspaper, there's a story about a drought in California, about a water supply compromised in your neck of the woods, and places around the country. And we have -- in a good season, we have 19 billion gallons of pristine water delivered by gravity that's available for the region, and it's protected by a natural -- a protected area. So, one would think that that is a competitive advantage which we should capitalize on.

Holladay: There isn't any question about it. It's an incredible -- and as you point out, the crisis we're looking at -- Tucson is asking us to do a piece of work there. If they can't come up with something, they're out of business. They're really in trouble, and there in crisis all over the country, and it is a great advantage for you for all kinds of companies going forward. Again, remembering who we're comparing to and we are looking at this regionally, but in the mid-range on a lot of these and at the top end on infrastructure side, even with the congestion problems and so forth.

Fish: What's your definition of business friendliness on this slide?

Holladay: What we did there was to -- we took the things that we could get good data on -- and again, you can see the things in that climate piece, and I would have to go back and look. The overall friendliness may be a survey, but I'm going have to check on that one, it doesn't come to mind.

Fish: We would love to see the data on that, because there is no area of debate where it seems like anecdotes drive it more pervasively than whether the city is quote friendly or unfriendly to business.

Holladay: I think it was a survey result.

Fish: Interesting to see what are the indicators that people use on that. I think that would be helpful to us.

Holladay: Alright, no problem. Glad to do that.

Saltzman: What does licensing grade mean?

Holladay: It means the ease of and the depth of and the time it takes to get it. Not to make it easy but to make it work well in terms of when you apply and what the system is and how long it takes to get it.

Saltzman: Building permits and things like that?

Holladay: Yes, sir.

Quinton: It's across the region, too.

Holladay: Right. When we looked at quality of life -- this is where some of the things like crime and cost of living and quality of place and so forth -- what we've done is to develop a pretty serious group of indicators that are really -- we hear about all the time, whether it's millennials or it is those of us who are seniors, they want the same thing. They want health, they want quality of place, they want to be able to get from A to Z and so forth and so on. Some of this, you are very, very strong in. Some of it is a little more difficult in looking at the cost of living. Again, you're up against some strong competition, but it's relatively high compared to those folks. Certainly it's not --

Quinton: Commissioner Fritz, so this is where the data is, and it's one of the most troubling trends I think we see is that we don't have the same wage growth as the others, but we are experiencing a

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lot of the same rising cost of living issues. So, it's one of the things that we need to be thinking about in our plan.

Fish: But Patrick, I mean, again, this is metro-wide. So, Clackamas is dragging this data down. If you take Clackamas out of mix, if you take -- if you look just at Washington County and Multnomah County, there's your job growth in Oregon over the last four years. If you look at all the positive indicators statewide, it's those two counties. Clackamas is flat or negative. So, why are we tethered to Clackamas on this data?

Holladay: This is a metro strategy, so it has to be there.

Fish: I understand.

Holladay: But understand, too, that we are talking about the total numbers. So, the vast population centers seriously outweigh those that are smaller in terms of the averages and so forth. But again, this is MSA data, so it would be slightly different, but I will tell you, if we just take city only, the trend is the same. The COL is high and the wages are low.

Quinton: Yep, and if you look at industries -- so, Mac's firm shared this talent assessment with the GPI steering committee, and even within particular industries like technology industries, we have lower average wages for the same jobs than other regions. So, industries that are concentrated in Portland and Washington County are still paying less than the same industries in other metros like this. And we're experiencing -- like I said, we have a higher cost of living in Denver, but Denver workers make the same.

Fish: But Patrick, you're not the development commission for Washington County or Clackamas County. And despite the great admiration I have for your abilities, I understand why green light wants to look at this, but we're actually leading those others.

Quinton: But it's the same issue in the city of Portland. I think you'd find the data is the same in the city of Portland. The city of Portland is experiencing this. Wages are not keeping up with cost of living in some of these key occupations. I mean, I just think we have to acknowledge that. It's not simply something that comes out in the regional data.

Fish: But our per capita income has now jumped ahead of Washington County. I think we also have to ask a question of -- why is that?

Quinton: But it's cost of living. It's affordability. So, affordability is becoming increasingly a problem in the city as well. So, is wage growth in Portland keeping up with what the cost of living is? I think we're finding it's not.

Fritz: And it's the wage growth at the top and not the wage growth for the median.

Quinton: Right.

Holladay: It's a very bifurcated [inaudible] if there's any question of that.

Fritz: Right.

Holladay: When we looked at the average, some of them are very powerful but that's primarily because of the folks at the top.

Fritz: How did you get to the percentage volunteer rate?

Holladay: There are several national surveys that we use in terms of the involvement at the local level that we found it to be very strong, and I cannot remember off the top of my head the source. But it's credible one --

Fritz: If you could you get me more information on that, because my understanding on previous surveys is that we're number two in the nation.

Holladay: OK, sure.

Fritz: I'd like to know how that was measured. And I continue to believe that one of the reasons we're not number one in the nation is because people don't report their volunteering the way that we would like them to.

Holladay: OK, no problem. Glad to. Let me tell you where we are with that process. Next week, we'll be presenting the target analysis to the steering committee for the region. I will tell you, there will be some changes. I will tell you that we see some new niches out there that are possible.

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Certainly, we believe that the Knight gift -- assuming it is matched and goes forward -- is a game changer. There will be some possibilities there in subsectors that have never been really possible before. One of the other things that we've discussed with Patrick that is clear here as well is that we want to focus on the traded sector and niches not only across the region but in the neighborhoods to try and begin to build the salaries really in the way that we want. Again, historically, the marketing efforts have not been terribly strong here compared to a lot of folks who have worked at this for decades. For example, we are doing a third strategy for Nashville right now. This is their fifth one. They have been at this a long time and worked very hard to change who they are with the help of Vanderbilt and the state and lots of things. Again, the time schedule is what it is, and again, I think it's very complimentary to your all's review of PDC and the way forward. I'm glad to answer any other questions or comments you might have about our report at this time.

Hales: Thank you, Mac. Thanks, Patrick. Other questions for the team? This is a work in progress, and we'll obviously follow up with the background behind these summary numbers.

Holladay: Glad to get you that data, sure.

Hales: I think it was a good choice to have Mr. Holladay's firm do this work for us while they're doing it for the region, because we are a regional economy, and they're going to differentiate, obviously, in their work for Patrick and our steering committee. What should Portland's strategy be? We're fine with people migrating tech firms from Washington County to Portland even if regionally it makes no difference. So, there's a Portland strategy embedded in this larger regional question.

Holladay: Very clearly, a number of things that PDC is doing not only are unique to you all in the region, they support and create value for everybody else. We've had nobody in the region misunderstand that the strength of Portland itself as an economy in place is vital to the future of this region. And we find in that in some other places, I gotta tell you, but all the regional mayors and everybody has been very cooperative about hey, Portland has to go first, and we've got to get that done as best that we can.

Fish: A couple questions, Mayor.

Hales: Yes, please.

Fish: And we look forward to the work session and follow-up discussions. I want to start and just ask you to define two terms, because I read your excellent report and I think that sometimes we assume that we know what things mean, and I want to give you have an opportunity to see what you think these terms mean. What's the difference in your work between wealth creation and job creation? What are the essential differences?

Holladay: The essential differences are simply that what we're trying to do when we talk about wealth creation is to ensure that the efforts are related to improving the individual's opportunities and possibilities. So, it comes down very much to, what are those average annual wages and what are the new jobs that are being created? For example -- and the mayor will know this -- the U.S. Conference of Mayors about two months ago did an analysis of the jobs that were created since the Great Recession ended. The average job pays 23% less than the jobs we lost. Therefore, for somebody to say that the Great Recession was a cycle means they don't understand the economy. It was a reset. So, part of the challenge today is not only a way from "any job is a good job," but to really think about what are the pathways that we can have impact on in terms of being sure that we are focusing on how we create a way forward in terms of the career paths that are out there. At the same time, acknowledging we know that during the Great Recession, the only private sector piece of the economy that grew jobs was healthcare. Nothing else. We know that's going to continue -- perhaps in a different way, perhaps a little slower than in the past. But as I mentioned, I think for example, the possibilities that you all are going to have as it relates to IT and as it relates to the possibilities there are one of those things that would really put you on a stronger path in terms of wealth creation. We also are doing some analysis on the niches underneath your existing strength areas in manufacturing to talk about, what else is possible that you have not moved into? Again, a

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lot of this about entrepreneurs and about smaller existing businesses. I think it's very much about thinking very carefully about, how do you work to get the kinds of jobs that you want? And again, going back to the neighborhoods, talking about the building of basic assets for them.

Fish: So, that's enormously helpful in thinking about the wealth creation strategy going forward. The second thing about your report that struck me -- and I was very pleased that you kept calling out the Neighborhood Economic Development strategy -- you talked about the NPIs and the main streets, and there's a suggestion that we need to build on that. As a percentage of PDC's current budget, it's a really very modest, very small amount of their budget currently. Is it likely in the action and implementation plan that you are going to be calling for some new resources, including general fund dollars, to support that work? Many of those districts are, after all, outside of the established Urban Renewal Districts.

Holladay: The simple answer is yes.

Fish: That's all I needed for now. You have a piece of --

Holladay: I don't want to put any more pressure on Patrick --

Fish: I want to preview my view, I want to support your position.

Holladay: Thank you, sir. [laughs]

Fish: There's a reference in your report to potentially new industry groups, a new cluster. You talked about drilling down and looking at subareas. I think that's extremely important for us to focus on. Patrick will be disappointed if I don't ask this question with you here, which is, in light of the dynamism in our creative economy as evidenced by the Wild premiere the other night that the mayor attended or that the fact that Pacific Northwest College of Art is about to open a flagship campus, to the fact that the Librarians, which is actually housed in Clackamas but shot largely in Salem and Portland just set a record at TNT for a debut show. The fact that all this is going on, but we don't have it as a specific focus area -- and we do have Shelly. We do have, you know, a team. But, have you given some thought to how we would elevate the significance of the creative economy and link it to the other concept that you keep talking about in your report, which is linking job opportunities with the workforce. Thinking dynamically about high school students, college, young people getting those jobs since we have a robust creative economy.

Holladay: What I would say is that, first of all, I think that the thing that is difficult for someone whose been at this as long as I have is to really understand that every sector and subsector of the economy today is about technology. And it is about innovation. I don't care whether it's electric vehicles or primary metals or whatever -- they are all pushing to find an innovative, creative way to do things differently. So, the whole term, nail kind of crosses over -- in my opinion, anyway -- on any of the targets that we might talk about. I don't think that there's any question that we got embedded in computer, electronic software, outdoor, emerging opportunities that we're going to be talking about -- the whole notion of you do want to try to connect the dots related to everything from enhancing that quality of place, working very hard to have all folks accepted, enhancing the minority population in all kinds of ways. And at the same time, to think about how do we make sure that people feel welcome? Because one of the things we've learned is that it's really a very interesting thing that when we looked at the Knight Foundation's work about why do people stay in a place? It is because they are places to meet, it is because they feel welcome, it is because they like the way that the place looks. That's a very different recipe than 25 years ago. So, part of it is I would say that it's very much about the culture and the feeling that you get here. Last night, I waited for a friend of mine who lives here to come get me, and I stood outside the Hilton Hotel at 6th and Broadway there, 6th and Salmon, and I watched people for 30 minutes or so. It wasn't raining very much, it was just very drizzly. I noticed how many of them were in a hurry. And how many weren't. Sadly, I noticed how many of them were smoking, which I didn't like very much. I also noticed how many were smiling and how many weren't. And there were too many that weren't. I had a great talk with the bellman and the cab driver, they know everything, as you know, about a place. But I worry a bit that we, you know, that we are -- we got to find that niche, we got to find

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that answer to how do we make people feel engaged. I will be interested, Commissioner Fritz, to look back at those volunteer numbers, because I want to see that clearly. I really do think it's a crossover thing. I think you certainly -- you can look at Nashville, Austin and other places who have really honored that creative economy. You know, what does music have to do with gaming? How about everything. The digital economy crosses all of these things that we're talking about in a way that five years ago we wouldn't have had the same conversation.

Fish: Well, and a good example is, you ask the folks behind the show Leverage, they will tell you the reason they like Portland is at the end of a shoot, at the end of the day, they go to the best airport in the country, fly down to LA quickly with the digital shoot from that day, and by the next morning, they've got it ready for the first cut. It doesn't have to be put into any kind of process, it's right there. Last question I want to ask.

Holladay: In that world, you are a low-cost provider.

Fish: We're a low-cost provider.

Holladay: Compared to those people.

Fish: The last question I wanted to ask you is, the one thing we know about PDC is they're going to have declining resources. We've been talking about the TIF cliff, and we're in the middle of it. And we also just -- we're going to be taking action to shrink the footprint of Urban Renewal for now. So my question to you is you is -- fewer resources need to be more strategic, but again, the piece that keeps woven in your assessment is we have to do a better job linking people to the jobs that are the high wage jobs and the opportunities, and that's where the 55 and older data is interesting because we're going to have a big turnover. So, there's going to be jobs available for people. The question is, are we training people for those jobs? What's PDC's role in that, what's WorkSystems Inc,'s role, and is there a big alignment you're thinking on that piece, as well?

Holladay: The answer to the last part of that is, absolutely, there has to be an alignment. If you look on the in-depth talent look that we've done for the region -- which obviously you're a part of -- you're going to see that, you're going to see where there are the disconnects and where we really do believe that these folks working together along with what GPI might add as we go ahead. But again, it's very much about putting all those pieces together and being very specific about what do we need to do. For example, we've had some clients that have seen a gap and they've established career academies at their high schools dedicated to certain of the targets that they want to grow, whether it's healthcare or whether it's -- whatever it may be. We've seen people expand greatly in two plus two programs, in internship programs. And many of your unions were doing that for years and years. And yet, I think that it's creating a sense of urgency that you all really can't wait much longer. You've got to start working on this, you know, and I'm a great advocate for pre-K, but we're not going to see those kids for another 12 or 13, 14 years. So, what are we doing in the middle, and what are we doing to try to get these kids ready to have great careers? We had a client in Alabama who saw that they had a real issue. They're near the space center in Huntsville. They created a summer program -- using DOL funds and other funds they put together -- they created a summer internship for girls in welding. It's called sweetie. Every girl who has finished the program now has started their jobs at just under \$60,000 apiece after they finished the two plus two. It ain't what it used to be. I think that the creativeness and the fact that we know that we're looking at trying to create a great return on investment, out-of-the-box thinking in terms of the relationships and how people work together -- you know, I remember when we were creating this program in Georgia for a company that we knew we were going to lose if we didn't really do something, and I remember the governor saying to the chancellor, that this ain't going to the curriculum committee, we're doing this now. So, you have got to bust the butt and really change the rules, but certainly, I think PDC and work source and everybody working together is what it's going to take.

Fish: Thank you.

Hales: Thank you both. Patrick, anything else to close?

Quinton: No, this is great. I appreciate your questions and looking forward to next week.

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Hales: Thanks very much and thanks to both of you. Look forward to more. Is there anyone else that wants to comment?

Moore-Love: We have three people signed up. Please come on up, Mr. Lightning, Crystal Elinski, and Michelle Mundt.

Hales: Good morning, Lightning. I think you're on first.

Lightning: Good morning, my name is Lightning. I represent Lightning Humanitarian PDX. Very good presentation, very complex. I always enjoy presentations like that. I want to commend the mayor on Urban Renewal -- putting a billion dollars back on the property tax rolls being proposed. Very beneficial now. One of the things that I didn't hear in this report is we're always talking about transportation. Now, how much of the Urban Renewal dollars can go back to transportation? I haven't seen any reports on that. I would like that to be further studied. Another area that I have a concern with is again on affordable housing. I love the technology companies entering the Portland market. We have watched Airbnb. We're stopping Uber right now for some reason, we're going to watch this very closely. But I welcome them to this city, and I want to see them come to Portland and continue to do that. Now, one of the concerns that I have with companies of that caliber when we're talking about billion dollars companies is that I want them to also begin calculating when we're looking at affordable housing on -- when you enter our market, and are you creating any type of housing for the amount of employees that you're calculating on having in this location? And why that is very important is we have to start looking at that to really keep a check on the affordable housing. Such as Airbnb when they are getting new hosts and for their company, we need surveys on how many hosts you are obtaining, were the hosts you are getting right now, did they have somebody renting that particular unit? Did they give an eviction? Because we have to keep those calculations in check to understand how much we need to build. As the mayor stated, we do have a considerable amount of apartments being put on the market, so that's a wait and see what's going to happen on how the market will kind of begin to balance out. As you know, the urban growth boundary has been accepted by Metro, and that's going to increase the values of the residential properties and it's going to expand the development of apartments. So, we need to watch this very closely because we're having to shift the property values from residential being the predominantly higher number, and we might see that change in the next few years. So, these are all very interesting things to study and monitor, and I want to make sure that when we're talking wages -- as you know, Multnomah County just pushed through the \$15 an hour for all their county workers. That will be phased in in a three-year time frame. Their economists are projecting by the year 2018, their expenses will begin to overtake their income. Is that to do with the wages actually being implemented at a higher rate? I don't know, I want to have that studied and looked at a little bit more in detail. Thank you.

Hales: Thank you. Good morning. Welcome.

Michelle Mundt: My name is Michelle Mundt, and good morning Mayor and Commissioners. I am going to pass my testimonial today, but thank you for having a process that has truth couched between very interesting language, I appreciate the forum.

Hales: Thank you, more to come.

Mundt: I will tell you what I really think later.

Hales: OK. Anyone else? Let's have a movement to accept the report.

Fritz: Aye. Move to accept the report.

Novick: Second.

Item 1262 Roll.

Novick: I appreciate the discussion and the acknowledgment that we are number one in water accessibility. Aye.

Fritz: Yeah, it's rare that we get an infrastructure report showing we're doing well at the major infrastructures, so I appreciate the partnership with the Port on that. And it's also rare to get a statistical report that comes with so much heart and thought and caring for the people and the

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community as well as for the numbers. So, I particularly appreciate that and commend PDC for hiring you and your company, and for this national look at what we're doing and how we're doing it. I'm really proud of what we have done over the course of the recession, that the previous strategic plan does seem to have worked out according to this report, so now, we're investing more time and consideration of what's next. So, I appreciate this summary of how we've implemented the current plan and look forward to continuing to work with you. Aye.

Fish: Thank you for the report and the conversation. I've always felt a singular accomplishment of the Sam Adams era was working on the first economic development strategy that the city ever had; and second, taking housing out of PDC, which as the then-chair told me took up about 70% of the PDC's agenda. So, by taking housing out, we replaced that 70% with focus on things like job creation and economic development, and we said that that was the primary focus of PDC. And I think that history will say that the housing piece got stronger and the economic development piece got stronger as a result. Before I got this report, I wasn't sure whether you were going to say, whether your assessment was going to say that we should tear down the house, take it down to the studs, fortify the house, or buy a new house. And the way that I read this report is, it says that the economic development strategy had a lot of thought behind it and had some success. It's now time to fortify the house and strengthen the house, and that's the next phase. And I appreciate you bringing the council along with this, because ultimately, the next document that we adopt is the city's economic development strategy. And the responsibility for that rests with this Council. So, I thank you for your good work. Aye.

Saltzman: Thank you for the report. Aye.

Hales: Well, to use your analogy and take a different tact, Commissioner Fish, I think that we will ultimately end up remodeling the house a bit, but it's still a good house. So, to stick with your metaphor. I want to thank the commission staff; Patrick, particularly, and all his team; and Mac Holladay and his colleagues for the good work so far. I think this discussion has helped to illustrate -- and I appreciate your comments, Commissioner Fritz -- that this is being done with both the head and the heart, and I appreciate that work. We have a great consultant, we have a great steering committee. I'm looking forward to seeing a clear-eyed assessment that we're getting now of where we are and where we should go. So, I'm not being terribly directive about this work, but I did lay down three markers at the outset of this work. And I said that PDC needs to do three things equally well. It needs to create jobs, it needs to build the city, and it needs to share prosperity. Those have to be -- in my opinion -- the cornerstones of the work. That we have to be figuring out how to share prosperity and the -- I've riffed a couple minutes on this Washington Post story that played with Portland a little bit and celebrated how great we are and noticed that the council in years past had gotten rid of the parking lot out back and replaced it with a vegetable garden. So, the title of the article was, why Portland is growing its own Swiss chard and stealing your college graduates. That's fun and it gives us a cause to pat ourselves on the back, but of course we would rather be growing our own graduates and employing them rather than just stealing other people's. So to me, that headline was a mixed blessing. It showed what we need to be doing in terms of the sharing prosperity as well as some of the strengths we have to work with. I appreciate the good work, appreciate the chance for the community to get engaged in this as we go along, including today, and look forward to more. Thank you very much. Aye. Let's move -- don't steal the Swiss chard. Don't get that screwed up.

Item 1264.

Hales: Alright, want to call on Sue Disciple and Toya Fick and our own Julie Omelchuck to talk about this program. And we have Mary Beth Henry and others from our staff here to back it up. So, welcome. Good morning, Sue.

Sue Disciple: Good morning, Mr. Mayor and Commissioners. Thank you for having us. To my right are my fellow commissioners representing the City of Portland to the MHCRC: Toya Fick and Leif Hansen. And as you know, to my left is Julie Omelchuck, our community grants program

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director. We're here to talk today about our TechSmart Initiative for student success. We plan through this initiative to strategically invest about \$19 million over the next 10 years on public schools in Multnomah County to positively impact academic outcomes for all students. I wanted to give you a little bit of background on how we got here, and Toya's gonna speak specifically to the two grants that we have granted recently and our flagship, our initial grant program. Then, Leif is going to serve to do cleanup for us and just make sure that we've mentioned all of the details that you would want to know. And of course, Julie is here to answer the questions about specific numbers and specific program details. So, just to take you back a decade ago -- over a decade ago now -- our franchise with the cable company at that time established community access grants. And over a decade, that program resulted in around -- don't quote me on this number -- but around \$10 million in community access grants. These grants go for the use of technology for public institutions and for nonprofits. So, when we initiated this program, we felt strongly that the cable commission should not be dictating to the community what these grants should be used for or look like other than the constraints around that grant money, as outlined in the franchise. But we really wanted the community to come to us with their needs and interests, and we would evaluate those and then, through the grant, grant the funds. And that worked beautifully. And we granted all kinds of things from wiring all of the council chambers throughout the jurisdictions and the county to enhancing distance learning at our community colleges, and then to more pedestrian things like ensuring or supporting the funding for telephones in classrooms in Portland Public Schools. So, from high-tech stuff to very basic stuff. And it was successful. With this new franchise that was signed a year and a half ago now, we realized what we had -- it has resulted in more money available to us. We anticipate it will be \$27 million for community access grants over the life of the franchise, through 2021. So, that's a lot of public money. And so we thought, we've learned a lot about the grant-making process, we know how to do it smoothly and efficiently and accountably -- that's what we learned over the last 10 years. Let's see now if instead of serendipity and episodically giving these grants to the organizations, let's see how we might strategically apply these funds. So, that led to a very thoughtful process that was over a yearlong on the commission, and really -- and of course, looking for a grant program that could apply county-wide, because we represent six jurisdictions, county and then the municipalities within the county. So luckily, kind of serendipitously, the All Hands Raised partnership was being established, and the partnership supports shared academic outcomes that have been established in partnership with all of the jurisdictions for raising student achievement and for closing achievement gaps and reducing disparities. So, that gave us a good forum and a base to think about a more strategic grant program. As part of that, we are now part of that partnership, and we expect that we will have \$19 million to grant for our program. So, I think that I will pass the baton to Toya and let her talk about the grants that we have on the table now.

Toya Fick: Perfect. Toya Fick, one of the commissioners for the Cable Regulatory Commission. It's still weird to be Commissioner Fick every once in a while. So, we have worked so far with two of the school districts in the area. We're going to work with all of them -- we are working with all of them, but two of them so far have come forward with plans and proposals to fund. The first is David Douglas, and we are funding them at a million dollars over the next three years. They are looking to improve teaching and practice and learning at Earl Boyles Elementary School, their early learning laboratory. What they will do is use the technology to give one-to-one devices to all the kids in the building and to help capture teaching and learning practices to help teach those kids a little bit better. I will say that as a mom of a four-year-old, I cannot imagine not having all the answers in my pocket when stumps me every day. Our teachers and our buildings need to be ready to receive kids who are ready to engage information in a way that we cannot even really imagine. So, we are really excited about that one. The second partnership so far that's come before us is with the Parkrose School District. A couple years ago, they passed a bond that would allow them to give one-to-one devices to all the elementary and middle school kids in their district, and to make sure that their buildings are wireless. Their bond did not cover the high school, which left about a third

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of the kids in that district without those sort of capabilities. And this grant at about \$370 million over the next three years will allow them to do that. One of the great things that I like about what they're looking to do with these funds is make sure that wireless is available to families when they come on campus. So, if they go to a football game or if they come for a conference or help their kids with scheduling, they have access to wireless. So many of our low-income families don't have that at home. As I like to say, ninth graders have mamas too, we just need to make sure that they have barriers removed to engage them. So, we are really excited to track the outcomes for those particular grants in those particular school districts, and we hope to come forward with the other three over the next year or so. They are thinking about how they could strategically use these funds in similar ways within their school districts. So, that's about it for those two districts. I will turn to Leif to make sure that we didn't forget anything.

Leif Hansen: I guess the two points that I would mention is that it really is a significant shift in how we've been granting. It's a multi-year effort on a lot of these grants. Whereas we've been granting the money on just a single year basis. So, the projects can not only have a greater length of time to produce the outcomes. We can look at them over a greater amount of time, but we also now have a whole series of resources and partners that are participating in the evaluation. So, the All Hands Raised partnership is huge. We're technology in a regulatory body, we're not education experts. So, we need their feedback to really provide the alignment on where this money is being directed and have the outcomes be clear. The other one is the Portland State partnership, and the evaluation of how we're doing on these metrics so that we can study over time how the money is really delivering against some of these goals and targets. The other thing I would mention about the two initial grants -- very pleased to see one of the things we were focused on in reviewing the proposals was how the technology was going to be integrated into the classroom environment. It's not enough to just put the technology in place, you need to make sure that the instruction, and the guidance, and the resources are there to bring the whole education environment along with the introduction of the technology. And I think both of these grants were very strong in those areas. So, yeah. We're really excited about the program and we think it's going to be a much better way to guide the money that the city has to offer.

Hales: Thank you.

Disciple: A follow-up point is that -- just thinking some of our traditional grantees watching this segment and wondering, has it all dried up for us? And the answer would be, no. This is a portion of the money that we get from our cable franchise that's dedicated to this. We will have about the same amount of money to give to general community access grants. So, we will continue to give to public agencies, to non-profit organizations in the community. That money is still there and available. Historically, we granted about two-thirds of our grant money to educational organizations, and the way we've divided things up now -- even with the strategically focused grant, that will be about the same. So, we think that it will all fit together really effectively for our community. We also believe with the evaluation resources that Leif mentioned, we will be able to know over the course of this 10 years what moves the needle in terms of student achievement through the use of technology. And we've looked nationally, there really isn't good research on that. We will really be a learning lab I think for the nation in this initiative.

Hales: Thank you. Questions for this panel? This is an informational presentation. We don't have to take action on it. We want to make sure that Council saw that this work was well underway. What is the timing of your next grant cycle?

Fick: This one is ongoing. We are working with the three districts who haven't come forward with proposals yet to get them to a place where they're ready to apply.

Hales: When they're ready, you'll accept their application and take a look.

Fick: Absolutely.

Saltzman: Are these grants available just to school districts or are they available to organizations that operate in SUN schools within schools and things like that?

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Hales: Push the button there, Julie.

Julie Omelchuck, Revenue Division, Office of Management and Finance: Thank you. I should probably know that.

Hales: You're a technology person.

Omelchuck: Thank you. Again, I'm Julie Omelchuck, the community grants program director. As far as this -- the particular program that we're working on, we have a rolling grant cycle. And so we're going to be working with the district on an ongoing basis through the next 10 years to get to our academic outcomes. Does that answer your question? I'm sorry.

Saltzman: Not exactly. So, a nonprofit organization that operates a SUN school in Parkrose -- can they partner with the district and apply for some of the technology money?

Omelchuck: We have two opportunities for them. One current with our community technology grants. Any nonprofits are still able to apply within that program, and that's a current grant cycle. Actually, the period for those grants just closed yesterday. I think we had 16 or 17 applications. And that's an annual amount of about \$700,000 to \$800,000 a year. And then the commission began this TechSmart initiative with a focus on working directly with the districts on strategic investments. However, we recognized that many wrap-around organizations, nonprofits, the community colleges are also partners in achieving better academic outcomes for students in Multnomah County. And those kind of that's kind of the next phase of our TechSmart initiative development.

Saltzman: OK. Well, I really appreciate -- this is a great initiative. I like the work that has gone into it and I look forward to making a difference in many young people's lives. I just wanted to take this opportunity to once again thank the Mt. Hood Cable Regulatory Commission for its investment in the Gateway domestic violence services center, and the technology that allows survivors to obtain restraining orders at the Gateway Center rather than having to go to the downtown county courthouse. So, you invested in that technology that allows for those two-way conferences between a judge and a survivor, and I do want to say as a result of that, there are more restraining orders now issued at the Gateway Center than the downtown county courthouse. Thank you once again for your foresight and investment in that.

Omelchuck: Thank you for your support, Commissioner.

Fritz: Julie, remind me of the mechanics of this granting process. The Office for Community Technology are the staff who help process the grant application with the Mt. Hood Cable Regulatory Commission, and then those grants are sent out directly. They don't come to Council. Is that correct?

Omelchuck: Correct. Under the intergovernmental agreement that created the commission, all of the funds that were negotiated in the franchise agreements with the cable companies -- and you have four franchise agreements -- well, the county has four -- all of those funds come to the commission, and the commission is the grant-making body for those funds.

Fritz: And the city is the designated staffing of that commission.

Omelchuck: Correct. The commission contracts with the City of Portland for staffing services.

Fritz: I have to note that I think this is one of the coolest volunteer opportunities ever. That there are not very many volunteer bodies that get to divide up \$27 million. And Commissioner Fick, I hope you get used to that title of Commissioner Fick. [laughter] So, thanks to all of you for being here today and for the work that you do. I know -- actually, that was one of the first things I did when I was in charge of the Office of Cable Communications and Franchise Management, was go to a Mt. Hood Cable Regulatory Commission hearing that ended at 10:30 in the evening. And I discovered that TriMet doesn't work very well to my neighborhood from there. That was impressive how much time you put in as volunteers, and I certainly appreciate all of the work you do. I want to give a shout out to Carol Studenmund, your chair who I had the honor of appointing to the commission. And I just appreciate all of the work that you do. Also, I want to thank Mary Beth Henry and David Olson, the previous director who did negotiate that contract with Comcast. And, indeed, Comcast. Because this extra grant money is coming from our franchise agreement with

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Comcast, and Comcast does a lot of good work in the community and assuming is very happy with the approach, this strategic initiative to look at equity and look at underserved communities and maybe not even wait for them to come for grants but proactively reach out. And I love the approach of the several years at a time rather than constantly being applying. It does allow you to have more oversight in looking back at it. If you could just tell everybody, Julie, please, how -- if folks are now very excited and they missed the application deadline yesterday, where do they look to find out about the next grant cycle?

Omelchuck: We had a pretty simple website address, and it's MHCRC.org. And one of the things that's nice about having the commission being the grant-making body is that staff is really available for consultation, in-person meetings. We really do everything that we can to outreach to a variety of groups and try to get as many fundable applications through the door as possible. So, a phone call is great as well.

Fritz: That was my next question, because I know that some folks are watching on Portland Community Media Channel 30, which again is funded through our franchise agreements and what's the phone number they should call if they don't have access to technology and just want to call you?

Omelchuck: Well, I will give my direct line number: 503-823-4188.

Fritz: Thank you very much.

Hales: Thank you all. I want to say, you know, seeing the results of this program -- I mean, that we're putting Chrome books in front of kids in schools where they wouldn't otherwise probably have access to that technology, and that we're doing this right after we heard from an economic development consultant who said the number one factor for our success as a community will be how our workforce is prepared. We didn't think about that connection before now -- or at least I didn't -- but it's obvious that the work that you're doing is supporting the community that we want to be in terms of access to opportunities. So, we really appreciate it. And I can't help but notice a little parallel here, which is let's see -- the city gives franchise authority to an international technology corporation because they're using the public right-of-way. They pay their taxes and good things happen. Hmm. We should try that more often. [laughter]

Omelchuck: There you go. Thank you.

Hales: Thanks very much everyone.

Hales: I know there are a lot of people here on the street fund item and there are a lot of people here on the body camera proposal, so I'm proposing to take those two next. I think because we're only going to be acting on some amendments this morning on the street fund and setting over the larger debate until next week and thereafter, that we can do that fairly swiftly. So, if that makes sense, then I will get you to read items 1271 and 1272 and turn it over to Commissioner Novick.

Item 1271.

Item 1272.

Hales: Commissioner Novick and staff.

Novick: So, as people have been following this now, we have made modifications to our latest proposal, including last week adding a sunset clause and establishing a base funding level for pavement preservation. What we're doing today is adding what I might call the Staugas amendment, like the Shawshank Redemption. We heard from a number of proprietors, including one Jane Staugas of Bridgetown Bow Ties, and proprietors of some very, very small businesses who said that the schedule as we have it could result in fees for some of them being a significant portion of their revenues. And what we've decided is that for home-based businesses with gross revenues of less than \$50,000 a year, we will have a complete exemption. For businesses that are not home-based, that gross less than \$50,000 a year, we will have a \$3 fee that does not vary by business category. We're also clarifying that these provisions apply to non-profits as well as for-profit businesses, and that the \$3 base fee will apply to both businesses and nonprofits rather than having a 50% discount and a \$1.50 fee for non-profits. So, that's the guts of the proposal. Celia, do you want to elaborate?

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Celia Heron, Office of Management and Finance: My name is Celia Heron with the Office of Management and Finance. I am here with Jamie Waltz from the Bureau of Transportation. The memo we just distributed explains the changes as Commissioner Novick just outlined. And so there really are two policy issues related to the amendments, and one is to establish the exception for the home-based business. And the goal is to avoid creating an undue burden on the smallest of the small businesses in Portland. The other amendment is to establish that cap of \$3 for any small business with gross revenues less than \$50,000. It's part of a packet that included ordinance exhibits to city code. The first replacement document that you have is the Exhibit A, which is a series of code language. And the only change today is the addition of a definition for the purposes for the Portland Street Fund for home-based business. That would go in, assuming you pass that. The next item, Exhibit D, is the fee schedule for the non-residential transportation fee. And again, as Commissioner Novick described, there is now a new category -- we're calling it micro businesses, it's your first category on the left -- for any business grossing less than \$50,000 a year. And in the header to that column, it describes a complete exemption for home-based businesses grossing less than 50. And finally, the only other change to this document is an addition of a footnote at the very bottom that talks about the minimum rate being \$3 a month for any non-exempt entity. So, those are the changes of the amendments.

Fish: Questions either to Steve or the panel. About how much revenue does the micro business fee generate annually -- or is forecast to generate?

Novick: I would say -- I have an answer to a slightly different question which I meant to give earlier which is this change will cost us some revenue. It will cost us about \$2.2 million plus processing. It will add about another FTE worth of administrative costs in Revenue to actually go through and identify who is eligible for the exemption for the small amounts in the home-based businesses. In terms of what this fee will generate, Jamie, do you have that?

Jamie Waltz, Portland Bureau of Transportation: Jamie Waltz with Portland Bureau of Transportation. With the exemptions, there's about 3600 businesses that are home-based that fall under the exemption category. That's about \$100,000. In total, as Commissioner Novick said, it's about \$2.2 total reduction in revenue. So, we're not going to be changing the rates of the other businesses. So, it was a \$23 million proposal, so minus the \$2.2 million.

Fish: So, let me sharpen the question. Thank you for that answer. If we were to waive the micro-fee in year one, what would that cost the treasury?

Novick: If we simply exempted everybody --

Fish: Just in year one under the micro fee.

Novick: Well, let's see. We have 15,000 businesses paying \$3 --

Fish: Year one of the business, I'm sorry.

Novick: Year one of the business? I don't know. I think that would require additional administrative expenses to figure out which businesses in year one rather than year five. If we exempted all of the micro businesses, \$15,000 times 3 would be \$45,000.

Hales: Get the math right?

*******:** It's pretty close.

Fish: Just curious, if we wanted to exempt in year one, why would -- what's the administrative burden that that would create? Couldn't we just have someone give them the option of filling out a form that says, this is the first year of my business and I otherwise qualify? Or does it get more complicated than that?

Thomas Lannom, Director, Revenue Division, Office of Management and Finance: I don't think there would be a substantial increase. We talked about a marginal increase. But it wouldn't move the needle in terms of the -- I'm Thomas Lannom with the Revenue Division -- wouldn't really move the needle too far.

Fish: I really appreciate both amendments and the work the Commissioner-in-Charge has done. There was that extra piece about whether for the real small business where that first year was a

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make or break year, whether we would exempt them all together and pick them up in year two and whether A, that has a revenue implication, and B, does that create extra work for anybody, and C, does the council support it? Just raising that issue.

Novick: Personally, at a policy level, I think that there could be some businesses with the make or break year is year one and there might be other businesses the make or break year is year three. So I don't -- I personally would not support that distinction, but it sounds like making that distinction would not have a major revenue effect.

Fritz: Commissioner Fish, just to clarify, are you proposing for all new businesses or just for some new businesses?

Fish: All new businesses that fall below a certain threshold. So, we're talking in exhibit D about micro businesses -- that might be the line. But the kinds of businesses where that first year is filled with peril -- financing, regulatory and otherwise -- and getting out of the first year is a challenge. And this came up in the last hearing, I'm just raising it. It may not have Council support. I just wanted to ventilate it.

Novick: Commissioner, I apologize. I did mean to get back to you on that. I confess I made an assumption in which [inaudible] that this provision, which has a very small fee for businesses with gross revenues below \$50,000 -- I kind of assumed that businesses are going great guns making a lot of revenue in the first year you would have less concern about. I hoped this would implicitly address your concern but I apologize for not explicitly addressing the concern.

Fish: Maybe we should wait for testimony. If it's a community issue, we can come back. Otherwise, I think these are both good amendments.

Hales: So, unless there are further questions for staff, again, let me clarify what we will try to do procedurally here. I will take a motion to put these amendments on the table. We're going to take public testimony only on these amendments. I'll say that again in a minute. And then we're going to have another hearing in a week on potential additional amendments, including the one that was just discussed. It's our plan to have a full Council discussion of an amended package. We anticipate additional amendments by next week, and then schedule a second reading for January -- likely January 7th. That's the plan as of now. So, the only subject on the table for the Council today -- particularly and I want to emphasize this because we have a lot of people here to testify on other Council items -- the only question before the council today is this a good amendment or bad amendment? Not, is this a good idea overall or not? We've talked about that and we will talk about it more again next week. The only subject before the council today is, are we going to adopt this amendment or not? I want to ask people to please confine themselves to that question. If you don't care, then fine, please don't testify. If you do care about that particular issue, please come up and let us now. With that, I'll thank our staff, open the public hearing, see if there's anyone here to testify. First, we have to take a motion to put the amendments on the table.

Novick: So moved.

Fritz: Second.

Hales: Further Council discussion of that? Roll call on putting those amendments before the council.

Roll on motion to put amendments regarding home-based businesses as stated in Bureau of Transportation memo dated December 8, 2014 on the table.

Novick: Aye.

Fritz: Aye.

Fish: Thank you, Commissioner Novick. Aye.

Saltzman: Aye.

Hales: Aye. Thank you. OK. Anyone want to speak on the amendments?

Moore-Love: We have 10 people signed up.

Hales: OK. On the amendments, again, please, folks. Good morning.

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Bob Clark: Hi, Mayor. I thank Commissioner Fritz for sending me a thank you note for my written testimony. I'm Bob Clark, southeast Portland volunteer for the Tax Payer Association. And as to the amendment, again, we're -- we think the thing is too intrusive in that it's beyond -- it's not necessary to do this type of ordinance where you get into people's -- how much they make and how much they don't when you can go to other alternatives. We're still opposed to the underlying street tax ordinance.

Hales: I know that, thank you. Robert?

Robert McCullough: Good morning. More good news and bad news. Would you like one or more -- good news is, I'll be testifying in Montreal next week on uranium impacts on Hudson Bay, so you may not see me. Bad news is -- and this does pertain directly to this set of arithmetic -- we did file suit against you yesterday to get the information behind these estimates out in the public record. The request was made 40 days ago. I see we have Mark here. Hi, Mark. He agreed to supply it 40 days ago. We received nothing. The most recent information is people are brainstorming on the data. So, I will respect your request to go back to this. Steve, your numbers are wrong again. And if you want to take time, I can walk you through them. The fact is that this small category was addressed in documents provided on September 11th. If you used the September 11th data and walked through this, you get a different answer. In every case, we have had less information, less mathematics and more errors on this than anything I have seen in the city in many years. One last comment and then I will steal away -- I still do have a day job in a few moments I'm not talking to you guys -- it is interesting that in the excellent economic development presentation put us first on intermodal transport and second on rail. Those are exactly the categories that are missing from the street fee calculations. I like the level of questions. I think you have the right answers. I support it entirely. But you now have two completely inconsistent data sets. One from economic development, and the broken data set here. And I apologize for repeating myself, but unfortunately, when you get appointed to the voluntary chair of Southeast Uplift, they send you out to do battle every day apparently. Never volunteer. Never, never volunteer. [laughter]

Hales: We're glad you did. Thank you, Robert. Mr. Walsh?

Joe Walsh: My name is Joe Walsh, I represent individuals for justice. And no matter how you dress this up, it is still a pig. You can make all of the amendments you want, you can satisfy all of the different groups and maybe you will get to three votes. It's still a pig. It looks like a pig, it walks like a pig, and the reason that I use that strong language is you constantly have people coming here telling you this is not ready for prime time and the only way you are going to do this is to package it and put it to the voters. You do less than that, Commissioner Novick? That's a betrayal.

Novick: Mr. Walsh, do you support or propose these amendments?

Walsh: Don't interrupt me, please. I only have three minutes.

Hales: On this subject. You don't have three minute per se. You have three minutes on this subject.

Walsh: On this subject.

Hales: On the amendments, do you like them or not?

Walsh: No, no, I don't like the amendments, because it's part of the problem that you have and you keep trying to push this and make it satisfying to different groups and maybe you'll succeed. Maybe the Business Alliance will buckle and say, OK, yeah, it's alright. Maybe the oil companies will say, it's alright. I don't know if you are going to win this or not. You have two votes each way, as far as I know. And unfortunately, Amanda, you're sitting on the fence. So, we are against this amendment on the very principle that you must put a tax to the voters of this city, all 600,000, not three elected politicians.

Hales: Right. But should what we send to the voters, if we did that, include this amendment or not? We still have to adopt it in this chamber, even if it were going to the voters. So, should we include this amendment or not? Do you like it or not?

Walsh: You're asking me to go into an outhouse and say, do I like the toilet paper. [laughter]

Hales: OK. Thank you. Let's take the next three.

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McCullough: Mayor, I promise not to learn my rhetoric in this chamber.

Hales: That's a good notion.

Moore-Love: Next three, please come on up.

Hales: Good morning.

Lightning: Good morning. My name is Lightning, I represent Lightning Humanitarian PDX. On the amendment, I do believe on the 50,000 range that everybody should be excluded for the first year as far as home-based or other businesses. Again, a point that Commissioner Fish brought up is that that first year on a lot of these smaller businesses is that first year of survival. They're scrambling to make it work. They're trying a new idea, new concept. So, that's not an unreasonable thing to put into place because the last thing we want to do is have small businesses begin to go under. It is going to cost us a lot of money. Again, like I said on the street fee issue here, a lot of people disagree with Council vote. I want to see that happen immediately. It's being pushed out too far but I want to see a step-up plan put into place because there needs to be an adjustment to refine it. We can refine a proposal like this for the next two years. But we need some revenue to go toward the transportation. We need PDC to look at it. We need other avenues to look at it. But again, we know there's a certain number, but it needs to be adjusted, refined, and other ways of creating revenue implemented. And that's my position. And again, like I say, Commissioner Fish, you brought up a good point on the new businesses and to protect their interests. Thank you.

Hales: Thank you. Welcome back. Good morning.

Michelle Mundt: My name is Michelle Mundt, and once again, I think -- I'll pass, because the Kleenex imagery is too good of an act to follow. And I am using the word Kleenex because toilet paper is too generic -- the elephant in the room is corporations. Corporatism.

Hales: Good morning. Ms. Schwab, good morning.

Mary Ann Schwab: Thank you, Mayor Hales and City Commissioners. I for one -- I know it takes three votes to do anything. And I'm very happy and pleased that a Commissioner, Amanda Fritz, is sitting on the fence giving all of us a chance for input here -- not that you all don't. And I'm really sorry that Commissioner Novick came in to such a mess. Fifteen years of deferred maintenance is huge. We're all trying to support him, it's just the avenue that he is taking -- I'm not too sure -- it has been a lumpy bumpy road. As a member of large at Southeast Uplift, we had a very difficult time. I refused to -- I abstained from the straw vote whether to support this or not. And the reason I'm not happy with this -- the street fee tax -- is because we are not taxing everyone. To have a railroad come in here and they're just a manager of a big company and a thousand lifts a month, putting heavy, heavy cargo on freight trains and we're a transportation hub, where is the equity in this? We always use the word equity, equity, equity. Yet when I look at this list, beginning businesses, and elderly, and is it really fair when we're overlooking a huge, huge population demographic? Every employer in the city knows where their employees live. How many are coming across the CRC every day? How many are trying to get out of here? It goes back to Orson Wells, the actor who was in the 1984 novel and movie. There is a way that we know where they live and they could just be billed. And the fact that we have to have an administrative cost even to collect this -- and we know how bad it is with the arts and the school tax -- are we really getting dollar for dollar that we need? When people are driving in from Marion County, Clackamas County, and Washington County working in our city, using our streets, let's think about that. Maybe we need a little bit more work. I would really be supporting this. But I kind of agree with Joe. We really need to take this to the voters. But it needs to be a good product. And right now I think it needs a little more work. Thank you.

Hales: That's why we're here. Thank you. Next three, please. Good morning. You're on first, Gary.

Gary Sargent: Good morning. I'm Gary Sargent. I'm a third generation business operator here in the city of Portland of a fourth generation business. Our family has been involved in business here in Portland since 1949, providing Portlanders with transportation needs. I've been involved in the Lents Urban Renewal District since its conception, and my father and I were founding fathers of the

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82nd Avenue Business Association. Currently, I serve as vice president of the 82nd Avenue of Roses Business Association. Since we were not offered an option to participate with the business work group, we have an amendment to be dovetailed into this amendment, and that amendment would consist of exempting all businesses that are fronted by a state highway. As you all know, 82nd Avenue is a state highway. And it's in such poor condition that it's the main arterial to all of those businesses and those businesses would be cited with this street fee, yet they would not receive any benefit, since the road is in such condition the City of Portland will not accept it from the state. We have an "it" that would resolve, but we're limited to discussing this amendment. I ask that this amendment be considered and/or dovetailed into this exemption, because it too, like micro businesses -- you know, we are suffering businesses -- and I want to add this, too, because it is very prudent -- this amendment is not self-serving for my business whatsoever. My business is on Foster Road. So, I would receive no benefit whatsoever from any exemption. Thank you.

Hales: Thank you.

Fish: Can I ask you a question on that, sir?

Sargent: Yes.

Fish: And your company is Sergeants Towing?

Sargent: No, no affiliation whatsoever. That is owned by a gentleman by the name of Mr. Preston, who is -- if you recall the old TV show, Canadian Mounties? Well, Sergeant Preston of the Canadian Mounties. We get that confusion quite a bit. Our name is spelled differently.

Fish: Thank you for the clarification. Let me ask you a philosophical question.

Sargent: Sure.

Fish: Even though I no longer have a car, on the weekends when I borrow my wife's car and I go to a favorite breakfast place in Montavilla, I travel along a federal highway, a state highway, a city road, and sometimes unimproved roads. And they're all essential for me getting from point A to point B. And I hope they're all well maintained in order for me to get there safely. So, I just -- in terms of your point, you're saying carve out for businesses because they're adjacent to a state road that's not in great condition. But the people who shop there and people who work there are very likely to travel on a host of roads, and we're here talking about a way to better maintain the city's roads. So, why do you think anybody should get a pass just because they happen to be immediately adjacent to either a federally-maintained road or state or city road?

Sargent: The answer is simple. Main access to their business is on that arterial that is not serviced by the city of Portland. As a commuter, as a -- I may decide, you know what? I don't want to drive down 82nd street because it has two intersections there that are defined as very unsafe and have been in that condition. Stark Street -- I can remember when our business was on the corner there. So, you know, we start with exemptions and exemptions and exemptions. And I think that everybody in this room would agree that the roads are in a deteriorating condition. Now, if the fix, the fix, the "it" which the present proposal denies capture of funding from some of the main abusers. On my way in here from Damascus, I-84 was backed up with commuters coming to work in the city of Portland from Troutdale, Fairview. I-5 backed up with commuters coming from state of Washington to come to work here in the city of Portland. Sunset Highway, same conditions. So, when you factor those people in, they aren't going to pay. You're burdening the citizens with that. Now, if you have a plan that can capture or at least make some attempt to capture some money from those individuals that are accessing these roads that you're asking the citizens and the businesses of Portland alone to pay for. Now, it could be perceived that, you know, there's some kind of a divide and conquer with this where you're exempting individuals and exempting low-income and exempting now micro businesses as a proposal, but I -- the roads need to be repaired. And I think if it is referred to the voters in such a package -- look at your park situation, it was referred to the voters. You made sense with your argument. The arts tax, same thing. You made sense with an argument, and the taxpayers passed those initiatives. So, I think if you take a step back and you go back to the work groups -- and by the way, the business work groups, I sat in on one of those

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meetings as an observer. And they were being told how minutes were that of the previous meetings and they weren't factual. They were being led in some direction and they do not agree with the proposal whatsoever as it's put. Lady talked about the railroads. You know, some of the bigger companies that put a huge burden on the roads are not being taxed. You have FedEx that has a base -- I'm sorry. Go ahead.

Fish: You answered my question, I want to thank you.

Hales: Thanks, Gary. Appreciate it.

Fritz: I want to point out because you may not be staying -- there is an item on the agenda later that directs the Revenue bureau to talk about that question you talked about whether we can charge people coming in from other jurisdictions. So, we don't know the answer to that, but there is a resolution calling for them to do that work.

Sargent: Well, I thought about this very hard -- and I appreciate that information -- the only way that you can capture that would be somewhere to capture it on a paycheck to those individuals. So, that's the only way that any citizen is -- and/or person coming in from an outside -- you're going to capture that. Raise the gas tax, but you know what, they're going to buy gas in Clackamas or Costco.

Fritz: We're going to look into that. You raised some good questions. Thank you.

Hales: We will try to figure that out. Ms. Sanderson, welcome.

Ann Sanderson: My name is Ann Sanderson, I'm a small business owner, and I run Stop Portland Street Fee on Facebook. I'm also a former member, I guess, of the summer nonresidential work group. And sometimes I have flashbacks to those work groups, particularly when you, Commissioner Novick, say the word work group. But I'm having one of those flashbacks today for a different reason, and that reason is I just got handed these amendments. They weren't online. There was a press release at some point last night and you want us to talk about this. And it's very much like the summer I spent having things passed out the last 10 minutes and saying, OK, discuss them now, what do you feel about this? And we haven't had time to even look at them. Everything that you do, the details matter. They influence one thing and then the next. While I came down to talk about the amendments, I can ask you mostly about questions that we have about them just based on what we saw last night. One of the things that happens when I'm not here -- I know it seems like I'm here a lot, but I actually have a job and I cut hair. And the great thing about it is I talk to people who have questions, too. The street fee naturally comes up at my work, and I get to talk a lot to people who are from all walks of life, and they have questions, too. So, some of the questions are about the residential. And I think in one case, this does -- this amendment does inform that, which is if it is less \$2.2 million because of this amendment, which, you know, is good for micro businesses does that then reduce the 50/50 split so is that residents are going to pay \$2.2 million less? I mean, the premise that you started with is that it would be 50/50.

Novick: That is a good question and that is one of the things we need to address in the next week.

Sanderson: Right. So it would have been nice to have had that amendment so that we could have asked the question earlier of you in all of the emails that we send you all of the time. Some of the other questions we have are the differences between -- we're talking about gross revenues in businesses, when you are talking small businesses and you get to that \$50,000 and one dollar, it makes a difference whether you're a consultant or whether you're selling widgets out of your home. The person who has to manufacture something even in their basement late at night as a second job doesn't get to keep \$50,000. And so, when they get to that next level, if they're retail -- they're considered retail out of their home, even if they're shipping it -- I don't know if that is the right classification. But you will end up pay \$15 a month, where a consultant is a service and pays \$3 a month on that next amount. So, it doesn't seem like it is fair still. How does the neighborhood or business association pay? They don't have square footage, there's no revenue, there's no employees. And is a food cart a restaurant? If they're eking out a living with a food cart, are they paying \$15 a month because they're considered a restaurant, but the consultant who works at home

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paying \$3 a month and keeping more money? These are questions that are all -- we're still asking, and if we have this many questions so close to when you want to vote on this, I think that we're still going too fast and it's a moving target for all of us. [beeping] I'm going to tell you that there is one question that isn't up in the air, though. We are going to take this to a vote because the polls that we listen to say that the majority of Portlanders feel that this needs to be asked, and we're going to help them do that.

Hales: Thank you. Mr. Fruits?

Eric Fruits: Hi, my name is Eric Fruits. I'm a business owner, homeowner, on the board of two small nonprofits. One of them is the neighborhood association, which, as far as I understand, will pay the street fee. I don't know why they should considering they don't have an office, don't have a staff, and barely have any revenue. But anyway. I said I was going to start off by saying something nice -- and I will say something nice -- I know, I blew it already -- that nice thing is this is a step in the right direction. It's a clumsy step, it's a very clumsy step. But it's a step in the right direction. There are some big problems with it. One is -- and I think this echoes what Mr. McCullough was saying -- the numbers just don't add up. And if you gave us some of the data that we can double check it, then maybe we can help you make them add up. I think there seems to be a fundamental misunderstanding of mathematics in PBOT. For example, they said that with this exemption, we would have a \$2.2 million shortfall in tax revenues. And that's based on 3600 businesses. Do a little back of the envelope math and that's \$50 a month. There's not many businesses that pay \$50 a month.

Novick: Actually, Eric, it's based on 18,000 businesses that have less than 50,000 --

Fruits: To with have been nice to get those numbers.

Novick: It's only 3500 home-based businesses.

Fruits: Then why don't they tell us that? Why don't they put it on the website, why don't they email it to us? Why do I have to hear from you right now instead of when we ask for the stuff? It's like we're playing a game of hide and go seek, and it's like we're only going to reveal stuff when we want to reveal it, when it's convenient. Anyway, backing up -- it illustrates a fundamental problem with the way that this tax is structured. It seems to be designed by someone who has never stepped foot in a business. Because we talk about \$50,000 business, and then using your words, Commissioner Novick, if you're bigger, you're going great guns. And Commissioner Fish raised a good point about the start-off businesses. If I had a start-up business and made a million as a year as a consultant, I'm doing really good. As a matter of fact, I wouldn't be here, I would be driving my Bentley. But if I had a start-up business that was a convenience store that made a million dollars a year, there wouldn't be a second year because I'd be failing. A million dollar a year convenience store is a very poorly performing convenience store. But still, it's considered a big, big business in these tax fees. It wouldn't get the exemption, even though it's failing. I think we really need to think hard about how we scale this, and that there's a huge difference between a million dollar consultant and million dollar convenience store and a million dollar online Etsy bow tie seller. Those are huge problems, and they've here all along, they've been baked in, we flagged them over and over again but it's highlighted again with this amendment. Again, the amendment is a step in the right direction, but it's a very clumsy step and highlights fundamental flaws with the street fee, street tax, property tax, whatever.

Hales: Thank you very much. Any others? Come on up.

Dwight Reid: I got the pleasure of being by myself.

Hales: You do, you do. Solo.

Reid: Good morning. Thank you. I appreciate all of the work that you guys do and I think your hearts are in the right place and I think you're doing what you think is right for the city. And I do appreciate that and I want to start by saying that.

Hales: Thanks.

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Reid: My name is Dwight Reid, I own Bridgetown Chiropractic and Wellness and I also have what would be considered a micro business called Reid Landholdings which owns on paper one of the commercial properties that I practice out of. I have three clinics, and two of them are in Portland and one is in Clackamas. We do well. We are a profitable business. But I do want to kind of go back and say as a homeowner who has decided to live and open up businesses in Portland, it's difficult to swallow yet another handful of fees. And I do believe that many hands makes light work, and what we're trying to do is find every possible exemption that we can. I think that there are certain situations where exemptions are needed, and I get that. But then you end up lumping more on to people who really don't feel that they deserve to be paying more. We want to talk about equitable -- it's hard to top what a lot of people have already said because they have said a lot of things that I was already thinking, one of them being capturing revenue from commuters who live outside of the city but work in city. You know, if you look -- I work and live within a couple of miles of each other. I don't have to get on freeways, my commute is very short. I can ride a bike and I appreciate that. But if you look at rush hour morning and afternoon, every day, you see there are a ton of people that would be exempt from any of these fees that are clearly using the roads. When we started this entire conversation -- and I've been watching in the background because I work, you know. It's very difficult for me to make these meetings. But if a guy like me schedules himself out and comes down and wants to kind of say his piece, you can probably figure there is 10,000 other guys just like me that can't, you know. When we went from a trip sort of user fee into more of an income-based, I think that's where things got off of the rails a little bit. Having the safeguards in order to be able to trust that my tax returns with the city are being managed properly -- I mean, that's a little difficult. I file my corporate returns with the county. I pay my business license fees and all of that. I definitely understand the need for the road maintenance, you know. I get it. But I think we need to kind of take a step back and figure out a way -- and the only thing that I could think of -- which everybody has already mentioned, I know it's been out there is when we look at more of a gas tax, which I understand is on a state level, but the legislation down in Salem, largely democratic. I'm sure if you went down and talked to them and asked for a municipal fee, I'm sure that they would oblige. And I think that's a fair and equitable way to approach it at least for a start. Thank you for giving me the time.

Hales: Thank you, and thank you for making the time and for all of you, thank you very much. As I mentioned, we're going to continue this item until next week. We'll likely have more amendments posted as soon as they're ready. And again, if we're not ready by next week, we will continue it beyond that. Thank you all. Continuing this item until next week. Let's move a little out of order here again. Again, we have a number of people here that want to speak on this item. I want to take 1276 next. Assuming we can. The City Attorney is talking to the Council Clerk, that's never good. But I think we can do this.

Item 1276.

Hales: Thanks. I'm going to call up Lieutenant John Scruggs to talk about this item. But let me just set the stage this way. My work on this issue began in the first part of last year when in a short time period I had two teachable moments. One, I went to the U.S. Conference of Mayors and tried on the Google glass device and realized when I saw that piece of transformative technology that police work could and very likely would change as a result of that kind of technology. Then in February, a couple of weeks later, a man named Merle Hatch, who was a career criminal who had been in and out of the criminal justice system for charges that ranged from burglary to bank robbery to homicide forced his way out of Adventist Hospital in the middle of the night by breaking a telephone receiver and putting it in the waist band of his shorts or pants and convincing the staff of the hospital that that was a gun. He then went out into the parking lot where there was a standoff with police officers, and eventually he ran towards them, counting down in a loud voice, and they shot and killed him. There was a young couple who lived near there who took out their iPhone and held it up over the windowsill of their apartment out the window and recorded that incident. That recording

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helped make it clear what happened in that incident, and whether or not force was used unfortunately appropriately or inappropriately. And I believe that's what body cameras will do for us as a community among other things -- that it will give us factual information that we can then as a community use to evaluate whether we are using force correctly, whether we're treating our citizens properly. I think this is again a transformative technology that is here the question is, do we as a community want to embrace it? There's a great deal of policy work that needs to be done before these devices are put into use. And I know Lieutenant Scruggs wants to talk about that as I do as well. But should we cross the threshold and get this equipment? I believe so. Is there work to be done before it's ever used? Absolutely. And with that, let me turn it over to you, John, and talk more.

John Scruggs, Portland Police Bureau: Thank you, Mayor, members of the council. My name is John Scruggs, I am a lieutenant with the Portland Police Bureau. I'm here to talk today about putting out a request for proposals on on-body cameras. The Portland Police Bureau has been looking at this technology for the last two years. And as you know in a former BMP process, we were looking at outfitting more police vehicles with in-car camera systems. At that time, we asked you to set aside that money because we saw that the technology were getting better for on-body camera. And at this point, we believe the technology is at a place where we could employ it successfully out in the field. There are a number of questions with on-body cameras, and we are prepared to address those. I will say that we believe this is one way to help close the gap in community trust. Oftentimes, we go to an incidence where there is no independent viewpoint of what occurred. On-body cameras would give us an unfiltered viewpoint of what actually occurred at that situation. We have seen that in other areas of the country where this has been employed -- specifically, Rialto, California -- that the use of force by officers wearing body cameras went down by over 50%. We also saw that complaints went down as well. We expect to see the same results here using technology that we have in some of our cars, in-car camera system. We did a study -- and it's not quite as scientific -- but we also saw a dramatic reduction in use of force by officers who were using the cars with in-car camera systems. And we also saw about the same amount of complaints. It was a small sample size. That being said, I think there are a lot of questions out there, and we're prepared to work with the community to answer some of those questions. There are privacy concerns, obviously, and we believe that we can work through those issues with the community. This is one of those places where I think if you look at all of the benefits that cameras could provide us versus some of the drawbacks, I think we're still in the positive zone where this is a piece of technology that would help enhance the community-police partnership. That being said, I want to make certain that the Police Bureau is not relying on this technology to bridge the gap with the community. That is a whole separate topic, and that is something that technology cannot accomplish for us. We have to be out engaging the community, making community contacts and partnerships. That aside, on-body cameras will also fill in the gaps of information that sometimes our community wants. And for that reason, we're hoping that you support us and this proposal to purchase on-body camera systems.

Fritz: So Mayor Hales, Lieutenant Scruggs referred to having a process with the community would decide the protocols. How do you envision that happening and would any administrative rules or protocols come back to Council for approval before the cameras would be used?

Hales: Good question -- go ahead.

Scruggs: I can ask the first one. Second one I'm not familiar with. We think that we should probably do a few community public forums. That's what we envision doing in the coming year. We're also meeting with the district attorney's office and IPR -- there's a lot of different parties involved in this. And taking some of those ideas and incorporating our policy. As you know, Portland Police Bureau actually puts our policies online before we implement them. And there's also an ability for the community to give input at that time.

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Fritz: I would suggest, Mayor, that a more formal process potentially with a task force that would work on this might be more appropriate in this particular case. Because it's -- I mean, I'll just ask some of my questions right now. What about Miranda rights? Can these camera recordings be used to then prosecute somebody who's alleged to have done a crime?

Scruggs: Yeah, it's actually evidence of a crime. If you look at ORS 165.540, which we're actually working on a legislative process to allow on-body cameras to be used on the streets, we have to give a verbal warning that someone is being recorded when appropriate. And obviously, once we've done that and if we enter into some kind of altercation with somebody, obviously, the video is going to be part of that evidence.

Fritz: Is it envisioned that the cameras would be switched on at all times?

Scruggs: There's a couple of different ways to do that. We are envisioning that there is some discretion. We think that on-body cameras and police transparency will intersect with privacies. And so, we have to adapt rules that will allow us to turn it off. If you are interviewing somebody who is a victim of sexual assault, you probably don't want that on camera. If you're taking a child abuse call or you're in a hospital, there's times where you want officers being able to turn these things off. So, you're going to want a policy that ensures it's on the majority of time on calls for service, but at the same time, you want to allow some flexibility so that these personal conversations that may be recorded are at places where you don't want a camera -- that the officer has the ability to turn it off.

Fritz: And Mayor, we may have to do something at the legislature. Because I know with 911 calls, they are public record, and so since you don't have the opportunity to ask the person if they're willing to be recorded while you're maybe going there, so I think it is an enormously -- the protocols are how it's implemented are enormously complex. And I recognize today we are authorizing going out to bid. I would like some assurance that the cameras will not be used until that process, the formal process has been had and that comes back to Council for adoption of any administrative rules.

Hales: You have this assurance. We will not use this equipment until we have policy in place to guide its use, and that's a public conversation as well as a legislative conversation because the legislature most likely has to make some changes in order for us to reach the privacy expectations that Lieutenant Scruggs just described and for this to be even practicable to use. But we think the legislature is very interested in having that discussion and that that's going to be queued up in February when the legislature begins work. So, that's one of the antecedents before this goes into effect. And we're going to work with the American Civil Liberties Union and other groups that care about the privacy issues. Frankly, it's also an issue with the news media. So, the news media organizations will be at the legislature pushing for -- very likely pushing for a lot of disclosure. There's a line there, again, of appropriateness in some cases where citizens are not going to want their interview with a police officer be made public and I can understand that.

Fritz: I also am concerned about the data storage, what the plan is for data storage for looking at the video. What's the plan for future data conversion? And I understand from talking to the Auditor's Office over time that videos are not considered forever, so that there is some -- that's why we have our council records transcribed from the video. So, I'm wondering what's the plan for that challenge?

Scruggs: So, there's three questions there. Number one, retention of the video would be set by -- if it's a felony, what kind of call it was, if the officer used force during the call, obviously you would want to keep it longer. Conversations that come in to be non-criminal, we'd probably get rid of those earlier. We work with IPR with our in-car camera system and set it at six months because we figured if there was something that went in that interaction that was negative, that gives a community member an opportunity to go file a complaint and we'd still have the video of that. After that, we get rid of it. And we would probably have a similar policy for our body-worn camera system. So, the storage of it -- you know, there are two different types of ways. One is cloud-based

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and one is internal. We're looking at both. But we certainly have that capacity to internally store data. We know approximately how much data we would need to store based on some set principles on what the retention policy would be. Obviously, felony crimes that were Measure 11, we would have to store those for longer and incur those costs yearly. And then there's cloud based, and you're charged a fee for that as well. And I think your last question -- if you were to repeat that for me, I think I have the right answer for you.

Fritz: About converting them to --

Scruggs: Converting -- I think the -- forensically, we haven't come up with -- and actually, no one has -- I've been researching this. If you take something like an MP4 and you change it to a new data type file -- because right now, you know, we have evidence, we have VHS tapes in the property evidence room from homicides where we videotape crime scenes from a long time ago. We still have those and we still have a player for those, but I don't think you will go out and find a VHS tape available for sale at Walmart. So, we're talking about converting this data to something new or either keeping some system available that would be able to read the files as they currently are. Because if we take that file and change the MP4 to something else -- no one has made a legislative stand on this, and I haven't seen anything in the courts yet -- are we physically changing evidence by changing the file type? And we don't know. And no one knows. But that is a consideration that we've been looking into. Or do we just house something that can always read this type of file and keep that available in case a trial goes later on or someone asks for post-conviction relief in some kind of Measure 11 case.

Fritz: In response to your first question about the length of time that these files would be kept, what's -- I'm assuming in the ongoing discussion, there will be consideration of how we protect from using these videos for surveillance of people who haven't committed a crime.

Scruggs: Yeah, I think that would be directed in a policy. And obviously, there are already statutes on the books for that. That 165 covers that a little bit. As far as releasing the videos -- internally, most of these software systems that you get with on-body cameras allow you to lockdown a video. The officer who took it can see it or their supervisor. You have an ability to lock a video in case it is an officer-involved shooting or serious use of force, that only the investigator can see it and nobody else. We can lock these different ways. But there's audit trails also. So, if somebody released a video or we had to release a video, we'd have an audit when it was done and what time the video was released to who. So, there's a bunch of auditory ability within the software system with on-body cameras protecting people's privacy -- we're looking at ORS 92.501 which is the public release of information and see if there is a way to protect victims and witnesses and require that they're notified and that they give their signature before we release that kind of video.

Fritz: I'm assuming since this is a measure to authorize a competitive solicitation for the system that those protections would need to be any system that we would purchase. And you'll put that into the procurement?

Scruggs: Absolutely. That would be in the scaling of the rating of how we accept that kind of bid.

Fritz: And I'd be interested to hear from folks testifying what else they'd like to make sure -- in any system we buy, what capacity it needs to have in order to be able to have the confidence that it's going to be able to be used in whatever the task force feels that it -- decides and the council approves.

Scruggs: Absolutely. And I want to make clear, this is just one part of many pieces that we're moving along as we go down this road. It's not as easy as putting on a go-pro on an officer and saying, go out and do good work. There is a lot of different little pieces and this is one of them. We are working on policy already, looking at practices throughout the United States where people have been using them. Looking at legislative fixes, looking at the technology that is available, and audit trails, and then even just down to trainings. So, we are looking at all of these different things. Ideally, they're all moving along at the same time. Any RFP we put out before we sign a contract,

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we make sure that we had all of the pieces of this puzzle put together so that we have a coherent plan as we move forward. So, it's not going to be a simply process.

Saltzman: I guess I'm -- this is obviously a very timely topic, but it does seem to me we're putting the cart before the horse. We have not received any legislative protections for what can be released to the public or to the media. You know, I can envision some very horrendous footage that of officers involved in shootings -- god forbid, officers being shot -- and is that stuff going to be public? I'm not so sure when the legislature is going to provide us those protections, because I know how powerful the Oregon newspaper association can be. I worked on the 911 disclosure before Commissioner Fritz did, too --

Fritz: Haven't gotten it yet.

Saltzman: Yeah. And so, we're going to commit to spend \$800,000 and we don't even know if we're going to have the types of privacy protections that I think all of us up here probably agree should be in place -- and many of the public?

Scruggs: Again, I think the way to look at this is that we're asking to put out the RFP. We're not asking to buy. This is just the ability to put it out, to see the technology and folks who are interested in providing this technology to the Police Bureau. And we can put contingent in the RFP that we would not initiate this contract if we didn't have this set of provisions. There are many companies that would be more than happy to outfit the Portland Police Bureau with on-body cameras, and I'm sure if we put that kind of contract language in there that it wouldn't be executable if we found out it's not --

Saltzman: So, to be clear on that, the intent would not to be to award the contract to a vendor until we have what we all believe should be the adequate privacy protections in place in state law.

Scruggs: I think that unless we can amend some portions or get some amendments in the state law, I don't see that we push this forward. But that would be a higher up decision. I do think that putting out the RFP and seeing the technology come in and who would write the bid on it and work through the other issues as we move forward before we deploy it is a smart move. There's no guarantees what the legislature is going to do, but I also think from what I can understand and see and read in the paper and people I talk to, there is a lot of folks that really support this technology and want their officers outfitted with it. Obviously, the Obama administration just went out and said they are going to provide \$75 million for this. We'll wait and see how that works out.

Hales: Right. So, let me pose that question more clearly. I think -- I want to test my understanding of it and get John to confirm or correct and then get back to the core issue, why do this now? Well, what we're doing is asking vendors what would you supply us in the form of equipment, and how much would it cost? What the council has done so far is appropriated some money for the purchase of the equipment. We don't know if that's the right amount of money. We're pretty sure it's not. And we also need to know how many people we need to have to manage this data once we start acquiring it. We've learned a little bit about this from having in-vehicle cameras, which we already have. And this is the chance to find out, what will people supply us and how much will it cost? It isn't a threshold decision of yes, we are buying it -- yes, we're buying this kind or that we're using it in any particular way. But it is information that we need to have to proceed. I think it's the right thing to do to find out what the equipment is going to cost and who would supply what while we're having the community conversation about policy and the legislative conversation about privacy. I think it's right to do all of these things at once.

Saltzman: I guess I'm just looking for a commitment that no hardware will be purchased --

Hales: That comes right back to Council.

Saltzman: -- until we have the privacy concerns addressed by the legislature.

Hales: You have my commitment and you also have the right as the city council which we have on any contract to vote on the contract when there is one. But we're a long way away from that day.

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Scruggs: Yeah, we would have to come back before you before we can purchase anything. This is just authorizing us to put out the bid. City ordinance -- anything over a half million, we have to do that. So, this is -- and we believe it will cost over a half million.

Saltzman: All I'm saying is we shouldn't be awarding anything until we know we have the privacy concerns addressed by the legislature.

Hales: Yeah.

Scruggs: Absolutely.

Fish: In light of that, can I just get clarification from the financial impact? Because we appropriated \$834,000 and change for the purchase somewhere downstream of this system. But the financial impact says that the one-time cost is of what's before us -- which is the solicitation process -- is approximately \$500,000 to \$1 million, which will be funded partially from the \$834,000. The way I read is we could end up allocating the entire appropriation just to this initial step, the solicitation process before we even decide whether we want to acquire them, is that correct?

Scruggs: No, no. That number is about if we actually bought them, we're putting a ballpark. There's cameras out there for \$299 each, although we have to have well over a thousand. We gave you a rough number of what we think overall if we were to outfit the -- and it depends on how many people we outfit. The sworn officer in uniform on the street, 473 at any given time, that fluctuates. Outfitting every one of them with an on-body camera and then the technology for software and all of those other upgrades that you have to do to have that technology.

Fish: So, what is -- since the only thing before us is a competitive solicitation, what is the cost of that?

Hales: Oh, you mean to conduct the RFP?

Fish: Yeah, because we're not actually authorizing --

Hales: Not much, that's just going to be --

Scruggs: Staff time.

Hales: Yeah.

Fish: So, in the cost section, you have assumed that there is a solicitation and we enter into a contract, because the figure is between \$500,000 and a million, which makes Commissioner Saltzman's question I think all the more germane. This is technically just authorizing a solicitation. The mayor has made a commitment and our contracting rules require if we were to actually contract with some provider, we would have to come back to Council. And at that time, we could determine whether state law has changed to our satisfaction meeting the privacy concerns we have as a Council.

Scruggs: Absolutely. We put that number on there because we believe that's the ballpark where the RFP would end up if someone comes up and says we'll supply you.

Hales: And the bureau also put that number on there because we require them to. If we are asking for the construction of a new section of pipe or a bridge, we ask for an engineer's estimate. This is much the same where we say, what do you think this range of cost will be for this? Now let's go to the private sector and say, what will you supply?

Fish: So Mayor, the one other thing I think that would be helpful for the council to know -- we had our work session on legislative agenda and we really didn't talk about this issue in any depth from the point of view of the privacy protections that we may be seeking through the legislature -- and I assume Senator Burdick will be on the lead with this -- is it your intention to furnish us with a road map of the kinds of protections that the city will be backing in this session?

Hales: Yeah, I think the council needs to deliberate on this question as we finalize our legislative session. What do we believe we need to have in changes to state law in order to responsibly implement on-body cameras? I think that's a discussion we need to have and tell our legislative staff, go seek these changes.

Fish: Well, to make an informed decision on that, it would be helpful to have the experience of any other state that grappled with this, any best practices developed by an association, Council of

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Mayors or whatever, and an indication of what, in light of what success we had in the past creating these things. This is a very urgent -- this is a very complicated issue of shielding from public disclosure certain information, and there's a lot of people who fight for transparency who are going to oppose us unless it is narrowly crafted. And that in and of itself could be challenged in court. So, this is not an incidental matter. And I would welcome a broader discussion before we even deliberate this -- some indication of what protections are we likely to see, what states have been successful in seeking those kinds of protections, and what does the community think about, is that a satisfactory firewall to prevent the kind of disclosure of things which could cause real heartburn to people. And there's one other piece to this that I think we should talk about which is referenced in one of the letters we got. At some point someone, is going to file a complaint with the Auditor, one of our oversight body, and this issue will come up about let's look at the footage. And there's a whole host of questions about who can require that that video be put before the Auditor, before some oversight body, and does someone by invoking their rights under our various police accountability measures, do they somehow waive their right to say, I don't want that piece of evidence being brought forth because my privacy was violated or I want my child shielded who is also in the footage or whatever. So it seems to me there's a lot of complicated issues we have to work out.

Scruggs: I agree. And some of those can be addressed with policy. I mean, we can have a policy that prohibits filming when we go into a hospital, or when we respond with the Portland Fire and Rescue and turns out it is a medical-only call. We can address some of those issues and privacy concerns even within the policy outside of state law. We can be more restrictive. And I'm guessing that our policy probably would be.

Fish: Is it your intention to have that policy drafted and presented to us before we're asked to approve a contract?

Scruggs: I think -- we'll have another discussion on that, but I think this policy is going to be developed over time, and I think we would have to -- before we even come back to you and ask for that authorization to buy it -- we'd have to have some of these other questions taken care of. What does the legislature deal with 165.540? What do we end up with 192.501? Where does that end up? And then the policy and community input. This is a big issue --

Hales: Yeah, if we're in limbo with the legislature, or worse, if the session ends without resolution on these issues, I can't in conscience spend any money on the equipment that we don't have the ability to use responsibly. Because if it's going to start disclosing information about citizens that it's not reasonable to disclose, then we're just making it worse, not better. But I think, again, what we are finding out with this solicitation is, what would you sell us and how much would it cost? We're not saying we're going to buy it. We're not going to say, we're going to buy it from you, and we're not saying how we are going to use it. But we are going to find out what people would sell us and how much it would cost and that is one piece of obviously a complex set of questions.

Fritz: That would come back to us regardless of whether it is \$299 or \$500,000 or whatever.

Hales: Exactly. Right.

Scruggs: Absolutely.

Hales: Other questions at this point for Lieutenant Scruggs? There may be more, and the Chief is here as well. Stand by and let's hear from citizens that are signed up to speak. Thank you.

Moore-Love: We have 16 people signed up. The first three, come on up.

Joe Walsh: Can the disabled guy in the [inaudible] --

Hales: We can call the disabled person first, that would be fine. Come on up. Good morning.

JoAnn Hardesty: Do you mind, Eric has asked me to go first, because I'm presenting as part of it -

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Hales: Don't mind at all. Come on up, JoAnn, please. Good morning.

Hardesty: Good morning.

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Mark Woodlief: Good morning. My name is Mark Woodlief, I'm representing concerned citizens of Portland. I appreciate the thoughtful conversation and consideration of the matter, but I do want to say that in the overall big picture, if you had a broken leg, you wouldn't put a Band-Aid on it. You would contact orthopedic surgeons and medical officials. What we have here is not something to put a Band-Aid on. What we have here is something to look at systemically and consider more systemic policy. I hear you talking a lot about policy, and I think that's wise. And I realize we're a long way down the road. But this is not a Band-Aid that we want to put on the issue of accountability for our police officials. Thank you.

Hales: Thank you. Thanks very much. JoAnn, please.

Hardesty: Good morning, Mayor, City Council members. Could I please get two additional minutes?

Hales: Sure. You've been working on this issue quite a bit.

Hardesty: Yes, I have. Thank you so much. I wanted to respond to something that Sergeant Craig said which --

Saltzman: Lieutenant Scruggs.

Hardesty: I'm sorry -- Scruggs --

Fish: JoAnn, put your name in the record.

Hardesty: My name is JoAnn Hardesty, I'm here today representing the Portland Right to City Coalition. And before I get into what we want to present, I wanted to respond to what I heard from the previous speaker. And so, as someone who has run non-profits, if you want to find out what people charge for things, what you do is ask them to send a letter of inquiry. You don't require a business to spend significant time responding to an RFP. What you do is say, this is what we're thinking about, would you please tell us what you would charge us for that? So, I just wanted to put that out there. An RFP is basically what you're doing is promising that you're going to award a contract to somebody, right? You don't just put an RFP out just to get information. So, to me, that just seems a little fuzzy. I also want to say because President Obama has said there will be \$75 million for cameras, why are we spending taxpayer dollars here when we should be working with the federal government, with our partners at the Department of Justice to figure out how do we get the federal government to pay for these cameras, if in fact we think they're a good idea? And I'm not assuming that they're a good idea. I sent each of you this morning an evaluation from five cities who have been using these cameras already. And when you read that report that I sent you via email, what you will find is that 60% of the time that deadly force or excessive force is used, the cameras are not on. And so, that's a problem. When we -- what we know is that when police have discretion, a lot of information will not be on the cameras. And so, having clear laws will be extremely important. Now, who cares about this information? I would think a good system would include making sure that any video -- the videotape -- let's assume we are doing this. If we do this, the videotape should go to an independent entity that has the ability to review the data, send it to the training bureau if there are training problems, send it to the investigative unit if there needs to be an investigation of force or other activity by the police, and make it available to the general public who will sue the police for misconduct. It can't just be a police thing. That they get to decide when to use it, they get to decide when to disclose it, they get to decide whether anything is wrong. Right? It's gotta be -- if this is something for the community, the community has to have benefit from this process. And so, since I'm here representing Portland Right to City Coalition, you may want to know what their mission statement is. The Right to the City Coalition commits to empowering working class people in Portland's political process, starting with a slate of progressive candidates for the 2016 election for City Council and Mayor. We are the women, people of color, LGBTQ, people with disabilities, immigrants, houseless, other working class people who have a different vision than Portland's current elected leaders who are primarily responsive to big businesses. Our coalition is dedicated to ensuring that the priorities of working people are the city's priorities. Sorry, just had to read it so you would know what it is. I'm not pointing fingers at anybody. OK, so, we

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delivered to each Commissioner's office yesterday a list of Portland Right to the City Coalition's demands. And I'm not going to go into all of them today, but I do want to focus on the cameras, which is the item that we are discussing primarily today. So, what we demand as pre-conditions before granting the consent for cameras -- that body cameras be worn as another surveillance tool and procedure already in use -- we'd like prior to adoption that there must be a proven mechanism for holding police accountable for their misconduct prior to adoption. City Council must make raw stop and frisk data available to the people. Because you remember -- actually, we have a whole class of people that are stopped and searched and questioned that we don't even record the data, even though the DOJ has asked us to do so. We still don't record that data, and we need that data. Should the people consent given the complexity of this intended program, prior to adoption, we demand continued broad community influence over the adoption. So, I heard Commissioner Fritz say we should have some community forums. I think there should be a community task force put together because it as each of you have said, we're talking about some really significant issues here. And so it's important that the community -- and not the just hand-picked advisory committees, but the regular public have an opportunity to weigh in on this. We also think that in conjunction with police accountability that you should drop the appeal to Judge Simon about the Department of Justice and whether it's appropriate for us to go once a year and give Judge Simon an update. We think that, you know, it's part of accountability, it's part of transparency and it just doesn't seem to make sense that we would reject the idea that a federal judge would have an independent perspective on what we're doing. And I'll stop there. Thank you.

Hales: Thank you very much.

Fritz: Ms. Hardesty, let me just clarify with you. What we had proposed on the 911 privacy was that the person in the public should have to give permission for that recording to be used before it would be released to the press or anybody else. And I'm assuming that in the case of a stop and frisk that you would want -- or in any case that these videos might be used -- that you would want the person in the public being videoed to have a right to be part of the decision on whether these things were released or not.

Hardesty: Well, I mean, I would certainly like the individual to have some say. But let's say there is a use of force that's captured on camera, right? There is an IAD investigation, there's an IPR investigation. And let's say that all of these bodies clear the person, but the person believes that they have been treated inappropriately. Would that individual have the right to come and say, I would like that video because I want to take it to my lawyer and I want to have my lawyer file suit?

Fritz: Right, but supposing that individual did not want that video to be made available to the public, should they have that right?

Hardesty: They should have that right. But if there's a training objective, if independent oversight looked at it and said, gee, we need to retrain police officers because if this is what they're doing, we need to retrain them, then they would be retrained with the video without necessary being able to expose who the individual is who's been recorded.

Fritz: I very much agree with your suggestion for a task force with community involvement to tease through these really challenging and important issues. Thank you.

Hardesty: Yes it is, thank you.

Fish: Mayor --

Hales: One quick clarification, though. I want to mention -- remember the providence of this. We started on this couple of years ago, the council authorized the funds we had a couple of months ago before the president made the announcement of the possible availability of federal funds.

Obviously, if there are federal funds available for something that we in this community decide to do, whether it's to build a light rail line or implement cameras, we will apply for them. Of course, you also know -- because you are a former legislator -- that in order for that funding to become real, the current United States Congress has to agree to a request from President Obama.

Hardesty: Right.

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Hales: So, I wish him well.

Hardesty: Me, too.

Fish: Mayor, before we go to the next speaker, Dan and I are likely to want to ask Christine Moody a couple of questions about the difference between RFI, RFQ, RFP. Could she be on tap at the end of the panel to answer some questions?

Hales: OK, let's make that happen, please. Thank you. Mr. Walsh?

Joe Walsh: My name is Joe Walsh, I represent individuals for justice. Originally, we were a supporter of the body cameras. One of our members actually testified in front of Judge Simon asking that body cameras be initiated in Portland. Since that time, one of the things that we have is New York. The person who was strangled in New York by the police department was on camera from the beginning to the end, and the grand jury could not come back with an indictment. So, what it says to us is body cams are not the answer to the problem, the answer to the problem is to have a police department that we will trust. That's the answer. How you go about that we're going to argue constantly about. But that's really the problem. One of the things that bothers us is, for instance, we're not sure what you're going to vote on today. We sit here, we listen to really good stuff -- especially from Commissioner Saltzman -- and for the first time in a long time, I raise my hand in full support of something that the commissioner was saying. We have in front of us a bid that says the opportunity for 2014, and it went out November 28th, and has to be in by December 15th. This is the bid. So, it's already in the process. So, what is it that you're voting on? We don't know. We thought when we first came here that we were voting on the body cams but I guess we're not. Unless I completely misunderstood the mayor, we are voting on sending out a request to different corporations to say, how much and what have you got for us? But you've already done -- this thing says you've done it already. So, why are you voting on it?

Hales: I don't know if we have done it already or not, but we have to authorize an RFP before we can receive proposals.

Walsh: Well, then this thing is wrong because if the bid has to be in by December 15th --

Fritz: What are you referencing, please, Mr. Walsh?

Walsh: I will send it out to you, Amanda, and you can look at it. It was given to me this morning. It took me by surprise. And then with the explanation of what's going on this morning is -- just doesn't make any sense at all, to take a vote at all. Because we're not already doing it.

Hales: We're not voting today, Joe --

Walsh: You're voting to authorize, to go out and do the bids. And it is already in process.

Hales: I don't know -- we'll take a look at this. The council routinely gives bureaus permission -- hang on -- the council routinely gives bureaus permission to seek proposals from the private sector, whether we're buying sewer pipe, automobiles or cameras. This is a routine thing that we do. Now, again, this is a big issue. We understand it's a big issue, and if we buy and implement body cameras, that's a big deal. But the authorization to a bureau to go ask for proposals is something that is a pretty everyday event around here.

Walsh: Well apparently, what is it that you're voting on?

Fritz: It does appear to be --

Hales: We'll get the bureau to explain what this is when you're done. Go ahead and finish.

Walsh: I just want to say to all of you this is the kind of stuff that causes us to get really nervous when you guys are doing something. We look at this stuff and we say, what is that? You know. Why are they voting on something that they've already done? And when you come here and you say, well, I'm going to take this position before anybody speaks, it's really annoying. And that's happened a number of times.

Fritz: We were not aware of this solicitation, so --

Walsh: Neither was I until this morning.

Fritz: Thank you for bringing it to our attention --

Walsh: It looks official to me and it looks very pertinent to me and my --

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Hales: We'll find out -- Lieutenant Scruggs is ready to answer. John, why don't you come up and explain? I don't know if you've seen this document but it looks like purchasing sent something out.

Scruggs: Again, Lieutenant Scruggs, Portland Police Bureau. So, what you're looking at is an RFI. We wanted to get information for what is available from the product vendors out there to help us develop our RFP process. So, this was just information-gathering. It closes here shortly. And vendors around the country and internationally are able to send us information about what kind of products they offer, and then we use that information to draft what we've put in an RFP to go out and purchase.

Hales: So, is this that first stage of the process that Ms. Hardesty was talking about, where you more informally and at less expense to the proposing company say, what do you bought?

Scruggs: Absolutely. And in this, we're going to get a bunch of information -- specs on cameras, software, all that stuff. And that makes us have the ability to make a more informed RFP proposal --

Hales: I assume Council approval is not needed for purchasing to do a request for information.

Scruggs: Not to my understanding. You don't need to approve an RFI, you need to approve an RFP.

Fish: But let's take the -- we're not allowed to use acronyms around here.

Hales: Try not anyway.

Fish: Request for proposal, requests for qualifications, request for information. And just correct me if I'm wrong on this -- the purpose of an RFQ, request for qualifications, or RFI is to survey the marketplace and find out the basic information. And that includes what are people selling these cameras for and who is manufacturing what. The purpose of an RFP, request for proposal is to find out in a competitive environment what someone is willing to bid to provide the services to us. In that area, we may get a better price than the advertised price that you get through the RFI, because someone looking at the whole package may say we'll discount our package a bit to be competitive. That's how the public is assured they are getting the best price. But for purposes at this stage of the process, isn't it sufficient for you to determine what the cost, what -- isn't it sufficient for you to know who's manufacturing these cameras and what are they selling them for? Wouldn't that be adequate information prior to determination of the council as to whether to go forward with these cameras?

Scruggs: Well, I think so. Let me make sure I clarify that. So, the the RFI is for us to figure out what all technology is out there, if it meets the needs that we think the Portland Police Bureau would want -- audit trails, software, the battery of the camera system lasts long enough to cover an entire shift, those kinds of things. Once we get that information back, that's how we draft the RFP proposal. So we know what's in the marketplace and what to ask for, then do the competitive bid process.

Fish: Right. But the competitive bid process is to ensure that you get the best value for that product. Why isn't it sufficient today to establish who makes these cameras and what they sell them for? Recognizing that in a competitive process we may get a better price -- and to the point that Dan made about the cart and horse, why would we ask someone to go through the time and expensive going through a competitive process when we cannot in good conscience tell them we are actually going through? That is different. The mayor mentioned things like sewer pipes. We do that routinely, but we don't decide after the fact not to replace the sewer pipe or do other things. Here, there's a policy question where we can't possibly resolve until some date in the future. And that's going to require legislative action, community input, and some other things. Why wouldn't we just call it good to say that whatever we get through the RFI request for information or the RFQ request for qualifications is sufficient for your purposes at this stage?

Scruggs: I don't have a great answer for that. When we originally put this together, we were not going to do two steps. I've actually done a great deal of research. In fact, I've been to a conference and looked at the other vendors that are out there and looked to the cameras and features and

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software. We were directed to do that process, and that's how it came to this. But Procurement was the one who told us we need to do an RFI before we do an RFP, but that was not in our plan.

Hales: Ms. Moody is on her way, so we'll find out.

Scruggs: So, that's how we were directed. I just followed their lead. But we have done a tremendous amount of research on this product, on policies, implications to state law. So, we're well-versed all the way to the technology to policy. But what we were trying to accomplish with this RFI was did we miss anything? And was there one piece we didn't catch?

Fish: And I think you've given great answers to the question, this has been a great discussion. But I think the missing piece here -- we're not grappling with the issues of whether we can afford the cameras.

Hales: Well, we might be.

Fish: Well, that has never been teed up as the primary consideration here. The primary policy consideration of this Council is, should we have the cameras and can we have adequate safe guards? And we can't answer that question today, because there's a process to follow. And so, before we ask a vendor to put a price on paper, which may put them at a competitive disadvantage at some future solicitation in another city, don't we have to -- I think Christine may suggest to us that we normally make some assurance that we're going to go to fruition unless we find out that the price is prohibitive. I'm not hearing price being raised as the principal issue here. The mayor has said that if we don't get the protections of the legislature, he may not go forward at this time. And that's different than whether we can afford to go forward.

Scruggs: And I can answer that --

Hales: Please, go ahead.

Scruggs: So we know what a ballpark cost could be going into this. The question still remains though -- there are some vendors that will offer audit trails in our software, or won't. That's something that's important to us. So, in developing this process for the request for proposal, we're going to get to a place where we know what we want. And in the request for proposal process, we think we're going to be a lot farther behind if we try to take this one step at a time. So, if we don't wait to develop a policy before -- and policy is also going to involve technology because there are some technologies out there where you might want to adapt your policy to the available technology. So, if you wait on any one of these steps -- and there's like four or five steps that need to happen -- we could be looking all the way until next year. And if it's the intent of this Council -- and we're here to listen, obviously, and take direction -- but if it's the intent of this Council to get body worn cameras on our officers as soon as possible, we have to keep these moving pieces going forward, including community involvement and the decision on how our policy looks. So this is just like one of the pieces of the puzzle, and it's not an ideal process. You would know exactly what is out here, you would buy it, you'd develop a policy and move forward. This is a super complex issue, and it's not even at the technology level, it's at the community level. How much transparency do we want in our police? Where does it intersect with privacy? These are big issues for us to decide, but if I stop on one part of the process -- if it's the intent of this Council to move forward on body-worn cameras -- then we're going to be a year out or more. So, that's I think why we're trying to dual track this. It's not the cleanest process, I will freely admit that. But I also think it's a very deliberative process. We're having meetings, we're looking at other policies throughout the United States, talking with other law enforcement officials, looking at the best practices put out by IACP and other organizations. So, we're doing a very deliberative process here but we're trying to move it in a way that we're going to think will meet the community concerns of getting body-worn cameras on our officers as soon as possible.

Saltzman: Are we bringing up our Chief Procurement Officer?

Hales: Sure. Come on up, Christine. May want to stay here, John. Then we'll get back to public testimony.

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Saltzman: I guess one of the questions percolating up here is what exactly this competitive solicitation means. It's a request for proposals, and if so, we have a right to reject all proposals, we're not obligating ourselves to spend money with a particular vendor that may emerge as an attractive vendor? Is that -- I don't want to put words in your mouth but that's what I understand the situation to be.

Christine Moody, Chief Procurement Officer, Office of Management and Finance: Christine Moody, procurement services. We have two different issues here. One, we have a request for information that is currently out on the street. So, that has no financial obligation to it, it's information gathering, it's seeing what is out there as far as giving the city information so that we can do a further evaluation to help develop the specifications for a request for proposal. What you have before you today is asking for authorization for the funding for that and the authorization to go out for that request for proposal. Once there would be an evaluation after the RFP with the selected vendors, then we would come back to Council to ask for authorization for a contract.

Saltzman: So, we're not obligated to award any money to a vendor through this process?

Moody: Not through the RFI process. [Commissioners speaking simultaneously] For the RFP process --

Fritz: [indistinguishable] require to do it for the lowest bidder?

Moody: No, this will be a request for proposal, so it will be best value. And that would come back for authorization to Council for authorization.

Fritz: Would we be legally or morally obligated to buy from whatever the chosen vendor is?

Moody: No.

Fish: When's the last time we did -- I'll give you a terrible analogy. We do an RFP for rails, because we're putting down rails to run the Portland-Milwaukie light rail. And by the time you come back to us for a proposal and to finalize the contract, we say we don't think rails are the future anymore, we're moving to spacecraft, so we're not going to actually put any money into the Portland-Milwaukie light rail. Does that present legal or moral problems for the people that have taken the time to put together proposals, compete, and that now are at the point they think they are going to get a contract?

Moody: I would defer to the City Attorney's Office, but I don't think it causes any legal issues. As far as good faith, we generally were going to go out and ask vendors to propose and spend their own time and money in good faith that we are actually going for award a contract.

Fish: That could by the way include MWESB firms.

Moody: That's correct.

Fish: So firms we're trying to get into the stream -- we may be asking them to invest time and money in a process that it is potentially -- it is possible Council is going to defer or pull the plug on.

Moody: Yes. Typically, we're issuing bids or issuing requests for proposals in good faith that we are actually going to award a contract.

Saltzman: So, if we issue an RFP, and find out we can't get adequate privacy protections we're seeking from the legislature, we're not subject to being sued by a vendor for breaching good faith?

Moody: No. We have the right to reject all proposals.

Fish: Does the uncertainty about our action potentially have an impact on who participate in the RFP?

Moody: It could. It could especially if there's legislative changes that need to happen and those are unknown at the time we're issuing that request for proposal.

Fish: We've had a very thoughtful presentation from the Police Bureau about lots of moving pieces and trying to move this forward in an imperfect way forward, and I think you made a very compelling case. What would be the harm to the process of in essence completing the RFI -- request for information -- and looking at that, but postponing the RFP until we had a better sense from the mayor as to whether we're likely to get the protections we need to move forward?

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Moody: From my standpoint, I don't think there's harm to the process. It all goes back to the timeline for the Mayor's Office and Portland Police Bureau.

Hales: OK, that's worth thinking about. I'm also assuming or was assuming before the president made his suggestion that the remaining costs of implementing body cameras in Portland would be borne by our budget and that that would be queued up for this Council for our budget discussions in the spring. It may be the case that the President's proposal will be approved by Congress and there will be federal funds available and that will influence -- that will pay for total costs for doing whatever we ultimately choose to do. We need to figure that into the timeline as well.

Fritz: Well, I think that's another point where we might get to know, given that ongoing operation and maintenance expenses are estimated to 400,000 to 750,000. So, there's a question if it's the best use -- if we were to propose rate that additional money to the Police Bureau, is this the best use of that additional amount of funding should we --

Hales: We haven't appropriated any funding for operating. We've appropriated \$800,000 dollars and change --

Fritz: I know, but we'd need to, right? In the upcoming budget process?

Hales: Exactly.

Fritz: So, that's going to be --

Hales: And that proposal, as you know, starts getting assembled next month. So, we don't have a lot of time to decide if we want to put something in our budget next year. We have some, not a lot.

Fish: Christine, in very rough terms, what's the difference between the data you collect through a request for information -- which could include, let's say, the pricing information from these various vendors -- and the information you get from a request for proposal where someone actually has to make a competitive offer? And considering it's a competitive process, they may lower their price to get our business.

Moody: Correct me if I'm wrong, in the request for information, it doesn't look like we're asking for pricing. So right now, we're asking for the text capabilities of the cameras themselves for further analysis.

Fish: Not price?

Hales: Not asking for a bid price.

Moody: We could ask for an addendum and ask for general pricing. This is not complete enough I think for anybody to give us some solid pricing.

Scruggs: And if I could backtrack a couple different things here. One, the 75 million that was proposed federally would outfit about 75,000 officers spread throughout the United States. So yeah, we could get a portion of that, but we're looking at about that 75 million would go roughly to about 75,000 officers. So, we could compete for that if there's a grant process or however that develops. All the vendors are aware that this is a merging law and legislative issue. So, I have been in contact with vendors for at least the last six or seven months. They all know that there are legislative changes that need to occur. Oregon is not the only state that's facing this. I have counterparts across the United States that are all facing this very same issue and vendors are aware of it and they're sensitive to it. Many of them are actually tracking legislative processes through the other states, so it's not unknown if we are going out for an RFP and we would say contingent upon the state lobbying change. They're already aware of that. I can tell you that probably many of the vendors that put in it for this RFI are already aware that we're looking at the statute and we're trying to change that. So, it's not unknown in the industry. It wouldn't be unfair to say, hey, the law didn't change and it's not going to be effective. There are some places that actually prohibit body worn cameras all together and they don't make any exemption they just prohibit them. You're looking at a very changing landscape. We're not on the leading edge of this technology, but we're on the leading edge. Because the legislature has gone with it and the courts quite frankly have not dealt with it all together. We're towards the front. And it's going to be a bumpy process. I think we'll get it right, but it's going to be bumpy.

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Hales: Good point, thank you. Other questions for them? Again, standby John, we may need you some more. Thank you, Christine. Let's take more public testimony, please.

Hales: Good afternoon, Michael. Welcome.

Michael Alexander: Good afternoon. Is it possible to ask for an additional two minutes?

Hales: Of course. Appreciate your waiting.

Alexander: Thank you, Mr. Mayor and Council. Hands up, don't shoot.

Hales: Michael, just put your name in the record.

Alexander: Oh, I'm sorry. Michael Alexander, president and CEO of the Urban League of Portland. I can't breathe. Black lives matter. Each of these phrases has taken on tremendous significance over the past few months and ignited a new resolve to address the ongoing concerns regarding police accountability and the use of force. They've also been associated with the loss of life for citizens from police actions that -- in the most extreme of interpretations -- were in response to alleged misdemeanor offenses. This nation and indeed this city have taken the challenge of these tragic events and vowed not to let them go without our most vocal condemnation and demand for reform. The outrage and the civil disobedience it's triggered will continue because we remain committed to securing justice for all victims of police violence. Correcting the problems that the city and the bureau face here will not be addressed by a single initiative or practice. Simple answers to complex problems always result in an exacerbation of the problem that it sought to correct. The National Urban League has outlined a 10-point set of police reform and accountability recommendations which we call the journey to justice plan. In the event -- OK -- I don't have the time to read through each of them, but I want to outline two or three of them. One is a review and revision of police use of deadly force policies. The other is the appointment of special prosecutors to investigate police misconduct, given the recent failings of our grand jury systems. The other is the revision of the national police accreditation system to make sure that there is mandatory enforcement of those policies in order for local police departments to be eligible for federal funds. The next to last one is the national comprehensive anti racial profiling legislation enablement. And finally, the widespread use of body cameras. The Urban League believes that use of body cameras is one of the best opportunities available to citizens and officers for objective recording of an incident. We also believe that it has the potential to modify the behavior of all parties. They can serve to protect the public against police misconduct, and also officers against false accusations. But this recommendation is not without problems. The most noteworthy is the concern for the potential of the violation of privacy rights of bystanders, witnesses, and victims. However, we face the difficult choice of selecting between the potential for violating privacy and the absolute need to advance police accountability. The Urban League believes that if implemented within a strong policy and practice framework, the use of this technology can be utilized in a manner that does not create unmanageable risk to personal privacy. It can be achieved by establishing clear and mandatory policies on when body cams have to be active, determining when and how citizens are notified that they are being recorded, determining how information that videos record will be made available to the public, and limiting their use to only relevant circumstances. And finally, determining how long evidence of these encounters will be kept on file by the bureau and by the court system. All of these are questions that need to be part of the implementation framework. I am agnostic as to the procurement process that Council and the bureau will use in going forward on this. What the Urban League is not agnostic on is the belief that this technology with relative safeguards has got to be a part of the community policing process for this city going forward. Thank you.

Hales: Thank you, thanks very much.

Lightning: My name is Lightning. I represent Lightning Humanitarian PDX. I myself like the body cams. I believe that it will be a deterrent on excessive force, I think studies will show that. Again, if I don't like a camera -- turn those cameras off, I don't want you filming me right now. Now, there's going to be debate on my privacy rights to say that. But when an officer is out there trying to do his

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job, there's going to be a lot more transparency. I want to have access from the public to those videos themselves. I know there's going to be resistance on that. I know there's going to be a lot of fine tuning on what we can have access to. That is to be worked out. On this RFI, I don't see any problem with them getting number bids on what the cameras will cost. I think that's within reason. I mean, if you provide full disclosure on certain things will have to be approved prior to them being awarded the contract, I don't see any issue on that. We should have an idea where the overall costs will be and let people step up and they understand what direction we're going. Again, from my position, I just want the public to have more transparency on what officers are doing. If we have officers agreeing to that, it's going to be very difficult for me to go against that because we all have video cameras on us. We all walk around with cameras on us. We all walk by cameras every day. So, if we're that concerned we don't want to go outside. The reality is to reduce excessive force, we need to have these type of cameras on officers. We need to be able to somehow access that information. It will be a deterrent to officers on excessive force. There's no doubt in my mind it will be a deterrent. The more ways that we can watch what they're doing, the better off the overall public will be as far as on safety issue. We know there's a problem, and now is the time to put something in place because in the past it hasn't worked. Every time we can step up and look at a police officer and say, we don't think what you did is right, it's because we normally catch them on video. That's what has changed the whole dynamics for the public and we have to look at that close. I'm all for this. Thank you.

Hales: Thank you very much. Good morning -- afternoon, sorry.

Crystal Elinski: Good afternoon. My name is Crystal Elinski, I represent 10,000. I missed the earlier testimony on street fees. I'll bring it in to especially Commissioner Novick. But hello, Commissioner Fritz, Mayor Hales, Commissioner Saltzman, and Michael and Lightning. I thank everybody for being especially at a time like this. It seems like, again, when I look at the time and resources being thrown hither and thither, it's a bit silly to me. Especially since -- as somebody said very well last week, one of the city monitors -- that the street fees would be the downfall of Commissioner Novick. I think the police would be the downfall for Mayor Hales. It must be so frustrating to listen to this with the money being thrown, like, half a million dollars for new technology that of course we have to train the police on. That takes forever and they get paid more than \$50 an hour. In fact, maybe you want to get paid 15 during this period while we check it out. But I don't know, giving a \$9 million break to the Nines Hotel, we're just throwing money at things. New SUVs for the police force. They have all sorts of toys. Santa Cruz is up in arms now because they just tried to get federal money for their militarized police. And it seems ridiculous, because Portland is so similar to places like Santa Cruz. Why can't we fix our streets? It seems to me that's a lot more important to fix our infrastructure. Police are a bane to our infrastructure. They make things fall apart. How do we fix that? I talked to you before but there's a lot of good ideas right here on the Right to the City Coalition. I would say that technology like techno fixes that I spoke about last week -- it often causes more problems than it brings. Already the police record. In fact, when we were arrested two Saturdays ago, one of the police officers told me, we always have body cameras on us. I was like, what are you talking about? Oh, yes, we have had them forever. Actually no, they just announced it three months ago, I don't know what you're thinking. And then they use what they already have as instruments -- I don't agree with you here, Lightning -- as threats and ways to instigate people and hurt people. So, they use their instruments to like shine the crazy light on people that have issues with seizures. They use the camera to get in faces and instigate problems. I think they would have to be trained all around that. So otherwise, I don't have a problem with the body cameras. I think they already get a lot of electromagnetic radiation in their cars and I imagine if you're using more technology, why not put it on live stream? While you're at it, why not stop criminalizing people, passersby, observers from filming the police? We would like do that too. Are you going to get rid of the 48 hour Applebee's deal where if you're filming it, is it going to be closed off for while they sit at Applebee's and decide which cameras, which segments

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they're going to use for their argument? And yeah, stop using it as a weapon, maybe have it live, and listen to us. It's all here and this conversation is going to come up again, so why are we wasting City Council time on it? The only time I felt listened about the police was when I was in Judge Simon's quarters. And here you're going trying to appeal his decision.

Hales: Crystal, I need you to wrap up.

Elinski: This is a distraction. We need to be talking about the police but let's do it coherently and integrated. Thank you.

Hales: Thank you.

Elinski: And quit paying them money to bring their guns into this room when it's not necessary. We already have security here.

Hales: Thank you. The next three, please.

Michelle Mundt: I'm Michelle Mundt, and I'm a citizen, I live in northwest Portland. I agree with a lot of things said. I want to give my time to someone else. But I used to make bad outbursts all the time, and thank you for letting this be a way to make my outburst.

Hales: Thank you. Welcome.

Erick Heroux: OK. I guess I'll take her minutes. I came prepared prepared to say good morning. That was a few hours ago. Now I have to say good afternoon.

Hales: Thanks for waiting, good afternoon.

Heroux: Sorry we're missing lunch. I sympathize. We're getting weary. I just wanted to be able to -

Hales: Just give us your name, I'm sorry.

Heroux: Oh, sorry. My name is Erick Heroux. I'm also with Right to the City. We met briefly yesterday when you invite protestors into your office.

Hales: Right, thanks for coming.

Heroux: This issue about body cams is something that I raised there. And I understand why you were surprised by that when I said that we opposed body cams. Taken aback. And said, I thought protestors wanted body cams. I needed a chance to explain more. Didn't have the chance then. I'll try to start some of that today. I know it's counterintuitive. Just like you, when I first was presented with this idea just sounds rational and obvious, like everybody is saying, it seems like it would work to curtail police brutality, that police would see themselves as constantly being held accountable. But like so many issues that sound rational at first, when you do empirical studies, it doesn't quite pan out that way. So, I'll refer you again to the document that JoAnn Hardesty said she sent this morning to your email. Sometime later, you'll get a chance to check that out. It's a fusion.net three-month investigation of five cities. Those five cities are Albuquerque, New Orleans, Salt Lake City, Oakland, and Fort Worth. And for all five cities, surprisingly, they found that police body cams were not working to reduce excessive use of force. The devil is in the details. You need to look closely at how there are being used, how they're being turned off, how police are not be being held accountable for turning off the body cams. How, in controversial cases, no one has access to that video. It's one of those cases where it's as I said counterintuitive, where it seems rational but then when you look closely at the details, it's just not working out. I hope you have time to look at that article, that three-month investigation. I'll leave it there for now. There are other issues involved.

Hales: Yeah, I'll certainly read that and look forward to hearing more on this subject. Because on its face, as you said, used right it should be helpful. But we have to look at the evidence. Thank you. Welcome.

King Bishop Styles: Thank you very much. I'm King Bishop Styles, representing the three kings of Portland. I would like to request two extra minutes just in case I need it.

Hales: We'll try, but we're going to have to take a recess in a few minutes.

Styles: Not a problem. I'm trying to be as fast as I possibly can. I really appreciate Commissioner Saltzman and Commissioner Fish on just like your ferocity in attacking legislation on this particular issue and procedure. My personal mission is to bridge the gap in between the community and the

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law enforcement in order to bridge the gap of un-trust going on now. I really would like to start with saying I know that it's a hard issue as far as the body cams are concerned, especially due to the recent happenings with Eric Garner. And as of about six weeks ago, my personal profiling in southwest Portland. Due to the presentations that I give through the ACLU on rights with police, I was able to have a good interaction, but using my camera on my phone -- it was just obvious right away. The police officer covered up his name tags, you know, did not want to be filmed. So, that is something that's alarming for me in looking into money being spent on cameras and being legitimately accountable for actions, and I just wonder if money would be better spent in real accountability as far as training and the ability to be able to realistically engage with the community in conversations and building relationship to have that true transparency. Because like I said, just in my personal encounter, there wasn't any transparency. There wasn't any accountability. The police officer recognized that I had knowledge and I used it, and did everything he possibly could to not be recognized. So, I would also call just for the acknowledgment that there is a running theme. As I stated last week, I'm the new kid on the block and so I'm taking a lot of this in. But in my observation, there is a running theme of last minute. We all have a lot of things that we need to do but if there is an ability for all of us to share information with each other that isn't last minute so that we can really go through things with a fine toothed comb and really do the best that we can for our community, I think that that would serve us very well. Thank you very much.

Hales: Thank you. Who's next? Come on up, please.

Hyung Nam: Hi, my name is Hyung Nam, I'm a Portland Public Schools teacher, PAT member and also a member of the Right to the City Coalition. I just want to say that I think this is a huge distraction. Ultimately, the problem we have is that not only do we not have any accountability with the police, but we have no accountability with city public officials. I find it ironic that you would be asking for federal funding for the body cams when the city council is rejecting the federal judge oversight of the police because of its track record of not holding police accountable. I mean, unless we have the willingness from city leaders to stand up against the police and hold people accountable -- which we know has not been happening -- this is a waste of time and money. And we would be better off spending that money on things like \$15 minimum wages, the underlying problems of inequality that we have in the city. Also, I mean, it's not only the cost of the cameras, the ongoing cost of operating them when clearly our city has no will to raise taxes on the rich or corporations to make them pay for anything like that. I even found out -- some of you have found out that the thing about the Numi financial debit cards being used. This kind of privatization and extracting fees from people of color and the poor. And also I think I just saw something that Mayor Adams was talking about -- not paying for fingerprinting to the Multnomah County Sheriff. And so, we're already not paying for things the city is doing, and to waste our time talking about creating new techno fixes -- so-called fixes -- when the cops can just turn the cameras off or they have the 48-hour rule after something happens to do who knows what, and we're not addressing these things, and we're wasting our time with this major diversion. I would suggest that we take care of the things that we know that we can take care of like abiding by the federal judge oversight of Portland Police and hold police really accountable. Thank you.

Hales: Thank you.

Roger David Hardesty: My name is Roger David Hardesty, minority partner Consult Hardesty. I'm here to speak against the motion before you. I'm also the guy that came up with the website which says -- I believe bidding, right? That was part of my evidence that I was going to give today. It doesn't say RFP on that publicly announced -- that the bids are going out, right, is what it says. I think I can make your day. This is a huge project. Intensely complex, right? And we should probably going like a project plan, right? Coming back from an end result to implementing the cameras as some kind of piece of that system. So President Fish said that we needed to be looking at all the different elements. And one of them is going to be just simply redacting, right? Is that going to be a manual thing where they blur out faces? Basically, I need four days of additional testimony,

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and I think through public hearings we could sort of flesh out a plan that gets to police accountability and decides whether or not and how much we want to spend on this feature. To start out, buying the product then figuring it out later down the road? That's not good management. So, I submit to you these 10 barriers. It's just cool. It talks about all the different levels of police hours that they're going to need to spend when you get zillions of hours of footage coming in. It's a huge process. New sets of policies, guidelines, the renegotiation of union contracts, extra training. Intense. Anybody who knows anything is the Rialto study is the primary thing that goes behind whether or not cameras are a deterrent. And in their study, they say that -- the study was able to expose what happens when the level of certainty for apprehensions for professional misconduct was set at 100%. It doesn't make any claims that cameras will reduce officer misconduct at anything less than 100%. We don't have that right now. What we have, according to Department of Justice, is a self-defeating accountability system. I push back on these concerns about civil rights that have to happen at the state legislature level. Because what will happen -- what my deep fear is is that we will prevent anybody from ever seeing evidence of police misconduct. That's why the demand number one is very specific is we have to figure out -- number three we have to figure out some repository where these are held and whether people have access. Commissioner Fish, this is the document from the Washington D.C. police bureau about rolling out the body worn cameras. It was a process that involved public hearings, and this describes the community's -- [beeping] -- can I have two minutes.

Hales: I want us to take a recess in a couple minutes --

Hardesty: Well I will be submitting this from the federal department COPS program on how to implement the thing, the PERF, Police Executive Research Forum is in on that as well. I have here the Portland plan to address racial profiling, which I believe is addressed in number six where you all said you would have an annual review in 2010. We're sort of still waiting for that. That this is Department of Justice findings that describe the 48 hour rule and whether that should have been implemented. OIR's first report which you asked for last week when the OIR reported, and it talks about the contract needed to be updated in 2013. It actually specifies the date -- your own consultants do. This is the National Lawyers Guild document. In it, it talks about work-arounds, about you could get the 48-hour rule into contract negotiations. I'm sorry that I didn't get the four days of testimony because I would also have brought up elements of data retention strategy.

Hales: Thank you very much. Ms. Cooper?

Trudy Cooper: Thank you. Hello, Mayors and Commissioners. I am Trudy Cooper from northeast Portland Elliott neighborhood. I feel really pleased with the conversation that happened, particularly the cart before the horse comment, the privacy concerns, the attention to what kind of policies -- whether it's investigation or data handling or community review -- because this is far more than a technical issue, as people have highlighted. It is an entire system. Because what the community wants most is a system where the core criteria is accountability, where every policy, every tool, the entire system itself works to change that structure of accountability. Because until police face reprisals for police misconduct -- which across this country and in this city has not been the case -- then those deaths will continue. So every policy, every tool, the entire system has to be guided and designed by that criteria of accountability. My main concern when hearing about the body cameras -- because at first it seemed like a very good idea to me, and perhaps it really could be -- is that instead of being -- you know, what I would like to see you do is provide the kind of leadership that really puts us on the map as leading the country in dealing with epidemic of police violence, having every system work to do not only deterrence but to support the ability for there to be reprisals, and not be the people who accept a system that possibly is motivated primarily that it's mainly a cosmetic tool -- nearly or mostly cosmetic -- that is designed mainly for PR rather than the criteria of accountability. Thank you.

Hales: Thank you very much. We had some others?

Moore-Love: The last two are Dan Handelman and Hiram Asmuth.

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Hales: Come on up, please.

Dan Handelman: Good afternoon, Mayor, City Council, I'm Dan Handelman Portland Copwatch. Our organization that taken a neutral stance because we figure that you're probably going to get these whether we want you to or not. But we're very concerned about a lot of things that we haven't heard talked about today. I was glad Commissioner Fritz brought up the concern about Fifth Amendment rights, and people may say something on camera and be prosecuted. We're afraid they will be used far more times to prosecute people -- particularly people of color to put them in jail -- than to hold police accountable. We're also concerned that there is state law ORS 181.575 which is the basis of our discussion on the Joint Terrorism Task Force that prohibits collecting or maintaining information about people without reasonable suspicion of criminal activity. And having cameras that could be rolling today -- mere conversations whenever a cop rolls up on somebody -- seems to violate that law on its face. And I mentioned that to Lieutenant Scruggs and he repeated back to the training advisory council that, well, Portland Copwatch tapes police officers. We're not the state. We're not the state collecting information on people. We're citizens observing our state actors perhaps violating their policies. The main company that produces these is Taser International, the company that produces -- as you might guess -- Tasers. We had the same kind of conversation, very quick this is going to solve everything back when Tasers were first introduced in Portland. At that point in time, I think it was about 150 people had died after the use of Tasers, and Amnesty International was cautioning against their use. We got Tasers anyway. And there's been at least one Taser related death in Portland, and there have been another 200 around the country around North America. And Taser eventually admitted, oh yes, they could cause death even though they were sold as an alternative to deadly force. The Rialto study was partially funded by Taser, who has a financial interest in its outcome. And Rialto, California only has 66 officers. When you look at every article about this issue, police body cameras, every single one will cite that same study. And it's not a valid study, it wasn't peer-reviewed and the authors themselves admitted their methodology was not complete because they didn't talk to the individuals who had been videotaped about their perceptions. We also support the comments that have been made about Eric Garner, the video that was done of that, that didn't lead to anything. There's a death of a homeless man in Albuquerque that was caught on police body cameras. It didn't stop them from shooting him and it hold them accountable. I think we're going to end up unfortunately with a lot of what I term police torture porn, where people are going to be watching police use violence and then in this culture that we have that seems to celebrate violence overseas and here in this country is that people will just get used to it instead of being shocked, which is what they should be. Finally, I was hoping maybe Lieutenant Scruggs could have presented some video here at City Council so the community can look at this so we know what we're talking about. Frankly, from videotaping for many, many years, I know that a video camera is subjective and it depends where you point it, and an officer could say -- and not my original thought, but they could say, stop resisting, stop resisting, and you just see a flurry of fabric in front of the camera. And so the jury is going to hear that and think, oh, that person was resisting but the camera is not necessarily going to show that.

Hales: Thank you. Good afternoon.

Hiram Asmuth: Good afternoon. My name is Hiram Asmuth. I'm somebody who has filmed officers voluntarily with FilmthePolicePDX.com on multiple occasions. I actually just changed my mind after your testimony. [laughs] This guy is awesome, by the way, as you already know. You know, I was leaning in support of this with one very real factor, and that's accountability. I think that's the number one factor we have to consider. If we're going to invest this mass of amount of money without the accountability levels that are required, then it's almost -- it's a waste of money. We have to get our accountability first and not put the cart before the horse. I want to read this one sentence. The police body camera wasn't rolling when 19-year-old Mary Hawkes was shot and killed by an Albuquerque police officer in April. This is from the five city study. The police officer's camera was turned off when the officer fired his weapon. Just this week, the officer

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involved was fired after an internal probe discovered he turned off his camera at least four times. It is very rare for officers to be fired for failing to properly use body cameras. As someone who has filmed officers often, I can tell you that most of the taping that I have done -- they've done a great job. And this is just an opinion, but they might act differently when they're not being filmed. I don't really know because I never interact with a police officer without filming him or her, so I have no idea how they act when they're off camera. But I can say I do think that it protects not only the citizen but it actually helps protect the police officer too. Because when an officer is on tape, they are well aware of this. When you film -- as this gentleman at Copwatch can tell you, you always are very obvious that you're filming them. You stand a safe distance away. They are very aware they're being filmed, and I do think the conduct changes slightly than what may or may not have occurred had you not been there. Again, it just comes down to accountability. If the officer himself or herself is taping -- most of these situations that escalate such as Kendra James, such as James Chasse -- these happened in public forums. So, the issue of privacy protection I don't think is quite as serious a thing in addressing it there should be a camera or not be a camera. I think the more serious issue is, how do you stand up to the police union and actually demand greater accountability from officers? The last thing I want to mention, this 48 hour thing is insane to me. I don't understand how -- you know, it's not common sense that an officer has 48 hours to go to Applebee's just like they did after Kendra James, have some cake and some coffee and talk about what happened and make sure their stories corroborate. That's insane. If there are multiple officers involved in a scene, they need to be sequestered and questioned, just like what happens when officers arrest people. That person gets grilled by police that same time, the same day -- within minutes, sometimes. I think the same regulatory protocols that SOP needs to apply to officers as well.

Hales: Thank you very much. I want to thank you all for very thoughtful testimony on this. I'm going to recess the council for 40 minutes. So, we will close the public hearing on this ordinance, take up discussion at 2:00 p.m. When we return. Thank you.

Fish: Just a couple housekeeping things? We have 16 items left. And by the way -- I am going to ask at the next execs that we revisit the question of the time we allocate for these matters.

Hales: Yep.

Fish: With all due respect -- it's not a criticism -- 30 minutes on this when we spent at least two hours we could have spent four.

Hales: We didn't put any time on this, actually.

Fish: You put 30 minutes. And I think this was at least a two hour discussion, it could have gone longer. Outstanding discussion. But what we're effectively doing is every citizen who came to talk about our regular agenda is not going to be heard today. And we cannot make this a recurring feature of these hearings.

Hales: I agree, thank you. We'll be back in 35 minutes.

At 1:30 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.

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Hales: Bear with us, we know we have an important time certain item here. We also have a whole bunch of items from the morning agenda that didn't get done when our morning ended at 1:30. So, we're going to try in about 30 minutes to dispose of a few of those items that we have to deal with today, set others over for tomorrow, and then get to the land use item that's in front of us this afternoon. We're going to take a few of these items and start with some we know about and then figure out the rest as we go. So, let's take item 1273.

Fritz: Is that what we just did this morning? No.

Hales: No, 1273 is the intergovernmental agreement with Multnomah County.

Fritz: So, are we just going to pass the contract --

Hales: I'm sorry. That item is still open. I'm going to set that for second reading for January 7th. That will allow us to complete the request for information process and then have a little time before we are proceeding with the request for proposals. Does that make sense?

Fritz: Yes.

Hales: OK, that's set for January 7th.

Moore: That was Item 1276.

Hales: OK, 1273. Thank you, Amanda.

Item 1273.

Hales: I think [indistinguishable] is here for this item? Maybe not.

Fish: We've been briefed on this issue.

Hales: OK. This is an emergency ordinance. Is there anyone that wants to speak on it? We'll take a roll call.

Item 1273 Roll.

Novick: Aye.

Fritz: This is an amendment of a previous ordinance and it ensures that Lifeworks Northwest enhances the programs that provides design, development, and implementation of Sex Buyers Accountability and Diversion Program. Aye.

Fish: Aye.

Hales: Aye.

Item 1274.

Hales: Sergeant Gunderson, thanks for coming back.

Douglas Gunderson, Portland Police Bureau. Thank you for having me, Mayor, Council members. This is simply our request for your approval to apply for this grant, this \$12,000 grant.

Hales: Right. Good work. Any questions from Council? Anyone want to speak? It's an emergency ordinance. We'll take a roll call.

Item 1274 Roll.

Novick: Aye.

Fritz: Mayor, on both this and the next ordinance -- which is also for accepting a grant to pay for overtime -- we do a lot of these, and I would like in the new year to have a summary of how much we get in grant money that provides for overtime, and looking at the stress on officers in working a lot of overtime, and whether we would be better off budgeting positions to do the work, whether we can get grants for budgeted positions in addition to just for overtime.

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Hales: Very good question.

Fritz: That's also how much it costs as an added PERS to be getting these grants that then fund more overtime at time and a half. Those are questions not necessarily related to this, I'm happy to vote for it. Aye.

Hales: I see Ms. Wesson-Mitchell taking notes.

Fish: Aye.

Saltzman: Aye.

Hales: Aye. Thank you. While you're here let's -- I think we have Sergeant Barnum here on 1275.

Item 1275.

Hales: Good afternoon.

Bret Barnum, Portland Police Bureau: Good afternoon, Council. Sergeant Barnum, Portland Police, traffic division. We've been involved with this grant for over 10 years. Last year, we were awarded \$90,000 and we spent nearly every dollar of that. Last year, we were arrested on grant overtime 360 impaired drivers because of this grant. Definitely improving the community livability and traffic safety through our community. This year, we were awarded \$100,000 and today is your approval of the acceptance of that \$100,000. This will include working seven major holidays as well as continued enforcement throughout the year for the traffic division and other officers inside the Portland Police Bureau.

Hales: We need to act now because of the holidays, obviously. So, great. Questions for Sergeant Barnum? Anyone want to speak on this item? If not, we'll take a roll call.

Item 1275 Roll.

Novick: Aye.

Fritz: Again, this is over 1600 hours of overtime which is more than one more position at straight time. Aye.

Fish: Aye.

Saltzman: Aye.

Hales: The numbers I always repeat, even though they're sad numbers, are 216, 35, and 114. That's the 2013 totals. That is, there were two times when a Portland police officer used their weapon and someone lost their life. There were 16 homicides, there were 114 suicides, and there were 35 people killed by cars. So, the work the traffic division does is extremely important, and stopping 360 people who were driving drunk is great work. So, please continue. Thank you. Aye. Thank you both. Next, let's do the four-fifths.

Item 1289-1.

Hales: This is a cooperative effort with the sheriff to help us keep public docks public. Commissioner Fritz?

Fritz: Thank you, Mayor, and thank you for your partnership on this. It is uncommon for the council to hear items on the four-fifths agenda, which is when four out of the five of us agree to put something on the agenda after it's been published on a Friday. And the reason for this emergency ordinance is to authorize an intergovernmental agreement between the City and Multnomah County Sheriff's Office to provide reimbursement to the county for their assistance in addressing trespassing and nuisance activities at the River Place Marina public dock. This is urgent because of the issue of the Christmas ships, and we've had boats that have been tied up at River Place dock for months, and owners have received exclusions and trespassing citations but the boats remain, and so we have given notice that we are going to work with the Sheriff's department to move these boats on. And just so the folks know, I did tell Right 2 Dream Too in our weekly meeting a couple weeks ago that this was coming down the pipe so they could let folks know that they do -- we are serious, they cannot live at the docks, that they do need to move. So, there was some measure of formal notice given as well as this action. I want to thank Galina Burley, the Parks ranger manager and the whole Parks team as well as Portland Police and the Mayor's Office for their partnership on this. Aye.

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Hales: Can't vote yet.

Fritz: Oh -- sorry.

Hales: Is there anyone who wants to speak on this item? I don't think there is. Come on up, Lightning. Good afternoon.

Lightning: Good afternoon. My name is Lightning, I'm with Lightning Humanitarian PDX. One of the concerns I have on this is that, as you know, when boaters are homeless -- and this is what this addresses -- where are they going to be? Where can they tie up? They can anchor legally out there, and my understanding they'll be moved within 30 days or told to move a certain distance from that location. So, when you remove people throughout the city, I always like to have a plan in place as to where do you plan on removing them to? And that's what I want to be looking at very close on this, is to make sure. Now, I understand this is an IGA and if the city is putting up money for Multnomah County River Patrol, I find that very unusual considering they had a budget surplus of \$18 million and they can use 50% of that will go to capital expenditures, they'll use the remaining for other areas. They have ample funds to fund their own river patrol. So, I agree with an IGA, but I absolutely disagree with any funding coming from the City of Portland when Multnomah County has a surplus -- which they currently do at this time -- of funds they have to allocate the other direction. Thank you.

Fritz: To address those concerns, Lightning -- thank you for raising them -- it's not reasonable to expect another jurisdiction to pay for a service for our property, and it's a city of Portland dock. The first point you made as far as where folks are supposed to go, actually, with boats it's better than folks who are living under bridges and such in that they can anchor off the dock. They're not required to move entirely, they just can't be anchored in the dock. But they're allowed to anchor in the river.

Lightning: If I can respond to that real fast, it's creating a public safety issue to have people anchored away from marinas or docks. It's always safer to be in close to the bank to prevent accidents, especially at nighttime. We're talking about the Christmas trips and all that. Very dangerous to be out on the river in nighttime in your boats. And having people anchor farther out is a public safety issue to me.

Fritz: You can anchor near the bank, but just not at the dock.

Lightning: Right. OK, I'll go along with that. Again, like I stated, I hope the city of Portland is not funding this. Multnomah County has an ample surplus of money. And again, you brought up a question. Multnomah County River Patrol, that is their job to patrol the river, and that's just not Columbia, that's also the Willamette, and that's within all the properties up and down the river. So again, that falls back on Multnomah County. They have a surplus, I'd hate to see any additional money going toward them when they had that type of surplus at this time. Thank you.

Hales: Thank you. Anyone else want to speak? A roll call vote on that, please.

Item 1289-1 Roll.

Novick: Aye.

Fritz: And as far as I know, five boats have already left voluntarily. There are some that are still in violation of the Parks rules. Aye.

Fish: Aye.

Saltzman: Aye.

Hales: There's some legitimate long-term questions here, and Lightning raised one of them. But for the near term while they're asking them to take care of our dock, it's reasonable to do this for now. Aye. OK. Let's see if there are other items we still got a little bit of time here.

Fish: Mayor, can we jump -- I can put 1285 over until tomorrow. We can take five minutes to do 1286 and 1288?

Hales: I think we sure can. I'm looking at other items. Sam, can we save item 1280 until tomorrow?
*****: Yeah.

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Hales: OK. We're going to move -- I'll get to that in a moment and I'll just move some things to the Thursday calendar. So, I'm going to move -- do we need to do 1277 and 1278 today? Anybody know?

*****: [inaudible]

Fish: It would go to a second reading anyway.

Hales: Let's just hear those items, 1277, 1278. I don't think we have any testimony on them, do we? Let's just read those two items, then.

Item 1277.

Item 1278.

Hales: Is there anyone here to speak on this item? I know a lot of us support the Service Coordination Team, and it's a great program. Why don't you give us a brief update on this, please?

William Kemmer, Portland Police Bureau: I'll be as brief as possible. At the beginning of the fiscal year --

Hales: Put your name for the record.

Kemmer: Oh, I'm sorry. Billy Kemmer. I'm the Service Coordination Team program manager for the Behavioral Health Unit. Service Coordination Team, as you know, is a long-running program. Our success rate continues to be the same as it always has. There was funding issues at the beginning of the fiscal year with Volunteers of America where they lost a SAMHSA grant which helped fund the entirety of their program that's dedicated to the Service Coordination Team. So, to keep the outpatient treatment whole, they proposed preserving the outpatient treatment section but the 12 beds of supportive housing that were tied to it had to be dismantled. The amendments here are to shift some of the funding over to Central City Concern so that we can increase our capacity essentially as far as housing, structured housing, peer mentorships, and bridge counselors so we don't lose the positive effects of the program because we lost the section of the Volunteers of America program.

Hales: That's why the two items are the exact same dollar amount. It's just a shift --

Kemmer: Yeah, it's just a shift in the fund.

Hales: OK. Questions about that procedure? Thanks very much. Anyone want to speak on either of these items? They are set over for second reading next week. Thank you. I'm going to set over item 1279 to tomorrow, unless there's any objection. And 1280 for tomorrow, the same. Thank you. We've already rescheduled 1281. Then, I think we can probably do the rest of these in 15 minutes and see if we can't manage that. Item 1282.

Moore-Love: I don't think we've read the title for 1281 yet.

Hales: Oh, sorry. Go ahead.

Item 1281.

Hales: And that's been rescheduled for next week. I think so. Alright. Then 1282, please.

Moore-Love: I'm sorry, I thought 1281 was being referred back to your office.

Hales: It is, sorry. I had a scribble here and it looks like rescheduled, but it was returned. Go ahead.

Moore-Love: I'm sorry, which number?

Novick: Actually, Mayor, 1282 I think should be set over until January 7th. It was intended to be a companion to other items we postponed until then.

Hales: You can just read it and I can do, that right?

Moore-Love: 1282?

Hales: Yes.

Item 1282.

Hales: So, that's set over until January 7th. Alright, the UASI grant item?

Novick: Carmen says we can set that over as well in the interest of time if we wanted to, although I don't think it would take very long. What do you think?

*****: It's up to you.

Saltzman: She's been here all day.

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Hales: Yeah, you get an award for patience.

Item 1283.

Hales: Commissioner Novick.

Novick: Shelli, take it away.

Shelli Tompkins, Bureau of Emergency Management: Shelli Tompkins, I'm the finance manager for Emergency Management. This ordinance before you is basically to authorize the director to sign the IGAs or the intergovernmental agreement with our sub-recipients on the past-through on this grant. It mainly takes that away from coming to Council for the five sub recipients when we authorize those agreements and lets the director actually sign those for us.

Hales: OK. Questions for Shelli?

Tompkins: This was on the emergency agenda also because the award agreement that you passed last week, the grant, went into effect October 1st as well.

Hales: Great. Thank you.

Novick: Thank you.

Hales: Anyone want to speak on this item? It's an emergency ordinance, we'll take a roll call now.

Item 1283 Roll.

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

Hales: Thank you. OK, second reading item 1284.

Item 1284.

Hales: Roll call.

Item 1284 Roll.

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

Fish: 1285, Mayor, we can set over until next week.

Item 1285.

Hales: Set over to next week's agenda.

Fish: 1286 I can handle.

Item 1286.

Hales: Commissioner Fish.

Fish: Colleagues, Council originally authorized \$50,000 for the Blue Ribbon Commission process. This Monday, Dwight Holton and the commission produced their report, their road map for reform, and delivered it to the mayor and to me. This particular ordinance has the effect of increasing the budget for the process by a total of \$10,000 to a new not-to-exceed amount of 56,628. The reason that we are seeking additional funding is that the chair of the Blue Ribbon Commission in response to community interest expanded the public outreach process for this event. And so our consultants, Cogan Owens Cogan, incurred additional expenses of managing that public process. We think we got good value for it, but this allows you to net add an additional 10,128 to the original appropriation.

Hales: Great. Thank you. Does anyone want to speak on this ordinance? If not, it's an emergency ordinance, we'll take a roll call.

Item 1286 Roll.

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

Hales: These citizens did great work, and I appreciate it very much. Aye.

Item 1287.

Fish: Mayor, can we set this over until tomorrow afternoon?

Hales: So done. Set over until tomorrow. 1288. Do you want to do the same thing there?

Fish: No, we'll take this up quickly.

Hales: OK. 1288, please, Karla.

Item 1288.

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Fish: Mayor, we could set this over, but as I look out at this full house today, I think we should not miss an opportunity since we are in fact trying to find a home for the holidays for one of our historic bridges. [laughter] Otherwise, it's headed for the scrap metal. David Shaff, would you take it over?

David Shaff, Director, Water Bureau: Good afternoon, I'm David Shaff, the director of the Portland Water Bureau. With me is Chief Engineer Mike Stuhr. As you know, we buried conduits two and four in 2010 under the Sandy River, and the bridge that held them up since they were originally installed in 1893 was dismantled. It's a 300-foot-long, 121-year-old stress truss bridge that we had an agreement with the State Historical Preservation Office, SHPO, to attempt to save and renew and reuse somewhere else. We've taken several years -- four years -- to find this bridge a new home. We produced a flyer, fact sheet, we have a very extensive webpage on the availability of the bridge, and we've been working for the last four years on trying to find a home for it. We emailed information to 260 recipients, including the city managers and public works directors for almost every one of Oregon's incorporated cities, state agencies, small business development organizations, council of governments, tribal councils, utility districts, nonprofits, and private engineering and architectural consultants there. There were a few cities interested. Estacada was very interested, but weren't able to find a grant for a variety of reasons. Hillsboro and Corvallis were both expressing interest, but ultimately decided against taking the bridge due to its age, the fact it has lead paint, the costs related to moving, that sort of thing. We've had nibbles from the Parks Bureau, we've talked about it with Metro, the City of Sandy, Mayor Adams was at one point trying to establish a pedestrian bicycle walkway over I-405 at Flanders, and then we were very much in negotiations or discussions with PBOT to do a pedestrian bicycle overpass near Kelley Point Park over Marine Drive. But again, the cost of refurbishing and installing the bridge exceeded the cost of building a new overpass. So, we have completed our obligation to SHPO, we have a letter from SHPO establishing that the requirements of our memorandum of agreement have been fulfilled. We have a letter of authorization from Commissioner Fish authorizing to dispose of the property as surplus. The scrap value of the dismantled bridge is about \$11,000 -- 11,600 -- and it is our goal and the purpose of this ordinance to authorize us to scrap the bridge or donate it to a nonprofit at a fair market value, or recycle the bridge at fair market value. We're currently in talks with a group called Workin' Bridges, north greenbelt association, they're out of Greenville, Ohio -- no, Iowa, excuse me -- and they are a group that works on historic truss bridge restoration, and they have expressed an interest, and we're talking to them. And if we're successful we will donate the bridge to them. If not, it will go to scrap.

Hales: Thank you. So, there may be one more opportunity.

Shaff: We hope so. There was a very good article in The Oregonian today that might generate some interest as well.

Hales: Thank you very much. Questions for David or the bureau? Thank you.

Shaff: You bet.

Hales: Anyone want to speak on this item?

Moore: I believe they have probably left. Joe Walsh, Crystal Elinski, Michelle Mundt.

Hales: I think they have left. OK. So this will come back for second reading next week. Bridge available. Thank you.

Item 1289.

Hales: Commissioner Saltzman.

Saltzman: Thank you, Mr. Mayor. Due to the fact the county and the city coordinate on various homeless service activities, these funds are from the county, and they go with city and federal investments to help join the service organization to provide outreach and housing placement services for homeless people in East County, including veterans -- yeah, for housing families, individuals, and veterans in East County. So, we're accepting money from the county to do that.

Hales: Great. Thank you. Any questions? Anyone want to speak on this item? Then roll call vote on that, please.

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Item 1289 Roll.

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

Hales: Thank you very much, Commissioner. Aye. I don't believe there's anything else left over from the morning calendar that we need to address today. We've set over items for tomorrow and for next week. So, let's move to item 1290. Thanks for your patience, everybody.

Item 1290.

Hales: Thanks very much. This is a quasi-judicial land use hearing. I'll turn to our City Attorney in a moment to talk about the procedure, but first need to ask if anyone on the council has any ex parte contacts to report or any potential conflicts of interest.

Saltzman: I had a meeting in late February with Mark Edlen and Tim Ramis to talk about this proposal.

Hales: OK. Anyone else? I visited the site, but have not spoken with any of the parties to the case.

Fritz: I've read multiple emails on this, not all of which I have yet forwarded to the record, but I will.

Hales: Anything else?

Novick: I must not be reading my emails carefully enough, because I don't recall one specifically on this.

Hales: Anyone have any questions about our objectivity in this proceeding? If not, then I'll turn to our City Attorney for procedural guidance.

Linly Rees, Deputy City Attorney: This is an evidentiary hearing, which means you may submit new evidence to Council in support of your argument. Testimony today will be heard as follows. We'll begin with a staff report by BDS for approximately 10 minutes. Following the staff report, City Council will hear from interested persons in the following order. The applicant will go first and will have 10 minutes to address the council. After the applicant, the council will hear from individuals or organizations who support the applicant's proposal. Each person will have three minutes to speak. Next, Council will hear from persons or organizations who oppose the applicant's proposal. Again, they will have three minutes to speak. If there was testimony in opposition to the applicant's proposal, the applicant will have an additional five minutes to rebut testimony given in opposition to proposal. The council may then close the hearing and deliberate. The council may vote today, however, if the vote is a tentative vote, the council will set a future date for adoption of findings and a final vote on the matter. If Council takes a final vote on the findings today, that will conclude the matter before Council. I'd like to announce some guidelines for those who will be addressing Council today. First, any letters or documents you wish to become part of the record need to be given to the council clerk after you testify. The original or a copy of any slides, photographs, drawings, maps, videos, or other items you show to the council during testimony, including PowerPoint presentations, should be given to the council clerk to make sure they become part of the record. Second, any testimony, arguments, and evidence you present must be directed toward the applicable approval criteria for this land use review, or any other criteria in the city's comprehensive plan or zoning code you believe apply to the decision. BDS staff will identify the applicable approval criteria as part of their staff report to the council. Third, you must raise an issue clearly enough to give the council and the parties an opportunity to respond to the issue. If you don't, you 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 they fail to raise 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.

Hales: Thank you. Before we turn to the staff report, Commissioner Fish, you were momentarily out of the room, I just want to check -- do you have any potential conflicts of interest or ex parte contacts?

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Fish: I have two ex parte contacts to report. My staff took a briefing on this project in April of this year, but did not discuss the contents of the briefing with me, which is a standard firewall we set up in all of our offices. My staff also received an update on the status of this project in early September, 2014, and they did not discuss the content of that update with me. Other than that, I have no conflict or other ex parte.

Hales: Thank you very much. Any questions? Alright. We'll start with the staff report.

Hillary Adam, Bureau of Development Services: Hillary Adam, city planner, BDS. This is a Type IV demolition review and there are a number of steps that have already taken place, including a pre-application conference which required public notice posting. There was a meeting with Historic Landmarks Commission, and that is advisory. And then we are now at the end of this flow chart with the city council hearing, and the final decision lies with you. A little background on demolition review. As part of the historic resource code amendments project, we're finding the relationship between local and state historic preservation regulations made improvements to the zoning code and building code incentives and expanded and strengthened city's demolition review regulations to protect more historic resources. That took place in 2002, 2004. The purpose of demolition review is to protect resources that have been individually listed in the National Register of Historic Places and those that have been classified as contributing in the analysis in support of a historic district creation. It recognizes that historic resources are irreplaceable assets that preserve our heritage, beautify the city, enhance civic identity, and promote economic vitality. Demolition reviews are processed through a Type IV procedure. There has only been one Type IV that has been processed, and that was for one story commercial building known as the Kiernan Building in the new Chinatown Japantown historic district. It was ultimately replaced with a four-story Blanchet House of Hospitality. In that case, Council found that, on balance, the proposal met the majority of the approval criteria. So, the approval criteria for demolition review. Proposals to demolish a historic resource will be approved if the review body finds that one of the following approval criteria is met. One option is that denial of a demolition permit would effectively deprive the owner of all reasonable economic use of the site, the applicant did not choose to take that route. Instead, they went with the second option, which is demolition of the resources has been evaluated against and on balance has been found supportive of the goals and policies of the comprehensive plan and any relevant area plans. The evaluation may consider factors such as the merits of demolition, the merits of development that could replace the demolished resource, the effect demolition of the resource would have on the area's desired character, the effect that redevelopment on the site would have on the area's desired character, the merits of preserving the resource taking into consideration the purpose described in subsection A -- which is the previous slide -- and any proposed mitigation for the demolition. The applicable plans for this case include the comprehensive plan goals and policies, and the Northwest District Plan, as well as the Alphabet Historic District National Register nomination. This is some zoning background on the site. It is within the Alphabet Historic District listed in 2000 on the National Register. It's zoned RH, which is high-density residential, and that means one unit per 1000 square feet of site is the minimum density. Ultimately, the project area is 20,000 square feet, so that is 20 units. Here's an aerial view of the entire Alphabet Historic District. The site is that blue box on the right. This is a zoomed-in aerial photo. Those little red dots with the numbers attached to them are landmarks individually listed on the National Register. Here's some site photos of the building. It's a three-story brick building. On the lower left there, you can see a one-story noncontributing resource that's also proposed for demolition for the proposal -- a replacement building -- but it is not subject to demolition review. You can see the contributing building has had some modifications including replaced windows and doors, removal of the cornice and canopy over that main entry. Here are some context photos. Those landmarks in the aerial photo I showed you, those are the picture on the right and the picture on the lower left, those are two and half story residential structures built in the 1880s. And then across the street, there's another two-story church building that's also contributing to the Alphabet Historic District. There's some photos

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of typical historic apartment buildings in the Alphabet Historic District. Here are some pictures of recently-approved buildings in the Alphabet Historic District. You can see there are four, five, and six-story buildings. On the lower left, I want to call attention to the one building in the foreground that is a three-story landmark building, and in the background that is a newer building right next to it. Some members of the Landmarks Commission have indicated they felt that building is too big for the site. A little background on the Alphabet Historic District. It was created in 2000 and it was found to meet National Register listing criteria A, B, and C. That's association with events that made a significant contribution to the broad patterns of our history, association with the lives of persons significant in our past, and embodiment of the distinctive characteristics of a type, period, or method of construction or represents the work of a master or possesses high artistic values or represents a significant and distinguishable entity whose components lack individual distinction. The Buck Prager building was built in 1918, identified as streetcar era commercial, and it has seen minor alterations from its original condition. Most of those appear to have occurred in 1980. So, association is not specifically much in the National Register nomination. As owned by Ballou and Wright as an investment property designed by [indistinguishable] as a hospital, they are noted as significant in other historic districts in the city, such as Ladd's Addition. And it was opened by Mrs. A.B.Y. Spaulding as a Portland women's hospital. She operated that for 10 years and then it became a different hospital which she operated until the day she died in 1935. And it was later briefly named after her. She is a fairly significant person that has not been recognized so far by the city. She founded the Multnomah hospital training school, which is a precursor to the OHSU School of Nursing. Later, in 1963, outside of the period of significance, the building became the home of the arts and crafts society and was the location of the first Julia E. Hoffman Gallery. This is a picture of the proposed replacement building that was submitted as part of the required pre-application conference. It is subject to change, as any future building would require Type II historic resource review with the Historic landmarks commission. The proposal is for an 82-unit market rate and workforce housing apartment building. The applicant's response to the approval criteria is that the city is better served by demolition and redevelopment than retention of the existing building, that the historic resource lacks values directly associated with the alphabet historic district, the historic resource lacks integrity, the potential for redevelopment is greater than retention of the historic building because it's unattractive to potential tenants and requires significant and costly upgrades to make it habitable and marketable, that the proposed development would eliminate blight and strengthen the residential character of the neighborhood, and that redevelopment of the site would fulfill the comprehensive plan potential for the parcel. Staff noted concerns in the staff report and recommendation, noting the upper half of the slide, those goals and policies of the comprehensive plan in Northwest District Plan are not met. I noted that goal nine for the citizen involvement; and policies four and nine, parking and public safety, were met or potentially met by the proposal but they could also be met through rehabilitation of the existing resource. On balance, I did not find the approval criteria were met. This is a little wordy, but I wanted to capture why I felt that they were not met. Goal two, urban development, and policy one for Northwest District Plan land use is to accommodate anticipated growth through infill and redevelopment while improving and protecting residential neighborhoods and enhance the district's sense of place by supporting small-scale developments. I believe that infill and redevelopment could be facilitated on the site without demolishing the existing resource. Infill is generally more appropriate on sites that are not already occupied by historic buildings. Comprehensive plan goal three, neighborhoods. This goal encourages preservation of historic structures throughout the city and promotion of historic character of the northwest district. By definition, demolition of this building will not support that goal. Goals related to housing. These goals and policies suggest a diversity of housing should be provided to accommodate the needs, preferences, financial capabilities of current and future households. The proposed replacement building is primarily market rate. They did note that some workforce housing is proposed, but there is no commitment as to how much, and workforce housing

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is generally 61% to 100% of the median family income which is essentially market rate. Goal five of comprehensive plan, economic development. Suggests providing diverse housing types. Again, to meet various needs of Portland citizens, including market, moderate, and low-income housing. Also suggests finding and developing Portland's cultural and historic essence as important marketing and image building tools of the city's business districts and neighborhoods. I believe the residents of the neighborhood can tell that you is a street that's often used for filming. [beeping] A couple more minutes?

Hales: Please.

Adam: Thank you. Goals related to energy and environment promote a sustainable energy future and encourage recycling and reduction of solid waste. We have a saying in the preservation world that the greenest building is the one that's already built, and why would you bother recycling cans and bottles if you're going to throw away entire buildings? There's also the loss of the embodied energy when you demolish existing buildings. Goals related to urban design and preserve historic resources as part of the urban environment that is being reshaped by new development projects. I believe new development and historic buildings can coexist. Support the preservation of Portland's historic resources through public information advocacy and leadership within the community, as well as through the use of regulatory tools. And also, goal for historic preservation specifically. Identify, preserve, and protect historic resources and support development that enhances historic qualities of the district. I received 42 items of public testimony before December 1st, oral and written. 39 were opposed to demolition, three were in support. Five items have been received since. All opposed to demolition. The opposition has concerns with the loss of significant history -- specifically, women's history -- and compatibility of the proposed replacement building on the neighboring landmarks; lack of public benefit provided as mitigation; and the precedent that would be established. The nature of the support side is that the site is currently underutilized which leads to nuisances and blight.

Fish: Can I ask you a question off that slide for a second?

Adam: Yeah.

Fish: What's an example of a public benefit that could have been provided as mitigation? Could you give us just some context for understanding that criteria?

Adam: One thing that could be provided is some sort of education component. Or interpretation. I'm broadly speaking. They are proposing underground parking, so that is one thing that maybe could be offered as mitigation if it was substantial.

Fritz: Hillary, what was the mitigation in the Blanchet House application?

Adam: It provided social services and a soup kitchen and low-income housing to at-risk populations. And then just in summary --

Fish: So, to that logic, does the code anticipate that a commitment -- let's say not to just have workforce housing, but low-income housing was some covenant could provide mitigation?

Adam: Potentially. So, in summary, I recommended denial of the application to demolish the Buck Prager building. You have the options of approving the demolition, approving demolition with conditions, or denying the demolition. That concludes my presentation.

Fritz: What was the vote of the Historic Landmarks Commission?

Adam: They did not take a vote, but they decided to write a letter, which was submitted as testimony in support of the staff report, and they expanded on that. And I believe some of them are here to testify.

Fritz: Was that unanimous to send that letter?

Adam: Yes.

Fritz: Yes.

Hales: Thank you. Questions for staff? Thanks very much. There may be more later. Alright, let's move to the applicant's presentation then, please.

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Rob Mawson: Thank you, Mayor, Commissioners. Rob Mawson from Heritage Consulting Group, 1120 NW Northrup, Portland, Oregon. With me are today Mark Edlen with Gerding Edlen Development; John Tess, Heritage Consulting Group; and Tim Ramis representing the property ownership. You have already received our application which consists of an extensive history of the building and an extensive policy decision backed up by 150 pages of supporting documents. You probably have in the record also our presentation to the Landmarks Commission which goes into the history of the property. Today, fundamentally what you're being asked to decide is whether the city is better served by allowing the demolition of this building, consolidation of the block, and the development of a residential property; or retention of the existing building. 1727 NW Hoyt Street is one of 478 contributing buildings in the Alphabet National Register district. I hope you can appreciate that every building has a history, and some buildings are significant and others are not, and significance is a relative term. Some buildings are more important than others, even when listed on the National Register. I hope you can also appreciate that over time, changes happen to buildings which eliminate their ability to convey historic and architectural values. It is our assessment -- and it's documented in our application -- that this site has negligible historic and architectural value and that the site has lost its historic integrity. Specifically to the National Register district, the building at 1727 NW Hoyt Street is not associated with any event, trend, institution identified in the National Register nomination. It is not associated with any person of note identified in the nomination; it is not associated with any architect, builder, or architectural style identified in the nomination. Even granting that the property may have significance outside of that nomination, it is our contention that changes to the building over time have eliminated its ability to convey those historic values. For example, the exterior brick has been sand blasted, the ground floor has been covered with cement, the entryway has been replaced, the canopy has been removed, the ground floor windows have been infilled, the upper floor windows have been replaced, and the cornice has been removed. It's our assessment the integrity has been lost. If you look at the building as a series of systems, there are 19 different components. Of those 19, all 19 have been substantially altered, modified, or replaced. That's on one side of the scale. The other side of the scale was the development. What we're proposing is to consolidate the western half of the block into a residential project. That half block consists of the quarter block that includes the building at 1727 NW Hoyt, it includes a noncontributing site, and it includes two 5000 square foot surface parking lots. For your background, the rest of the block consists of one-story commercial building with a surface parking lot, two B&Bs, two single family homes. The proposed development is a residential building with approximately 80 units. Units will range in size from studios to two bedrooms, with some affordable units. It will have below-grade structured parking with space for 70 autos, 130 bikes. There will be no ground floor commercial uses -- it's not allowed by code. It will be shared use parking, it will have permanent quality construction, and will have quality neighborhood appropriate design. And I want to emphasize this because in going forward, before the building can be demolished, it has to have an approved design application. And that application has to go through a Type III review that goes through the Portland Historic Landmarks Commission. We believe this project has 11 important positive impacts. It eliminates nonconforming commercial uses, it creates transit-oriented housing, it potentially adds affordable housing, it eliminates surface parking lots, it creates below grade structured parking, it fulfills the RH zone, it supports the northwest plan's desired characteristics, it buffers Nob Hill from I-405, improves the pedestrian environment, improves the social environment, and promotes neighborhood economic vitality. Now, in making your decision, there are four salient documents: the comprehensive plan, the Northwest District Plan as codified in the zoning code, the Northwest District Plan neighborhood plan, and demolition review approval criteria. If you look at the comprehensive plan, we believe in our analysis that you've received demonstrates that redevelopment is supported more than retention. Redevelopment supports goal two for your urban development, goal three for neighborhoods, goal four for housing, goal five for economic development, goal six for transportation, goal seven for

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energy, and goal 12 for urban design. Retention supports goal three, neighborhoods; and goal 12, urban design. In terms of the Northwest District Plan purposes, which again is codified in the zoning code, there are five purposes: housing, parking, pedestrian experience, transit supportive development, and minimizing conflicts in use. Redevelopment supports all five of those, retention does not support any of those. In looking at the Northwest District Plan policy, redevelopment supports land use, transportation, parking, housing, urban design, and public safety. Retention supports policy eight. I'm going to spend my remaining time looking at the approval criteria. Below the broad value statement, there are six specific criteria which inform your decision. 2A, the merits of demolition. We believe demolition allows the consolidation of the west half of the block for a housing development that supports the comprehensive plan and Northwest District Plan. Redevelopment replaces the nonconforming commercial building and surface parking lot with appropriately dense transit-oriented housing in an RH zone. 2B, the merits of development that could replace the demolished resource. We've described 11 significant impacts. Those may be categorized into four areas. We are replacing a nonconforming use in creating appropriate housing. We are replacing inappropriate parking with proper parking. We're improving the neighborhood's character, and we're enhancing the neighborhood's economic vitality. 2C, the effect demolition resource would have on the area's desired characteristics. Demolition will eliminate surface parking lots and allow site development that will otherwise not occur. Demolition will not negatively impact the character of the neighborhood, it will not endanger the National Register nomination, and it will not result in more demolition of historic resources. 2D, the effect that redevelopment on the site would have on the area's character. We've mentioned the 11 impacts. Redevelopment supports the character of the named as defined by the comprehensive plan, as defined by the city zoning, as defined by the Northwest District Plan, as expressed in the Northwest District Plan vision and desire of characteristics and tradition. 2E, the merits of researching the resource take nothing consideration the purposes described in subsection A. Subsection A is important because it talks about irreplaceable assets that preserve our heritage, beautify our city, and enhance our civic identity, and promote economic vitality. As we've explained in our application, the existing resource has negligible historic and architectural values, the existing resource has lost its ability to convey those values, but more specifically, the existing resource does not contribute to our heritage, it does not beautify our city, it does not contribute to our civic identity, and does not promote economic vitality. Finally, 2F, any proposed mitigation. This is a very rigorous process, as it should be. And in the course of doing this application, exhaustive resource has been done in documenting the history in development of this resource. That documentation is now in the public record, and kept for all to see. Your decision --

Fritz: So, you're saying that's the mitigation?

Mawson: I think that is a starting point for mitigation. I think there are other avenues, such as interpretive panels that would be acceptable. There are a number of things that are possible. And it's something I think the team is willing to explore. In conclusion, again, the fundamental question is whether the city is better served by keeping this building or by allowing its demolition and a half block redeveloped for residential property. In our estimation, you have a building that has slight historic and architectural value, no integrity, and presently contributes very little to the city against a residential project that offers structured parking and advances the comprehensive plan, advances the Northwest District Plan, and fulfills the traditions and desired characteristics of the Northwest District Plan. I hope would you agree with this, we're happy to answer any questions, and thank you.

Fish: I have a question, if I could. In the staff report, we were reminded that the last time we took up an issue like this had to do with Blanchet House. And it brought back a flood of memories, and if I recall, one of the major issues that was raised in opposition to the applicant's request was a concept of demolition by neglect. And the idea was that in arguing that the building had no real historic value, there was a claim made that the landlord should not profit or benefit from the process

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of neglect that contributes to that condition. So, I remember a big robust discussion about that. And so when I read the materials and I hear your side argue that it's loss its historic integrity and you walk us through those changes which contributed that-to-that loss, it raises the same philosophical question in my mind, which is, in instance like that, why should the landlord or owner profit from that? Why shouldn't we charge that against the owner?

Mawson: Let the owner answer.

Tim Ramis: Thank you, Mr. Fish. For the record, Tim Ramis, and I'm here as one of the owners. Our case is not made based on the idea that we have taken out of the building historic values. We acquired the building in 1979, and at that point, it had been remodeled in the 1940s and again in the 1960s. And that's when most of the changes were made. We retained at the time an architect who's had a lot of success with adaptive reuse, brought him through the building, we were hopeful we could do some restoration, we were advised at the time the historic values of the building had been eliminated. So, when you see the list up there, those are things that happen -- most of them -- in the '40s and '60s. We made the change of the entrance to the south, that's a modern improvement. When you see a picture of that arch that was not original to the building. That's a change we've made. In terms of the general concept of neglect, this is a building could you move into today, hook up your computer and your phone, the carpets are clean, the place is painted, all systems work, the security system works. Everything about it is in good condition. The roof is in good condition. So, it's not a situation where we physically allowed the building to deteriorate. These changes that have come over time have been done mainly before we got it. Harold Schnitzer warned us about that when he walked us through the building initially. The building's history was that we were in an office building with Harold at a wonderful building at 18th and Johnson, we were growing, Arlene Schnitzer was trying to assist in seeing this building get sold so the nonprofit user of it could relocate. And he walked us through the building. No one was interested in the building. No one would buy it. And he warned us it wasn't in great historic condition. But we did have the opportunity to buy it and stay in the neighborhood, so that's why we did.

Hales: I should know this, but since you are the property owner -- was it already in the historic district at this point?

Ramis: No. When we purchased it there was no Alphabet District. There was no designation, it was not contributing --

Hales: It was created in the '80s?

Ramis: 2000. That was 20 years after our purchase of the building.

Saltzman: And what are the plans for housing in terms of affordability?

Ramis: The objective here is to do market housing, but to do a couple of things. One is to make available family-size units. One of the things we've heard in talking to the community in terms of mitigation ideas is that there's a shortage of units that are larger for families. We'll do that. The second idea is for us to commit 20% of the units to the city's program to keep the rents affordable to people who make 80% of median income. That's our proposal.

Novick: Could I ask any one of you to address the energy criterion? Staff said demolishing buildings and replacing them is energy intensive. On the other hand, my assumption is density tends to be energy conserving. I'd appreciate your elaborating on that point.

Mark Edlen: Sure, glad to do so. Number one, our intention would be -- if demolition is allowed -- is to recycle virtually all the materials there, as we did when we demolished the [indistinguishable]. I think our record there was we recycle about 95% of the materials we took down. Number two, the building itself -- as with virtually all of our projects -- will work to make it sustainable. We are looking at going beyond LEED Platinum here. We have recently completed a passive house project, and we're looking to incorporate some of the things we did with that as well. So, we would expect this to be beyond LEED Platinum.

Fish: Mr. Ramis, can I follow up on Dan's question about housing? Because I guess affordability is in the eyes of the beholder, so it raises two questions in my mind. You've decided to allocate 20%

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of the units to people at 80% at MFI. As you know, the need in our community is closer to zero to 60, and the particular need is zero to 30. But 80% does fall within so the-called workforce housing category, and it's the one area that our debate is largely -- in my view -- driven by anecdotes, not by data, because the real need is 60 and below. Assuming you had 20% of the unit set aside for 80%, what covenant or other commitment backs up the commitment that you're making? When we put public money into a building, like we do with all of our preservation projects, we get a 60-year covenant. If this were -- if you were eligible for a tax abatement for -- let's say under the TOD program -- it would be a 10-year deal. What's your sense of the duration of the commitment for those units that are workforce?

Ramis: Certainly, we're prepared to apply for the city's current program with the 10-year limitation. We don't know what the city will have in place 10 years out, but we're certainly open to talk about that. This particular feature of the project is one that is important, particularly to my partner Mark who grew up in this neighborhood in a situation that's led him to be sensitive about that issue of affordability. So, we're certainly open to a conversation about that.

Fish: What's the program you guys think you might be eligible for here?

Edlen: The program where you get a property tax abatement as part of it.

Saltzman: The MULTE?

Edlen: Yes.

Fish: So, 20% of the units, you get the abatement. And that goes up to 80%?

Edlen: Correct.

Fish: And you're targeting this at the 80% level and not below?

Edlen: Correct.

Fish: And in terms of the staff presentation, Mr. Edlen, does that feature of the project qualify as mitigation?

Edlen: We think it certainly speaks to it, yes.

Fish: So, it's something the council can discuss with you as part of this process.

Edlen: Certainly. To go into deeper affordability, the issue is going to become the kind of subsidy it would take to make it work.

Fish: Yeah, and I know we all have difference of opinion on this body. The subsidies, though, typically kick in at zero to 30. There is still a significant need at the 60% level, particularly for families. So, that's something we can discuss as part of this process. Thank you.

Ramis: The other aspect of mitigation there -- to follow up -- that we've been asked to commit to from the neighborhood is shared use parking. As you know, the Northwest District Plan has this policy in it, the encouragement of shared use parking. We have pioneered that concept with our neighbors, and we're quite open to try to make that work in the future as well.

Hales: What's the use of the surface parking that's there now? Is that just in support of the tenants of those buildings?

Ramis: That's right, and shared use with our immediate neighbors. Which we've done since 1980.

Hales: That practice is already in place?

Ramis: Yes.

Edlen: One thing we heard from the neighbors was they wanted to see the parking buried. As we know, to bury parking is expensive to do, so it's one thing we did to try to accommodate some of the neighbors' desires as well.

Hales: Thank you.

Novick: I've got a couple more questions. One is -- this might be hard to answer, but -- who do you think will live in these apartments? By who, what I mean is, where would they live if they weren't living here? These are people who would choose these apartments as opposed to doing what?

Edlen: That's a good question. There may not be a direct answer to it, but one of the things we've observed in our portfolio is we're seeing more families coming into the central city. And with a lot of what's been built recently in the last couple years, there seems to be a dearth of units where you

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could have one or two children, and we're seeing some demand for that. So, we think those people are probably going lacking today. I would suspect those people today are probably being forced to move farther out from the central city and therefore being more auto-dependent to get to their jobs as opposed to being within walking distance.

Novick: The second rather broad question -- there's a whole bunch of criteria, you rushed through them saying you think you meet them. Could you elaborate a bit -- being sensitive to time -- elaborate a bit on why you feel that development would better meet the goal two, goal four, goal five -- urban development and housing and economic development -- than retention?

Ramis: Let me mention some of the policies that have been addressed in our application. Given time, I'll try to kind of get through them. With respect to housing policies, certainly implementing increased density here over the existing six units meets that directly. With respect to urbanization policies, you know, we're all facing the question of how to respond to Metro's recent study. Any way you do that, the city is called upon to accept the implementation of the policy to create more density and protect from pressure against the UGB. This project would directly address that pressure. Housing is of course further addressed by our willingness to deal with trying to create some level of affordability. Transportation investment. We have policies encouraging the efficient use of that investment given the location of this and our creation of density there, we directly address those policies on efficient use of that expensive investment infrastructure and leveraging half for return. And specifically on the eastern edge, there are some policies that are particular to this neighborhood that we've had a hand in helping write over the years, and one of those goals is to make sure that businesses there are able to support themselves by addressing local need and not regional need so we don't have cars coming to the area to support those businesses. And increasing the opportunity for families to live in this location -- we think we support that.

Fish: Can I come back to the owner for a second? This is a somewhat unique proceeding for us, because you're seeking relief from a decision of an administrative body, but the -- I'm guessing your pro forma on the affordable housing side depends on at some point in the future getting a tax abatement. So, I guess it begs the question that I should ask, which is, if you get the relief that you're seeking on demolition but subsequently do not get the tax abatements which Commissioner Saltzman administers through his bureau but is a competitive process subject to a cap, if you are not -- if for whatever reason you don't get it, are you prepared to commit to do the affordable housing without the tax abatement and does your pro forma allow you to do so?

Ramis: I don't know the answer to that.

Edden: I can answer as to the pro forma, and the pro forma would not allow it to happen without it.

Hales: I have another question -- but go ahead.

Fritz: Thank you. My question is more related to the demolition of the historic resource. And since it was built as a hospital, it's not surprising that it's not a drop-dead gorgeous building with all kinds of bells and whistles. It was built as one of the first hospitals in Portland by one of the preeminent women in Portland, and operated as a hospital. So, how -- I was less than thrilled with your response on the mitigation of having a couple of interpretive panels. That's a core question for me -- it's not so much the building; it's the place, the context -- and that ties into the historic district as well as the height of the proposed new building, which is another issue. But could you talk to me about why we would get rid of a building that does have historical significance, certainly for the women of Portland?

Mawson: Sure, I'll tackle that one. You're right, Ms. Spaulding was an important voice in the history and development of professional nursing in the city. She was the director of nursing at Multnomah County Hospital, which is located down by where the YMCA is -- or the old Y is. She was responsible for a new nurse's home to be built. The city owns that building, and that is located and still exists and that -- in terms of National Register status, that would be the premier resource that would be associated with her. In terms of this building, I think what you see is a transition in her career, but I think the team is open to mitigation strategies that would recognize her heritage

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with the building. But in terms of recognizing a historic resource for an individual, the National Register standards are fairly clear. That when you are -- that the building that is directly associated with the contributions when you are making those contributions is the first resource, and rarely would a resource become after be considered important for that association.

Elden: I would add on to that. In our review of the property, it's very difficult to make it work. The first floor is actually below grade. The floor-to-floor heights in the three floors is very low. And from an economic viability perspective, the cost to save the building and redevelop it versus the rents that can be achieved -- I question if there's rents anywhere in the city can that create those. We did look at it for multiple uses with multiple contractors and multiple architects as well.

Fritz: You're contending that there's no economic value unless you get demolition?

Elden: That's a pretty accurate statement. The building has been empty for how long, Tim?

Ramis: Since 2007. In an attempt to lease the building during that period of time, no tenants were found. And as an adaptive reuse for housing or for other uses besides office, the numbers don't add up.

Fritz: At the end, I'll be interested to hear from staff, because that's not the finding they had. I will just reflect to you as somebody who came from England where there's a lot of buildings with a lot of little plaques on them saying so-and-so slept here, so-and-so lived here -- so it wasn't necessarily that it was built for the purpose of Guy Fawkes or Wordsworth to stay the night there, but that's part of the historical context. And so, I'm concerned about losing this -- which, as a nurse who worked at OHSU, is somewhat significant for me. And I perhaps should have declared that under the ex parte contact. [laughter]

Hales: We know you've had an ex parte contact with OHSU, that's alright. [laughter]

Fish: I should also announce therefore that my mom was a nurse. John, let me bring it to you. You told us about Mrs. Spaulding, and of course, I think we could -- I don't know that this building and its heritage has been well-known. I've driven by it a number of times, I learned today about its history. I think it's a well-kept secret, but maybe not. Let's go to the Spaulding family for a second. What else did you learn about the Spaulding family? We've learned about Mrs. Spaulding and her work in the medical field, but what else do we know about their footprint in the city?

John Tess: Well, Rob is going to be better able to answer that. He did the research on the building. I would add something about the building, though, in terms of looking at the building in terms of context and where the building is. And if you look at this building, just because someone slept somewhere or walk order that street or someone was there doesn't necessarily make a building historic. And there's associations with a lot of buildings within the city. It's really has to do with the integrity that's retained at that site. And when this historic district was formed, I mean, there's a lot of properties within that district. You saw some pictures of Temple Beth and there's other buildings, there are a lot of apartment buildings, we know it's an area of transition that occurred when you had the mansions there. Small houses were built. 1905 exposition comes, you build a lot of apartment buildings, and it's always been a place of transition and continues to be a place of transition. And with the building of 405, I think this next one opportunity to link the neighborhoods, not only Old Town and the Pearl and now Northwest, which actually was one whole neighborhood at one point. In terms of the Spaulding and the specific research on nurse -- maybe you're trying -- you're confusing it with the Spaulding family that some buildings are named after and things like that.

Fish: I don't know one way or another, just anything else had you to tell us about the Spaulding --

Tess: Rob would have to --

Mawson: She came from Chicago, she came as a nurse working for Multnomah County Hospital, and largely in today's world would probably considered a workaholic and did not have a personal life outside, and her contribution was focused predominantly and almost exclusively on her contribution in Multnomah County Hospital and the development of professional nursing.

Fish: The question I wanted to ask you is, in the presentation -- the handout you gave us -- the first significant slide says this is not a precedent-setting case. So, even someone with my limitations

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realizes you think there's a significant saying that as your first point. Could you explain to me why you think that's a critical issue here? And let's assume that there's some folks we're going to hear from later that don't support your application, worry about a precedent. How do you view the precedential issue here in this case?

Ramis: Yes -- in the staff report there's a reference to it as well. And the concept that we've heard is the concern that if you were to grant any application of this type for any private sector, privately financed project, that you would be powerless in the future to say no to any other project and the consequence would be the elimination and loss of buildings. That's not how we understand the code to be written or the policy embedded in the code. The code implements goal five. And goal five gave the city a choice, a policy on these resources to fully protect them or to not protect them at all or partially protect them. And the partial protect approach is the one the city chose. And it implements that through ordinance which calls for balancing. So, in some cases, based on the specific facts, there'll be a building important in its contribution historically, and that will under the code outweigh other policy considerations. In other cases under the code, a building have lesser value, and the other policies may take precedence. The code leaves to you on a case-by-case basis the judgment to be made and it trusts the council to make that judgment. These are not appeals, they come directly to you for the decision.

Fish: But is in the first time within the Alphabet District we've been asked to do this balancing test of a structure?

Ramis: Yes. So --

Fish: So in that sense, someone might view it as setting the frame of some kind or at least the framework by which the council will be taking on future applications should they arrive.

Ramis: Yes. That framework is of course set pretty rigidly by the code itself. And in this case, our contention is that of the 470-some odd buildings, this one does not rise near the top, it's closer to the bottom, and that's the analysis you see from our application.

Tess: I'd like to add one thing to that. I've been involved since the '70s when the Landmarks Commission was first established. I've been involved with creation of a lot of the historic districts, have been in front of this body arguing for the creation of 13th Avenue historic district when people thought that warehouse building shouldn't be historic and things. I think this process that is put in place is a very good process, and it's a process that allows you to make those decisions on what is valuable to the city, what's not valuable to city, and what's going to better meet the city's needs as we move forward. And in any historic district, there are always going to be these buildings. And because of the way that they have to be categorized, it just so happens that it falls in that particular category. If this building were not in this district and you tried to associate this building and list this building in the register, it would not be -- and we've done -- I've probably done 400 nominations and worked on 80% of the historic districts here. I do not believe that this building would be individually eligible. But the process is here to protect the resources and that is why we brought up - - it's unfortunate that lately, there's been a lot to talk about demolition, and luckily a lot of very good resources throughout the city have been saved by a lot of people that you see behind us, too. This isn't that kind of resource.

Ramis: Commissioner, I'd also like to commend your attention to a letter in the record from Steve Abel, who based on his experience on Landmarks on the Planning Commission addressed this question of precedent. I think it's good to look at.

Fritz: And I do want to get to testimony, but I did see in your packet a letter from somebody who doesn't support the current proposal because of the lack of contextual design. So, could you explain to me how your project might change in response to the concerns about the design?

Edden: I guess I'll get into my testimony a little bit. Once we determined we couldn't save the building in an economically viable fashion -- for a number of reasons, which I'm glad to go into -- we reached out to the immediate neighbors and started communication. We want to up that communication. I like to say our people go early and go often -- it's their neighborhood, after all.

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And we sat down before we ever let the architect put pencil to paper and asked them what priorities they wanted. And they talked about some setbacks of the building, they talked about relief, they talked about not wanting the garage entry on the south or the north elevations because that was adjacent to the homes; they wanted it on the west elevation. They talked about wanting below-grade parking. They talked about not wanting the ultra-small units -- what do they call them?

Fritz: Micro apartments.

Edlen: Thank you -- micro units. Not wanting those. And so, we listened to that. Our architect came up with a design that we think is respectful of those wishes. We didn't meet all of them 100%. I think the biggest one which she touched on, Commissioner Fritz, is probably height. And we tried to mitigate that by stepping the building back at the corners and as it abuts the homes as well. We're certainly open to more discussion and further design efforts. I think the design review process is a great one. I think they usually come out with a better project. And we fully recognize that should this go forward, there's going to be a lot of conversations around that.

Fritz: It just goes to the Historic Landmarks Commission, not the Design Commission. Is that correct?

Edlen: I can't speak --

Ramis: Yes.

Hales: Design review at the Landmarks Commission.

Ramis: That's right. They conduct design review under some very rigorous criteria. They make the decision.

Edlen: In lieu of design review.

Hales: I have one more question, Mr. Ramis, before we turn to you Mr. Edlen. That is -- this is an unusual situation, not just in the case, but the fact there's been one property owner for a long time, and now it's here. Were you involved in -- it was reminded about when the Alphabet District was approved -- were you involved as a property owner in those discussions about the Alphabet District in this building being a contributing building? And likewise, were you involved in the comp plan process previously when the RH designation was applied?

Ramis: When the RH designation was applied, we were aware of it. This building is a nonconforming use now, and because the office use has been discontinued, it's not permitted in the RH zone. But we're aware of that. We also knew later about the adoption of the Alphabet District, but at the time of its adoption, we were not involved in the conversation about whether this should be designated and a contributing structure. We were not. The argument is made that we are either are fudging about that, or we did a darn poor job as lawyers reading notices. In fact, we've got a pretty good history of paying attention to legal notices, but we don't have a record of having received that. I think if we had, we would have been participating directly in the process. We don't dispute that it's in place now and we're bound by those processes. But we did not participate one way or the other.

Hales: Thank you, appreciate that. Further questions for Mr. Edlen?

Fish: Just one under the heading of beating a dead horse. I've had a quick refresher on the multi-unit limited tax exemption, thanks to Liam Frost in my office. And so, it is a competitive process with \$1.2 million annual cap, 20% of the units have to be set aside. The general rule is 20% at 60, but in certain high cost market areas, you can seek a 20% at 80%. So, the general approach is 20% at 60% MFI. Does your pro forma potentially allow you to do to make an application at 60% MFI?

Ramis: Right now, I can state that our numbers, I can state our numbers work with 80%. I cannot state if they do not work at 60%.

Fish: You cannot say. So, we're in the swim. Thank you.

Hales: Further testimony?

Ramis: We've each signed up in the three minutes --

Hales: So, we'll proceed, because we had your basic presentation. If each of you want to take three minutes, go ahead.

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Edlen: I'll go first. Mark Edlen and Gerding development company. As you know, our firm has a strong track record of historic preservation. And in fact, as was stated by staff, we view historic preservation as most sustainable form of development. A few of our preservation projects that we've completed over the years include the about to be completed PNCA building in the North Park Blocks and the historic post office, the Meier and Frank depot on NW Everett, the Wieden and Kennedy building in the Pearl District, the Blitz-Weinhard brew house in the brewery block, and the favorite name from my co-founding partner, the Gerding Theater, also in the brewery blocks. However, I want to emphasize we're not just interested in doing large redevelopment projects. We've also done a number of small ones that are lesser known such as the Deschutes Brewing building on NW Davis Street in northwest Portland as well. Each of these hundred-year-old structures had two key aspects that enable us to preserve them, and that is first, true historic character; and second, they're economically viable whereas the subject property does not possess these. Over two years ago, when the owners approached us and sought our advice and help as it relates to the property, our first approach was to look at preserving the existing building, and all of our investigative efforts around that occurred at that time. We consulted three different architectural firms, two different construction companies in an effort to find a feasible way to save the building. We ran multiple scenarios including office, retail, for-sale housing and for-rent housing, even though some are not permitted uses under current zoning. Unfortunately, our conclusion has been that this is not feasible. As I mentioned earlier, once we arrived at that, we immediately sought out to meet with immediate neighbors to open communications with them, knowing that perhaps they would not be pleased with our conclusion. But at the same time we did want to open communication specifically to learn about their priorities for their neighborhood and how we might be able to address some of those through our architecture. Following those meetings, we then cut our architects loose to start working on drawings. We also met with the NWDA and did virtually the same thing. We met with various neighbors in following meetings, shared our designs, got feedback from them, and tried to accommodate them as best as we could and stay within the current zoning envelope. From those early meetings, we developed a preliminary design for a replacement building that we believe is composed high quality, timeless materials, infused with sustainability resulting in what we believe would be an infill project that we would be extremely proud of. The project is within the current zoning envelope, and one that includes a high degree of articulation, setbacks that are respectful to immediate neighbors, and sufficient below grade parking, family size-units -- as we talked about, affordable units as well. Today, we are seeking your approval. We appreciate your hearing us.

Hales: Thank you. Mr. Ramis, go ahead.

Ramis: Members of the council, Tim Ramis for your record. My address is 1225 SW Hessler in Portland. Mark O'Donnell and I have owned this property for a long time, 35 years. And it's our hope that our families will be involved in the stewardship of the property long into the future. We are long-term owners, we are long-term neighbors, Mark grew up in the neighborhood, my wife grew up in the neighborhood and was adamant that we raise a family there, which we did. As you can imagine, it was not our plan to be involved in a serious conversation that divides our neighbors on a question like this. On our block, we have one person who's clearly opposed to our request. When you cross the street, we have people both opposed and supportive of redevelopment -- and you will see that in the letters you received and in the testimony. This is not comfortable, because these people have been our partners in addressing a lot of tough issues like dealing with commuter parking on our streets and pioneering the use of shared parking and getting that language embedded in the comprehensive plan. So, this application is not one that we undertook lightly. We did it because we found that the alternative we had been looking at didn't work financially. As Commissioner Fritz has mentioned, the idea of preserving the building and having development around it -- that's where we started. We went to three -- we have been through three development teams now and said, can you make that work? And three times have been told that's not in the cards

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for this building. That's why we authorized Gerding Edlen to undertake the city's process for reviewing redevelopment proposals. And that's a two-step process. Step one is this one. If we get through it, the result is not a demolition permit. The result is the opportunity then to go through the design review process to see whether a design can be derived that truly implements the policies of the city and the things that we're talking about here. If it passes muster, then it can proceed. If it doesn't, it will be denied and the building will remain. That's the process. As owners, we support the efforts of the team that Gerding Edlen has put together. So, we support their effort and ask that you allow them to go through the process. Finally, I would commend your attention to the letter of Al Solheim, which will be submitted today, who succinctly says why, on balance, the city council should allow this team to make the effort to propose something more contributing to the city's values than what exists there now. Thank you.

Tess: Hi, Mr. Mayor, Council members, my name is John Tess, Heritage Investment Corporation, 1120 NW Northrup. As you all know, I have been involved in historic preservation for my entire career, and we do work throughout the country. Some people said the best preservation is no development, because the buildings need to stay there. As we try to grow our city and we try to bring more and more people in and have higher density, I think that we have the protections with our historic districts there, but we have this issue of infill projects and how do we provide infill within those historic districts that sometimes have gaps or sometimes have properties that are in there that could be put to a higher and better use. I think you find if you look at the Yamhill historic district, you see rehabilitation of the market there that just recently happened -- much better for the city the way it looks now than it did before. Look at Skidmore, Old Town. There have been some incredible projects that have happened there and are beginning to happen there -- I sat with Bill Naito a long time and had he not passed away, we would have seen that area change relatively quickly. The 13th Avenue historic district gave rise to the Pearl District and what's going on there. You go across the river, you look at the Grand Avenue historic district -- which people questioned, should it be an historic district? The Landmarks Commission even questioned that it should. But that side of town is developing also. This question of infill is a very, very important issue. I think in the case of this project, you have like A Team in terms of Mark Edlen. He's proven, he's proven nationally. He did the first Platinum LEED project in the country. He took the Armory building and kept this building that everyone thought no one could use, keeps it in the middle of many high-rises. I think that if you're going to have something done and done right and set a precedent for other projects that are going to happen in the future, this is the opportunity. And I would assure you that in terms of the resource that is being talked about here, demolition of that resource is not going to hurt the city. Thank you.

Hales: Thank you. Further questions? Thank you all. So, let's hear from additional folks who have signed up in support of the application.

Moore-Love: There are about 11 more people signed up. The first three, please come on up.

Hales: OK. And if we have you signed up the wrong way, if you signed up in the wrong group, let Karla know and we'll get you in the right group.

Fritz: We are taking supporters first.

Hales: Yes, supporters first and then opponents. Welcome.

Jim Pastene: Good afternoon, my name is Jim Pastene. I own and live in a single family residence on the 1700 block of NW Hoyt Street. In other words, I live with this building. I speak today in support of the demolition of the subject building and in opposition to Landmark Commission's recommendation to the council. Like most informed buyers, when my wife and I bought one of the historic high style Queen Anne homes, as the Landmark Commission calls them, we knew full well that were buying and then renovating a historic single family home in an area zoned RH. We fully expect to see development in the area, and even on our block. We are neither surprised by nor afraid of it. Indeed, based on continued need for housing in Portland, we expect and expected apartments to be built in this zone, not something else. As I walk around the Northwest district -- and we

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moved here in 2006 from Texas with three cars, we're down to one and we barely use it, so we're living the Portland lifestyle. But when I walk around the district, I see juxtaposed combinations of single family homes and very pleasantly presented multi-family residences and I do not find the combination accessible. That's what RH means to me. This owner has done a respectful job of taking account the local homeowners, and I'm one of the folks who has continued in dialogue with the owner and developer about such factors as parking impacts, traffic flows, street facing, and sun shadows. It's not so clear that the next proposal from the next owner over this one if demolition is denied will be so accommodating. The building has now been vacant for seven years, as you've heard. Others have testified to its poor condition and lack of marketability. In addition, despite the owner's diligent maintenance and security patrols -- and I commend them for it -- empty buildings in the Northwest like this, as you know, always attract the homeless who in this case sleep and eat in the sub-grade stairwell on our block. Because of the owner's diligence, the situation here is not nearly as bad as other parts of the northwest such as the northwest community garden or Johnson Street 405 underpass. However, I'm concerned about what conditions we neighbors on Hoyt Street will be left with if the public opposition to demolition sways you and you deny the owner's what I consider reasonable and collaborative plan for that property. Finally, many opponents of the demolition of this building seem to believe that its continued presence will serve as some sort of tribute to its history. Insisting that this building remain in order to honor its history is a little like insisting we honor our forbearers by keeping their bodies strewn about. History isn't honored -- in my opinion -- by this building in its current condition, vacant or otherwise. If you wish to honor its history, make the owner put up a historical marker -- we talked about panels -- as a condition of development. There are many about town, including one about four blocks away. Then instead of seeing a vacant building that no one wants, passersby will learn a little history, and that's not a bad thing. Thank you.

Hales: Thank you. Welcome.

Alan Costley: Mayor Hales, City Commissioners, my name is Alan Costley. I'm a 20-year resident at 1711 NW Hoyt, which is on the same block two doors east of the subject building. I appreciate the unique pedestrian experience of walking my block and the historic neighborhood with many Victorian homes, historic buildings, and apartment buildings. I approve of historic preservation as a stated goal in the comprehensive plan, and I appreciate those who have worked to preserve historic property and to create the Alphabet District. Unfortunately, the building at 1727 is neither aesthetically distinctive nor historically compelling. All buildings have a prior story. Neither the story nor the architecture of this existing building contributes to the neighborhood history or culture to a degree that merits preservation. Demolition of this one contributing building will not render the tradition of historic preservation in Northwest moot. 1727 NW Hoyt has been unoccupied for four to five years. The property is economically under-utilized, the entrance area have attracted less desirable behavior and activities. If no demolition is allowed of the existing building, the unattractive and under-utilized status quo continues. Or, no demolition may result in development that is even more unappealing to the neighborhood. The brick building for which demolition has been requested is an unreinforced masonry with high seismic upgrade costs. A repurposing or new development that included the existing building could surround, cover, and block the current building, but I think it would be very difficult to integrate the existing building into a coherent design. Keeping the existing structure would probably preclude excavation for much needed underground off-street parking in a neighborhood where parking on and off street is in very short supply. I do not want to see development with uninspiring architecture, diminished utility, and little or no off-street parking. That would not maximize value to the city or to the neighborhood. I would prefer that the city council approve demolition and set the bar high for the resulting development opportunity, including a high quality project with design and materials chosen for enduring value; minimal traffic impact on neighborhood streets; maximum off-street parking with entrance and exit on 18th street; streetscape design to enhance pedestrian experience; development that maintains

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existing trees or increases the foliage canopy; and energy efficiency in construction, materials, and design. I have also submitted letters to the Landmarks Commission and Council members in support of demolition that I hope you will read. Thank you very much.

Hales: Thank you. Good afternoon.

Jill Sherman: Good afternoon, Mayor Hales and Commissioners. I'm going to use less than my three minutes just to read from a few of the letters from folks who are not able to be here today.

Hales: OK, just put your own name in the record, Jill.

Sherman: Jill Sherman -- thank you. One is Doug Macy. He's also a neighbor, lives on NW Irving across from the site, and a landscape and urban architect NW in town. He says as a longtime resident, he's familiar with the neighborhood. It's a tired structure that has been in considerable change over the years and today contributes little to streetscape or neighborhood character. In my mind, it would be much preferred that the building be demolished and a new apartment building be allowed on the half block site. There's a future design review process, so I'm comfortable the building will not be demolished without a suitable new structure. Also, from another property owner on the site, Gordon Harris, who owns one story warehouse and surface parking lot and has done a significant number of other small renovations in the neighborhood. He says the 1727 building's age, design, low ceilings, seismic and other necessary upgrades make renovation economically unfeasible. The building has been vacant at least six years and will continue to be vacant due to its obsolescence and end of its economic cycle, and the proposed apartment house with underground parking will help stabilize the immediate area, stabilize property values, and replace surface parking lots. Finally, from Ted Miller, who is a nearby neighbor who lives in a historic home adjacent to the new Park 19 project. He says that construction of Park 19 had no adverse impact on the historic value of his property or the neighborhood. He believes that replacing the existing vacant building with residential units would enhance neighborhood safety and vibrancy, again of course the parking -- that offering underground parking unlike recent projects in the neighborhood would be a positive impact of getting parked cars off the streets. Thank you.

Hales: Thank you very much. Next three, please. Go ahead, Mr. Stuhr, while others are coming up.

Jeff Stuhr: Certainly. Thank you very much. My name is Jeff Stuhr, I'm founding partner with Holst Architecture in Portland, Oregon. We're a firm renowned for our innovative housing and sustainable infill development. We've also had extensive experience with historic renovation and repurposing existing old buildings. You may know Ecotrust, PNCA, Center for Architecture, the Northwest Library on NW Thurman Street, and the Hotel Modera just to name a few. It goes to say I'm passionate about the built environment in Portland. I have the privilege to serve the city on numerous design panels and advisory groups and also was the chair of the Portland Design Commission. Today, I'm speaking in support of demolition and thoughtful redevelopment of the full half block site. I'm a strong proponent for well-designed urban infill. This is vital if we are going to continue to meet the city's comprehensive goals and accommodate our inevitable growth while still maintaining our region's livability. They're directly tied together. I strongly endorse the city's current efforts to combat sprawl. I support 20 minute neighborhoods, and I really support further reduction on over reliance on automobile trips -- and this building will do that. I remain a strong advocate for restoring buildings where practical, and supporting redevelopment otherwise. Portland is unique because of its commitment to this type of smart and sustainable growth, also in supporting a diverse architectural history throughout the city and in honoring strong civic engagement. It's also why the city is always at the top of national lists in attracting highly educated, highly skilled creative people to the region. [indistinguishable] a project off of 405 which has Creative Surfaces coming in from the bay area. I suspect some of them may be living in the neighborhood. So, in this instance, the Alphabet District is perhaps our region's premier example of just this kind of development. There's already a robust 100-year history of dense multi-family housing and single family houses co-existing together with both located near vibrant commercial and employment zones an each readily accessible to multi-modal transportation. It's a great area.

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We'll continue to reach out to adjacent neighbors. We've worked with many already. I believe in the design process. I wish this one can go ahead. We'll work carefully with those neighbors first by following the desired characteristics on mission statements that you'll find in the district plan, and also I think we can find unique solutions in this specific location, such as continuing shallow landscape setbacks at the front of the building, divided front facades, bringing the massing down, implementing perhaps townhouse development on the ground floor so it'd address the street on all sides of the building, providing the parking below grade to address needs for parking. In closing, I pledge to work closely with neighbors, with the city, and with the broader community to find another exceptional design solution to an issue that's critical to all of us. Today, I would ask that you allow this process to proceed and let design -- great design -- and a strong community engagement carry the day. Thank you very much.

Hales: Thank you.

Fritz: Mayor, I have a question. The Historic Landmarks Commission -- which would be the review body to look at that design -- has already said they are not likely to support a four to six story apartment building. So, it seems like -- are you assuming they would come then to Council and we would approve a four to six story apartment building?

Stuhr: That certainly may be one outcome of the process at this point. I propose we honor the process as it stands -- in this case, we will vet back in front of Landmarks after an extensive design process with neighbors on that situation. The zone allows 75 feet, certainly. And it allows the 4-1 massing in the RH zone. So, we're going to have to negotiate what the end result of that is. But the two handouts I gave you today both graphically show you where we have taller buildings -- four to six story apartment buildings next to single family homes. This isn't rare in that district, it's not even unique. There's quite a number. The second handout I gave you is a vicinity map that does show buildings four to six stories tall in the immediate two-block radius of this building. So, I think there's a lot of discussion. We'll certainly engage the Landmarks Commission as we go through this. They recently have approved five story buildings just a block away. So, it's a negotiated thing, and that's part of the Portland process. And this team is well equipped to take that conversation forward. The final sheet I gave you are just some photographs of pictures kind of in a three block radius I'd say of these relationships. But it's not uncommon.

Hales: Thank you. Welcome.

David J. Guild: Good afternoon, Mayor Hales, City Commissioners, my name is David J. Guild. I'm the managing member of Rimfire Investments and David J. Giles Investment Properties. We're in the commercial real estate business. We primarily buy empty buildings, reposition them in the market through renovation and aggressive vetting of finding tenants for those repositioned buildings. We have class A, B, and C office buildings in the city of Portland and have for several years. I looked over at 1727 NW Hoyt, and after looking over it, from my perspective and based on my experience, cannot figure out how to make that particular building economically feasible to renovate and lease up. A couple barriers are the floor plans of the building, low bearing walls, low slump ceilings are just not what the market is looking for, along with the economic cost of doing such renovations. What would happen is it's a class C building and you could spend all that money trying to make a mule into a thoroughbred -- it's just not going to happen. You would still end up with a class C building at the end of the day. And through that, you would end up with class C tenants. Some examples of class C tenants are methadone clinics, marijuana dispensaries, call centers, and what not. To sum this up, Gordon Harris had a letter that summarized but at this point, I would recommend demo-ing and putting in something new in its place. That's what I have to say. Thank you.

Hales: Thank you. Next. Welcome.

Jerry Johnson: Hi, my name's Jerry Johnson with Johnson Economics. We're at 621 SW Alder, Suite 605, in Portland. I'm not actually on the team, I'm just talking because it's something I take great interest in. We spend a lot of time working at public policy issues related to infill and

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development and difficulties in that. And I recognize the city has a lot of broad, noble goals. Often, they conflict, and increasingly since we've taken a position now in this region that we're going to meet a lot of our new growth needs through development or infill, we're going to see more of these conflicts. This particular site is one that I think is going to be -- not a precedent-setting site, it's something to keep an eye on since we're just to the point where the city has taken a position that they're adopting consistent with their goals a commitment to high density, compact development. And this is one of the first we're seeing come forward since the urban growth report has been adopted. A lot of key benefits. Everyone talks about them all the time. I think we do understand these more efficient utilization infrastructure developments -- that's particularly important here. You've got your complete neighborhood's goal, very high amenity base in this area. Reduction of vehicle miles traveled -- this project is going to be parking itself which is a positive, but at the same time, hopefully you're creating a development that doesn't require as much parking because it's in an area you can do a lot of things without driving. We also help keep pressure off the urban growth boundary, protection of natural spaces, farm and forest land, and a reduction of carbon emissions. I do think this is a particular case really taking advantage of the high amenity base. You really get a better bang for your buck in that you get a better yield out of this particular tradeoff. Economics is full of tradeoffs, but in this particular market, you'll actually get a very high quality development in exchange for this particular tradeoff. And the tradeoff is one building but you've also got multiple surface parking lots. I do think we should talk about the scale of this as well, because if we can't develop this building, the solution is to redevelop the parking lots to smaller scale development and leave this particular structure in place. I think the development outcome you're going to get will be a little bit different than what's being proposed, lower quality development, probably a [indistinguishable] will fit into that particular module. Taking a look at this, this is a tradeoff. I think you'll have a lot of these coming forward. I think it's a tradeoff you should take a look at weighing the relative benefits and impacts on your competing goals in this particular case, and it's one that I would support.

Hales: Thank you. Questions? Thank you all. Next three. Good afternoon, welcome.

Dave Otte: Thank you. My name is Dave Otte. I live at 1314 NW Irving, four blocks from this building. I also work at Holst Architecture and I'm working on designing the proposed building. I'd also like to note that when I first moved to Portland 17 years ago, I lived in the Alphabet District and my daughter goes to school four blocks from the site. Needless to say, this neighborhood means quite a bit to me. I just wanted to add to a few things my colleague Jeff Stuhr pointed out. We started this project first by reaching out to neighbors -- that was the first step before we did anything -- and our initial proposals are a result of those meetings. We took those meetings very seriously and it helped shaped our proposal. New development on this site can and should enhance a sense of place and identity. We can accomplish these goals first by following the stated desired characteristic and tradition statements from the Northwest District Plan, and the Northwest District Plan has a distinct section for the eastern area of that plan. There are five things that we're doing that are going to enhance that plan. One, we contribute to the architectural diversity of the eastern edge, which noted as one of the characteristics of that is the diversity of types of buildings. Two, by continuing the partial block building massing. Three, by eliminating surface parking and addressing parking needs. Four, by developing an identifiable corridor, especially down 18th Avenue. And five, by designing a building to help buffer the Nob Hill neighborhood from 405. In conclusion, I just wanted to say that I hope you allow us the chance to design this building and make design review a part of the process. And that hopefully on balance, we can provide a building that is more sustainable, provides more density, and provides a better human experience in this neighborhood that means so much to us. Thank you.

Hales: Thank you. Good afternoon.

Lightning: Good afternoon. My name is Lightning, I represent Lightning Humanitarian PDX. Very difficult situation here. I was born at Good Samaritan Hospital. Actually lived in Northwest

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Portland over 19 years, owned some properties near there. I have a great understanding of what you have here. You have a building that is kind of a single use building, and I respect the historic value in honoring some of the people in the building, but there is a time in the neighborhood that sometimes these buildings do need to be replaced. And we've had some expert owners, developers up here with many years of experience have gone over why they're going in this direction. They have also stated they've owned this building 30-plus years. I can assure you as an owner when you own a property that long, you have that emotional attachment to it also. But they also understand there has to be an economic way to make it work. And the building has been sitting empty. They presented an outstanding plan on what to do with this property. The highest and best use. And we can look at this and debate on the benefits. The benefits are that it's a nice place to live in northwest Portland. What the singer family did on 23rd with various other developers in that area attracts a lot of people because of the way they came in and developed those areas out. They're providing a tremendous amount of units here. They've taken time to have off street parking. They've worked with the neighbors. They've done a tremendous amount here. They have large square footage units here. I think the design that's been suggested can be possibly refined. That's my own opinion. But again, like I say, I think what they have over all presented here is really a benefit to the community. They've talked about looking at more affordable units, looking at possible other suggestions to be able to do that through subsidies. I think they're putting everything on the table here, and it's very clear that I think the highest and best use is the direction they presented. It's going to be a good quality project, and the true benefit is to allow more people who want to live in this area to be able to do that. That's a very important situation in northwest Portland as we all know, because a lot of the buildings that you look at in some of these brochures like the American apartments -- this building doesn't have that type of character. It really doesn't have that type of character that we're talking about on some of the buildings in northwest Portland. Again, I do agree honoring the potential owners that used to own this property with maybe an historical marker and highest and best use has been presented as an apartment building. Thank you.

Hales: Thank you. Anyone else in support of the application?

Moore-Love: I show Megan Murphy, and if anybody signed up on that list and didn't hear their name, please come on up.

Hales: Thank you. Anyone else? OK, then we'll switch to opposition. I think we have a signup sheet but we also have neighborhood associations. Do we want to give the Northwest District Association the opportunity to go first? Sorry, we do have one more supporter. Come on up, please. Good afternoon.

John Chandler: Hi, Council. My name is John Chandler, and I am the president of the board of directors of William Temple House and the interim executive director at this time. So, I'm very familiar with ancient buildings, and I have a great sensitivity for them because we operate out of a money pit. This building we have, which is beautifully iconic -- this building -- and I have reviewed the application and all of the information that the owners have provided, and it structurally has no integrity and it really doesn't do anything to enhance the historical value of its location. So, I also think that they've provided really well thought out plans for off-street parking and the Portland bicycle component as well. I think it's a good thing to increase the population and for our new middle class that will be living in apartments.

Hales: Thank you very much. So, let's turn to opposition and call on the NWDA, please. Good afternoon.

Daniel Kearns: Good afternoon, Mr. Mayor and City Council. My name is Daniel Kearns, I'm a lawyer representing the Northwest District Association. I have two procedural requests. If I could ask the -- there are several members of the Landmarks Commission here that took time off to come here. If you could allow them to testify ahead of me, then when it comes time for me to testify, could I have five minutes as a neighborhood association rep?

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Hales: My answers would be yes and yes. I didn't realize we had Landmark Commissioners present. Thanks for that suggestion.

Fritz: I would say at least five minutes on account of how long we gave the supporters.

Hales: Right. Good afternoon. Thank you for your amazing volunteer service.

Brian Emerick: Thank you, Commissioners and Mr. Mayor. Thanks for letting us come and talk with you. First, we want to just be here -- sorry, Brian Emerick, the chair of the Portland Historic Landmarks Commission.

Jessica Engeman: Jessica Engeman, vice chair.

Emerick: First, we wanted to be here as a resource if you had questions for us on our position or letter. Second, we had some points to make after we've heard some testimony that may be helpful for you guys.

Hales: Great.

Emerick: Do you want me to go through those points first?

Hales: Sure, please.

Emerick: Some of the things we've heard discussed from the applicant and testimony were first, that this isn't a precedent-setting case. We've talked about this a lot among the commission, and every time it's discussed by anybody, the first thing that comes up is the Blanchet House. It's the only one that's actually been approved since 2004 in this process. So, we would argue it is precedent-setting and that's why it's relevant in the discussion and this would be relevant going forward. So, we are concerned first and foremost about the precedent of removing essentially a contributing historical building from the historic district to allow for a larger scale development -- just as a process piece.

Fish: Is it your position within this district then there is no circumstance under which we could grant that relief?

Emerick: No, I wouldn't say. That I would say it's case-by-case and that just as the criteria of the code points, out it's got to be on balance a win for the neighborhood or a win for the historic district.

Fish: And that's the course that the city council charted in terms of this process. So, if it's a case-by-case basis and it turns on a balancing of clearly enunciated factors, why do you believe that's a precedent that -- why do you believe that is a precedent first of all, and why would that precedent prevent us from in this case coming to our own independent conclusion?

Emerick: Well, I think it's a precedent because it's never been proposed in the Alphabet Historic District. So, it's the first time we're hearing this. I think it's a precedent that in this case versus the other one that we have on the records, which is the Blanchet House, we're talking about essentially allowing for larger scale private development as the benefit for the neighborhood versus in the Blanchet House we had a clear social service benefit for the neighborhood.

Fish: My recollection was the Landmark Commission disagreed with the council on the Blanchet House, though, and there was concern we were setting precedent on the notion of demolition by neglect.

Emerick: I think on the Blanchet House, our approach and review was the criteria of our charge of protecting historic resources, and we understood Council's position and you were in the position to make that broader determination based on overall benefits conveyed to the neighborhood in terms of social services and other things that don't come under our purview. I don't think in that respect, we disagreed with where your perspective was from the council. But from our narrower viewpoint of protecting the resources, that was what our recommendation came from this that case. Also there's been some discussion -- first, I want to say too that Landmarks Commission is not anti-development. What we would like to see on site would be -- at least first and foremost proposed -- rather than a half block development, three-eighths of a block of infill development with one-eighth of a block of adaptive reuse or restoration or some other feature that saves the building so that the history is preserved on the site. So, it's not an either/or proposition in our mind. I think we see

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development as a huge asset for the neighborhood, and a lot of the comp plan goals can be met with three eighths of a block of development with one eighth that protects historic resource. There's been some discussion about the zoning envelope and what the rules allow as far as the 75 feet and that kind of thing. To be clear, we have a lot of proposals that come to Landmarks Commission, and they are case-by-case as well. The zoning isn't an outright, you get 75 feet. It's contextually based on what's adjacent, what are the resources, and what's contextually appropriate. So, that's where we have some initial concerns about what we've seen with the six-story development and the scale of that relative to what's adjacent to it. I think that hearing the applicant talking about if the affordable housing doesn't pan out it may not work for the pro forma, I would also ask if they can't get 82 units approved, does the pro forma work? Because I think it's setting up a challenging review process for the Landmarks Commission going forward if that's the case.

Saltzman: Could you elaborate on that last point?

Emerick: We haven't had the design -- this process is a little bit odd, because they are required to show something, essentially, to come forward. What we've seen is essentially a four to six story development proposal but not a lot of details yet. So, that would be worked out in the next step, of course. But just from an intuitive sense, I think pretty much everyone on the Landmarks Commission was concerned about the scale of that relative to the single family homes that are adjacent to this property. I can't remember the number, but there was a huge amount of historic property that were immediately adjacent to this site. And you know, the precedents we have talked about in the past of the five story ones approved on 19th Avenue -- those were in much larger scale context. The one at 19th and Johnson and the one at the end of Couch Park were both larger scale context, and that's partly why we felt those were approvable in those applications.

Fish: Do you raise those issues, though, because you believe there's no scenario under which you could come to agreement with the applicant on an appropriate size, building, and design if we were to grant the demolition it comes back to you for design review component?

Emerick: No, I certainly wouldn't want to preempt that process. I think that process needs to happen if this goes forward, and we would be productive members of that conversation just like we were with the Blanchet House. And we approved ultimately a four story infill project afterwards there. I bring that forward though now just in full disclosure, because we had that conversation with the applicant at the table because it was relevant, it was required to be presented as part of this process.

Fish: One of the things -- we have a little sketch in our two-foot-thick packet of materials of what it could look like. But I also recall earlier one of the architects that in consultation with the neighborhood, there might be consideration about a townhouse type design that's more in scale to the streetscape and that has the design component. I didn't see that as part of the sketch. And it just occurred to me that that's exactly the kind of iterative process or collaborative process that could happen with feedback from the community and from you and get a better design.

Emerick: Sure, I think that's true. The first thing we like to see is a proposal that works on the three eighths of a block for infill development which may be along that smaller scale line and maintains that resource. If that's not achievable, then that would be the discussion I think we would be looking for. I guess the main point is just because there's 75 feet in the zoning code, that's not a written law that you get to build to 75 feet in this case; it's subjective.

Fritz: Could you just back up for a minute and talk about the context and the value of contributing structures rather than designated structures? How do contributing structures fit in within the historic district?

Engeman: Maybe I'll take that one. There's definitely a difference between individually listed National Register buildings and contributing buildings. In this case, the resources is sort of the larger district and there are many different buildings. Some are beautiful high style buildings, and some of them are very ordinary historic buildings that all come together to tell this larger story. I think there's 487 buildings of which there's just a tiny bit of history written for each one in the

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National Register nomination. And we really look at this collectively as a family, and each building is a really important contributor. You probably heard the phrase of death by a thousand cuts. We become really concerned when we start to pick off these buildings where we claim, oh, they're not that beautiful looking. Well, this isn't the National Register of beautiful places, it's historic places. And sometimes, historic places don't have a lot of gingerbread and beautiful architectural detail, although this one certainly has much that could be easily brought back. I don't know if that gets to your question of contributing buildings.

Fritz: I found your letter really helpful at the top of the page, too, talking about contributing commercial buildings in this district that helped shape the context and scale of this district rather than standing out as architectural masterpieces. And so, that was very helpful for me to understand it was probably considered for historic designation in and of itself and it was the national parks district who decides which ones are in and of themselves and which ones are contributing and which ones are in the district but not contributing at all.

Engeman: It's a very lengthy, well-vetted process with multiple layers and historians that are involved. So certainly, the contributing and noncontributing is not an indiscriminate designation that's put on these buildings.

Fritz: And can you talk to us about the balancing of the comprehensive plan policies? Because those are the approval criteria, and what I've heard from the applicant is that merely the provision of housing and the reasons that we have housing in the city is the public benefit.

Engeman: Brian, I can take some of that and then maybe you can up in. I think that as Hillary laid out in her presentation, we have multiple policies and goals that are also around historic preservation and urban design. And certainly -- as the Commission discussed -- I believe there are ways to achieve both housing goals and historic preservation goals on the site. It may not be as lucrative for the applicant, but I think there's a way to achieve more by not allowing the demolition.

Hales: Can I get you to return -- just go back a second to the issue of the building. So, as I understand your position here, the applicant didn't apply under criterion one, that there's no reasonable economic use.

Emerick: Right.

Hales: He applied under criteria two, which is this balancing equation. And your view is that the three eighths of the site that consists of the other noncontributing building or buildings and parking lots are available for redevelopment.

Emerick: Right.

Hales: So therefore, there is on the site economic use that's at least potentially there.

Emerick: Right.

Hales: OK, therefore I understand why you didn't apply it under criterion one. But given that this is a nonconforming former office building in a high density apartment zone, what's the effect -- what's the likely economic use of this building in whatever scenario that you're considering might be feasible downstream?

Engeman: Sure. I have a few points to say to that. First, we have a zoning code incentive that through a Type III historic preservation incentive review, contributing properties in RH zones can actually have more flexible uses. So, they would be able to use this building for commercial office use again going through that process. They are not restricted to doing an adaptive reuse that converts this to housing.

Hales: You would anticipate this building would get remodeled as office space?

Engeman: Yes. That would be the lowest cost way to move forward.

Emerick: Really, that'd be up to the applicant, though.

Hales: Then the building is viewed from both 18th Avenue and Hoyt Street across a parking lot that you're saying should be replaced by a building. So, it would only be viewed from one remaining side, right?

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Emerick: Depending on, I guess -- that gets into the theoretical development of what they might propose. But since they control other properties, they may be able to create a light well or other things with the adjacent properties.

Hales: OK. But I mean, it's a parking lot now. It's the lowest and worst use -- contrary to the phrase we've heard here this afternoon -- whether you're looking at it from an urban design or historic standpoint, it's the lowest and worst use. You're saying a building should grow on that.

Emerick: We'd like to see that, sure.

Hales: It's RH, so it's unlikely to be one story.

Emerick: Right.

Hales: So, I'm having a hard time -- I'm not an architect, but I'm having a hard time imagining a scenario by which the aesthetic value of the southern face of this building is accessible to anyone after redevelopment.

Engeman: The southern face really has no historic character. It's a secondary elevation. So, I think covering the southern face would be absolutely not a problem for the Landmarks Commission.

Emerick: It's essentially a parting wall [indistinguishable] southern face.

Hales: It's now occupied by windows and doors, but --

Emerick: Well, the applicant added the big arched entry off the parking lot. Which one of the things [indistinguishable] argue is non-contributing now with the building. But, yeah. That was added basically because the building was torn down that was adjacent and they had a parking lot and wanted to access the entry more directly off the parking lot. I don't think aesthetically from a historic standpoint that covering the south façade is an issue for Landmarks.

Hales: OK, thank you. That helps.

Emerick: I think the building -- they've kind of argued that it's economically not viable even as office, but I would argue the applicant has their legal offices there for over a quarter of a century. The building -- it's time for reinvestment. When we requested the applicant, they were the ones that apparently had removed the old windows in there, the entry canopy. Granted, it was not a historic contributing building at that time, but we're just talking about the history of how the resource got to where it is now. And looking at it as an architect who works on a lot of preservation and adaptive reuse -- and I know Jessica shares this view as well -- the building isn't that hard to turn it back to what it was. I mean, most people that would be buying this from a private development standpoint would be looking at window replacement and some restoration of the features. The key envelope and the brick hasn't really been modified other than addition of the entry off the south parking lot.

Hales: One more question along these practical lines -- because again, we're trying to balance. And we don't have a design application in front of us, but we obviously will if this is approved. Is it practicable to put underground parking on an eighth block site?

Emerick: Probably not. On a quarter block, possibly. So, that would be something that would need to be balanced what would be the parking goals there. And I think commensurately, if practical to get 82 units approved there -- which would create the demand for underground parking -- versus potentially on balance a little bit less units and preservation goals maintained and then less traffic demand, essentially.

Fish: If I could follow up, Mayor. If we were to allow demolition, are there any conditions that you would urge us to consider that address your concerns about precedent?

Emerick: That's a good question. I think that the process allows for it to come back through the Landmarks Commission. One of our concerns would be -- and we heard a little bit of that banter back and forth -- is that essentially the Landmarks Commission would be a quick stop to try to get back to Council, and you guys would be doing the design review because there would be concern they can't get, say, the six stories through -- and that's what the pro forma demands. And so, essentially, it would be a run-around to get back to an approvable design at the end of the day that essentially just comes back to City Council. On the precedent side, the big concern really is that this may not a rock star building, but there's a lot of areas in our historic districts that maybe have

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onesies or twosies on the block that -- you know, I understand from the development standpoint it makes sense to pull that one building out and do a half block versus do smaller more sensitive infill development, but that's going to be to the degradation of the neighborhood, I believe. So, that's the precedent we're concerned about.

Hales: Alright. Other questions for our commission members or anything else you wanted to raise? Appreciate you being here. Thank you again for all the time you spend on these issues for us.

Emerick: Thank you so much. We look forward to the dialogue.

Hales: OK.

Kearns: Karla, how do I queue up the presentation? We have a PowerPoint presentation that several people will be using.

Hales: We'll help you with our arcane computer system.

Kearns: This is the computer age, and I see it's on the computer. For the record, again my name is Daniel Kearns, I'm an attorney, I represent Northwest District Association. Also, Jessica Richman, who is an involved neighbor who has worked for many years with the BDS and Planning Bureau. We are here in support of the building and in opposition to the demolition request. In that sense, we're in support of the Landmarks Commission recommendation and staff's recommendation, and also, the national trust for historic preservation weighed in today and I think they have a letter in the record as well.

Fish: Can I just note something? Because the mayor asked I thought a great question, and the answer we got for me was counterintuitive. So, the first slide you've chosen is the picture of the south side of the building that is very likely to be forever obscured when development happens. As I looked at the two sides of the building, I initially thought this was what we were most concerned about. Because it's -- in my mind, just one person's view -- the most appealing. But we now -- and this is how you don't demolish history, and the backdrop is that portion of the building that is likely to be obscured forever as of right. I want to note that irony. You didn't choose to have this demonstration in the front of the building facing the street, which is the least attractive and has been changed so much over time that arguably it has --

Kearns: It's also the thinnest frontage on the street, and the photographer would be dodging cars for this. But also notice that the building faces on the south exposure is set back, so it's not going to be a flat building wall against flat building wall if that development scenario actually comes to pass. But understand also that it was the prior owners that when they did their complete remodel in 1979, they reoriented the front. It could be reoriented back. This City Hall is a prime example of how that can be done. And there are a number of photos that will show that virtually all of these elements that the applicants say deteriorate the structure to the point of non-significance -- they're easily put back, they're easily restored. The cornice can be put back, the awning can be put back, the front door can be rotated like you did from 5th to 4th the way it was originally from Hoyt to 18th. Those are easy things to do. Anyone who lives in Irvington has to deal with things like this. Replacing windows is an easy thing to do, certainly, in everyone's view. But understand also that three-quarters of these changes, Mr. Ramis' law firm did. They can undo them. Anyone can undo them relatively cheaply. These are not structural is my point. So, what you have before you is a very important precedent, because you have to look at what's being proposed for demolition, what's being proposed to replace it as you balance these comprehensive plan provisions. This is easily restored, it's structurally in very good shape, so it should not be demolished. And what's replacing it is a very large building that is maxed out with the FAR allowed the underlying zoning but would not be allowed with the Northwest District Plan or the community design guidelines that would require it to be at or below four stories. So, there would be a significant haircut on a number of units. What has been proposed is nowhere near approval. When I say the precedent, the only time you've applied this provision is the exception that proves the rule. It was the Dirty Duck Tavern that Landmarks Commission looked at from a narrow historical perspective, but you with the broader public policy and public housing and need for homeless services decided this is a great new place

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for the home of Blanchet House. There's no Blanchet House in this whole scenario. Nothing equivalent to that public benefit. Nothing at all. The shared parking idea that's been suggested -- 82 units with 70 below ground parking spaces. I would suggest that none of the residential neighbors -- there's not much room to share residential parking with residential neighbors. So, that's an illusory argument. And the housing you've already explored. This is not low-income housing. This is market rate housing. And the precedent that has brought out the neighborhoods throughout the city with historic districts is that if this is an approvable proposal with what's being proposed for demolition and what's being proposed to be built -- if that's approval, then no contributing structure is safe in any of your historic districts. If this is approved, then we'll go back and we'll negotiate the design. If this is approved, it's approved. A demolition permit would be approved for a contributing structure on that basis -- what's being proposed. There are a number of issues that I would like to point out about the application, the number of false statements that were made in the application that tend to color the perception of this application. One, that they didn't receive notice of a historic district establishment is very hard to credit. There's a massively open public process that this law firm didn't keep track of the notice. There was very organized opposition, and they didn't participate. They indicated to Landmarks Commission they didn't get notice. There was plenty of opportunity to oppose it then. Now that they've decided to repurpose, this is the only option? It's not. It's clearly not the only option. They can't market the property. They marketed it for several years during the peak of the recession at above-market rates, they were marketing for about \$19 a square foot. That would be reasonable for A-class office, space but C-class office space is only \$16 to \$17 a square foot. Again, kind of the demolition by neglect and also the active alteration of the structure itself. So here are the 19 elements that they indicate have been changed and therefore degrade the historic quality of the building. All of those in red -- we went down to the building department records, all of those in red were pulled permits by Mr. Ramis' law firm. So, it's not just neglect if they are claiming this is what has contributed to it not being historic anymore. The interior arguments -- that the building ceilings are too low, that doesn't affect the historic credibility of this building. Remember it's a contributing structure, it's not independently significant, it's not listed as an independent structure but as a contributing structure. So, the exterior is what matters and two quarters of them were done by the owners. They did a massive renovation when they first bought it. It hasn't been renovated for a long, long time, and that certainly could be done. The proposal ignores the two overlays that apply, the Northwest District Plan and the community design guidelines that would apply would require consistency, compatibility with adjacent structures. This structure is surrounded by the highest concentration of individually-listed historic structures I think in the city: 13 historic landmarks within a one-block radius of this property. So, it's in the correct context. [beeping] Meetings with the neighborhood. They met with the Northwest District Association planning committee once. They rejected the plan. The applicant said they'd come back with another one, they never did. So, they have not engaged the neighborhood association, they've selectively engaged a few neighbors is what they've done. Scaled it back? It's maxed out at the scale allowed in the underlying zone. So, this is the biggest possible project that can be built here. When it comes to precedence -- and that's what we're most fearful of -- is that if this is approval, it has no public benefit at all. There's no Blanchet House here. There's nothing equivalent to that in terms of public policy or historic preservation or anything. The few things that they said are positives really are illusory arguments altogether. What's being destroyed is perfectly fixable, usable. It has been for this law firm for 30 years. And if demolition permit can be approved for this building then literally there is no contributing historic structure in any of your historic districts in the city that the same couldn't be said of. None of them are safe. Thank you.

Hales: How much do you think individual architectural merit ought to apply to that question of precedent?

Kearns: I think if this were an individually listed as a historic landmark, it would be a big deal. Is this is a beautiful Portland structure? No. Even in its day, it didn't have a lot of aesthetic appeal.

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That's not the question, though. It's a contributing structure because it contributes part of the historic story of northwest Portland; one of the first women's hospitals in a big working class neighborhood. That's where it should be. That's an important part of Portland's history. It's not a cute building.

Hales: OK. And then, so the neighborhood believes the RH designation for the site is appropriate?

Kearns: I think so. Because with the historic contributing structure designation, a lot can be done with it in terms of use with historic mitigation plan. Commercial. Heck, a law firm -- can you believe that? -- would be possible in this building. Maybe that's a C-class tenant to you or to others in the neighborhood, but it was perfectly fine for Ed Sullivan and Tim Ramis for 30 years.

Fritz: And that's allowed under the Type III historic preservation incentive, that other things other than residential can be in an historic contributing structure.

Kearns: Right, there's a lot of flexibility there. What's being proposed no way could come close to being approved.

Fish: I have some recollection of the whole Blanchet House debate. And there were people who felt passionately about the Dirty Duck building even though it was on the verge of collapse. And what we got instead is the new Blanchet House which -- because of the process that the city had in place -- had incorporated into it some significant design enhancements. I would argue it's one of the more attractive buildings in that area, certainly could be an anchor for further development. There were some discrete changes in the design to make it quite attractive. You make reference to what is to follow in your presentation. I take it that's because you don't have confidence that Landmarks if we were to send it back there could be the place to work those issues out, or you think there's virtually no design post-demolition that would be satisfactory?

Kearns: I agree with the latter. There's no -- with the Dirty Duck, Blanchet House was part of the deal to begin with. It was a PDC project. It was very clear what the public benefits were going to be, and they were guaranteed from the beginning. Not historical things, but something that certainly appealed to you and to the people of Portland. There's nothing like that here. You'd be approving a demolition permit, go back and work out the details. They have a demolition permit approval.

Fish: Well, let me play devil's advocate with you, because you know that my own personal value is I would like to see affordable housing for people priced out of the market. But couldn't you make an argument under the statute that there's a public benefit in meeting the housing needs of a community where we have a shortage of available apartments? Isn't that part of a public benefit even if I might define it as being a more important public benefit to have deeply affordable units?

Kearns: There will be people testifying after me, but there's an abundance of housing units in northwest Portland as opposed to other parts of the city. This is not low income. They promised to apply for this. They may or may not get it. So, that's a completely illusory charge that this would be low-income housing at all. When Commissioner Novick asked, who's going to live there? I would expect first year associates at Perkins Coie could walk to work at the brewery blocks. I doubt that an architect fresh out of architecture school could afford to live here. So, this is not low-income housing by any stretch of the imagination. It doesn't have any of the historical preservation aspects to the proposal or any public incentive that you would say, yeah, this has some possibility. This has nothing to it. This has nothing to it. And that's why we say if this is approval, there isn't a single contributing historic structure in any of your districts that couldn't be demolished on exactly the same basis.

Fritz: I wanted to follow up, Commissioner, because I think that's the essence of the neighborhood's concern is that it's just providing housing that it's zoned for. That's not an additional public benefit to then mitigate for demolishing a contributing structure. So, that's where they are making their precedence argument. That if we allow this without any particular additional thing for the additional public good, then any contributing structure would be at risk.

Fish: When we come back to our discussion I'm going to ask, Commissioner Fritz, what some of those public benefits are that we should be thinking about in these discussions. Because I agree it

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needs to be a plaque or something that can be added to the zoning code. While we have you, I'm getting the sense that neither the Landmarks Commission nor the applicant believe that the Landmarks Commission is the ideal place or the likely place to resolve the design issues in this case. Is that a flaw in our statute and should there be concurrent review by the Design Commission in a case like this?

Kearns: It always strikes me as weird when you pull in elected officials as a design review that politicizes the whole deal.

Fish: This body of five allows you to sleep at night knowing how aesthetically advanced we are -- [laughter]. But do you -- I've been thinking -- and I asked my friend Commissioner Fritz earlier, are there circumstances where there should be a minimum concurrent review by design review?

Fritz: I think we should ask the City Attorney that, because the zoning code does specify it's the Historic Landmarks Commission.

Rees: I assumed you were speaking hypothetically if we were going to change the code. Because I don't think that's something that is conceivable under the current code. It's very clear where the review would be.

Fish: It just strikes me as odd that we have a body that's looking through one prism. In this case, it has said we said no for good and sufficient reason, but under one action we could take have to make the design choices, and they've already been candid that it would be hard for them to imagine a building that fit within their original determination. And yet that's not their -- they bring much value to our public process, but no one believes that they are substitute for a design review process.

Fritz: They do historic design.

Fish: I understand. But this is no longer a historic structure.

Fritz: A historic district, though. That's the key.

Fish: That's an overlay, but that's why I was talking out loud about a concurrent review with the design commission. Because the alternative is in a case like this that if we did grant it, and they couldn't come to an agreement, it does come back to us. And we're the de facto design commission. And I agree with you, I'm not sure that's the right outcome.

Fritz: Since you raised that question and when we had this discussion -- I just looked up the current zoning -- and it doesn't have a D designation. Is that correct?

Kearns: They could seek to D designate but has to go through the SHPO process to have a D designated under the district.

Fritz: So it's under historical design review, it's not under design review design.

Kearns: Right. But what may be the approach -- considering that the only precedent here is the Dirty Duck, and you identified pretty clearly what you were looking for in that case -- is to deny this, tell the applicant these are the kinds of things I'm looking for that we're looking for in terms of on balance, it would tip the balance of these kinds of comprehensive plan provisions. Remember, 12 of them it didn't meet and three of them, including public participation, it didn't violate. It's not even close. What would tip the balance? The Blanchet House clearly did, you could come up with other ideas and give that kind of clear direction as part of a denial here. And I think that's the best you can do.

Fish: What are some of the suggestions you have for us?

Kearns: You will hear several of the course of this debate. But the current proposal before you now is not approval under your approval criteria and it would be a radical departure from the only precedent out there, the Dirty Duck. There's no Blanchet House in this whole equation. There are a lot of people that came -- [speaking simultaneously] -- and I would ask them, if they are in support of the building, if they would stand up and give a wave so the city council can see you all are. They may not speak, but they are here in support of the building.

Hales: Appreciate it.

*****: Preserving the building --

Kearns: The building where it sits intact.

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Hales: We understand. Thank you very much. Let's take individuals that are signed up in opposition.

Moore-Love: We have 28 more people signed up. The first three, please come on up.

Hales: OK, you're on first.

Tanya March: Hi, my name is Tanya March. I keep hearing the words demolition by neglect. This is not a case of demolition by neglect, this is a case of vacancy by intent. I did a paper for the urban affairs association -- I have a Ph.D. in Urban Studies from PSU -- and it was on condo conversion. The condo conversion along this corridor actually caused a de-densification of this neighborhood. There has been a sharp reduction since creation of the historic district of density of residences. And I'd be happy to show that at another time, but while the record is still open I would like to have that be entered. I worked on a paper with Irene [indistinguishable] who was the GIS expert. I'm thinking of the Park 19. When I was first approached -- because I was at the time I have sense sold the unit -- I was living there. The Park 19 was an image shown to us. The Park 19 gave \$100,000 to Couch Park, and that was not part of the mitigation effort. I'm thinking of the historic plaques at the Trenkmann homes that are covered by flower pots. They could move the pots, but we can't even see the historic markers that are in our neighborhood because they are currently covered. I also know that Mr. Hales was on the city council when the Alphabet Historic District was --

Hales: Right, I had to be reminded of that -- [laughter]

March: I actually brought with me some Council minutes from April 5th, 6th of 2000, Agenda Item 486, Ordinance 174327. And John Tess, president of Heritage Consulting Group -- who also testified today -- said that he had 200 signatures opposing the designation of the historic district. I just wanted to make sure we realize some of these issues that are here today have been going on for over a decade. Many people that are testifying are testifying on the same sides that they testified on when we were going through the historic district process for the neighborhood. A lot of this has to do with buildings that are not individually listed and the understanding of the fabric of historic district and what makes it historic. The institution where my kids good to school, the old Couch school, that is an institution. No, it is not residential. No, it's not single story. No, it's not made of wood, but it is part of the fabric of the institutional buildings. I'm going to apologize that I am not staying for the PowerPoint although I was given the control. I first became aware of this building because when the central city URA was being discussed [indistinguishable] tasked me with exploring all of the properties that would be impacted by the boundaries at that time, and this property was one of them. That is when I first became aware of Ms. Spaulding, the workaholic woman who in 1918 -- which is very impressive that a woman would become the founder of an institution in our community. I also was very aware that next to it is former war housing, which is not being discussed because it is not being protected. I had asked that it be protected. And it is currently Section 8 housing, so we will have a net loss of affordable units.

Hales: Thank you.

Tony Schwartz: My name is Tony Schwartz, I live at NW 1729 Irving Street. I'm a lawyer in town, a sole practitioner, and I live in a house that was built in 1884 by Captain John Couch. About 20 years ago, I served as volunteer for the national historic trust for historic preservation in Washington, D.C. where my father was director of public policy for that outfit. Obviously, I am in opposition to the demolition of this contributing resource at this point for a number of different reasons. But I am here actually to read a letter on behalf of an individual who is a member of the Northwest District Association and a member of its planning commission. I have that letter before me, I'm just going to read from that but it's also in the record. It's from Donald Genasci, and he writes, Mayor Hales and Council, thank you for the opportunity to speak in favor of retaining the Ballou and Wright building at NW 18th and Hoyt Streets. My name is Donald Genasci, I'm a resident of northwest Portland, an architect, an urban designer, and professor of architecture at the University of Oregon at the Portland program. I am disturbed at the notion in the demolition application that buildings in a preservation district must in some way be outstanding to be retained.

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Most cities we consider to be special and have that character are made up of a collection of similar attractive but ordinary buildings competently designed. The majority of buildings were not designed to stand out as special, that is the role for institutional buildings such as town halls, court houses, churches, etc. The majority of cities are made up of buildings with integrity but with little pretense to being special. However, it is this collection of modest buildings that provides a background so the special buildings stand out. Within this background, there are no special buildings. The background also provides shared values and continuity. A city of only special buildings would make for an unrelated and chaotic urban fabric. For this reason, modest buildings with integrity and valuable in any part of the city, but they are especially valuable in preservation districts where they provide the background, the glue that visually holds the district and the city together. We were asked recently to make an unembellished drawing that presented the Ballou and Wright building in its original condition. And I have that and I will also move and just simply introduce it into the record. But this is by Donald Genasci, the letter I am reading from right now. This is the unembellished drawing that presented the building that's before you in its original condition. While the building was modified over the years by less than sympathetic owners, it would be relatively easy to restore the original facade of the building. It is also true to say that much of the original building still remains and the cost of such a restoration is small in relation to the value of the building. What the drawing shows is that, fully restored, this is a handsome building made of quality materials providing space for businesses that prefer to be in a neighborhood setting. It exemplifies the character and scale of commercial buildings and supports the Alphabet neighborhood and the city. To remove this building is to mock Portland's agreed values to retain our valuable built history which belongs to all of us and our children. It would also contribute to the destruction of the scale and qualities established in our neighborhood. A city that makes no commitment to retain its historical culture is destined to become a wasteland of unrelated monuments to greed. Thank you, Don Genasci. And I would just quickly say that you take down this building, it's irreplaceable. It's gone forever, that's obvious. The size and scale of the applicant's building is just enormous compared to the building where I live, a two and a half story single family residents. And Hoyt and Irving, which are one-lane streets going opposite directions. It's a nice little neighborhood and the building of six stories -- again size and scale are too big. Density we have -- and I think others can talk to density in the Northwest. We have the most dense part of the city already, and we have the most available amount of apartment buildings already in this district. Mark Edlen mentioned there's no economic use for it. As the council knows, Tim Ramis used this as a law firm for 25 years. It's been vacant because he couldn't sell it at the price he was asking. I would say that this building is not on its own, it's not out -- surrounded by parking lots, on its own island. My house and others on Hoyt and Irving -- we live in the most densely concentrated portion of the city with historic landmarks. My house is an historic landmark. It's not as if this is on its own, please take that into consideration. I would say -- the law firm received notice. It received notice in 2000 about this. And the lawyers there decided not to object to its becoming contributing. We know that because SHPO's records indicate that it sent notice to the law firm. And finally, with regard to the parking lots, there's no notion, Mayor Hales, that this parking lot has to be developed. Why not keep it as an office building with a parking lot there? I know you said lowest use, but within two or three blocks of my house we have Miller Paints with a parking lot. We have the fire department with a parking lot. We have a tool company right behind my house with a parking lot. Parking lots I guess you would say are the lowest use but if you keep the building as it is, a historic structure in the district and allow it to be used for commercial or other uses the parking lot can benefit that building. Thank you.

Hales: Thank you.

Jessica Richman: Hi, I'm Jessica Richman. I agree with the staff report and the letter and the comments from the Historic Landmarks Commission. Commissioner Fish, I would be glad to discuss with you further the idea of a dual process, but it would exceed my three minutes. So, if you

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want to at the end of it. For nearly 25 years, I've lived one block from this site. Also for nearly 30 years, I was a senior city planner with the Bureau of Planning and Sustainability. I retired last year. In 2004, I worked on the project that adopted the current demolition review regulations that you are evaluating this proposal against today. At the time, only Commissioner Saltzman was here, so I'd like to offer a little bit of background and context for you. Before they voted, Council had multiple discussions about this process and about the criteria. They held several discussions about what should be subject to demo review, and they specifically decided to include contributing resources in the demolition review process and for many of the reasons that you just heard about from the Landmarks Commission members and from my neighbor about why contributing resources are important. And they're an integral part ever the fabric of the area. Like the Ballou and Wright building, they contribute to the significance and character of the Alphabet Historic District. Without contributing resources, you have a scattering of landmarks, not a historic district. Before they voted, Council also held multiple discussions about when it did or didn't make sense to approve demolition, and they focused on two things. One was the takings issue, which isn't a question here. The other was basically a balancing of public goods. Not private goods, not whether it did or didn't meet the comprehensive plan, but an issue of looking at the comp plan goals and policies as a whole and not cherry picking the ones that this particular project met. The staff report in this case has done an excellent job of looking at those goals and policies as a whole, and looking at them and balancing them and giving them some weight. In the Dirty Duck case, there was a great deal of that evaluation again looking at public goods, not just would had be an improvement but would it be public goods? It's clear that Council's intent was to preserve buildings just like this one, especially given all of its attributes. In balancing the public goods, it would be an absolute travesty to demolish a historic building to replace it with yet another apartment building, especially in northwest Portland, where we've got plenty of them. There's no balance there. Preservation supports many goals and policies, while demolition and replacement with another apartment building supports only a few. I urge you to adopt the recommendation of the BDS staff and the Landmarks Commission. Thank you.

Hales: Thank you.

Fish: Can I ask you a follow up question? What is your view?

Richman: About the process --

Fish: Having another regulatory body with expertise helping work out design issues in the appropriate case.

Richman: We had a great deal of difficulty creating this process, and it's the only Type IV -- because the only review bodies that can balance comp plan goals are the hearings officer and City Council. But City Council has said they're not the experts on design. The Landmarks Commission and the Design Commission are. So, we looked at having something where the Landmarks Commission would first approve a new design, but that seemed to pre-approve the demolition. And to ask an applicant to go through all the work and the multiple iterations that it usually takes to get approval either through design review or historic design review and then come to Council for a decision on the demolition after that kind of outlay and hear "no" seemed to be actually an inefficient process. The criteria, the merits of development that could replace the demolished resource either as specifically proposed or as allowed under the zoning code. So, it does give the applicant the choice of proposing a design and taking that to the Landmarks Commission -- which in this case they did -- or of simply saying something like, I'm going to go for three stories and I'm going to provide a soup kitchen and transitional housing and have it more broadly.

Fish: Let me just say, it's late in the day and it's been a very long Council meeting, but thank you for the history lesson. It's helpful for the context.

Richman: Us old people are good for something. [laughter] Thank you.

Hales: Thank you. Next? OK, Mr. Cruz, I think you're first.

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Gustavo Cruz: Good afternoon. My name is Gustavo Cruz, president of the Northwest District Association or the NWDA. I support the recommendations of the staff report and the Historic Landmarks Commission regarding the Ballou and Wright or Buck Prager building, and I oppose demolition of this historic structure. Northwest Portland is one of the most diverse, vibrant neighborhoods in our city, and much of its charm is attributable to its historic character. The Alphabet District is a key feature of the area, and the neighborhood includes numerous homes and other structures that reflect the history of Portland, including the streetcar era during which the Ballou and Wright building was constructed. As other speakers have noted, this building may lack some of the ornate charm associated with the Queen Anne style homes and former mansions located nearby, but it contributes to the overall character of our neighborhood. A unique blend of historic structures draws residents and visitors to Northwest Portland, and it has fostered a robust level of commercial activity over many years. Our neighborhood is one of the most walkable and livable parts of Portland, and much of that due to a mixture of pedestrian-friendly historic buildings spread throughout our district. Unfortunately, the proposed development cannot substitute for the authenticity of the Ballou and Wright building. The new structure would dwarf the historic homes located nearby and add little to the character and livability of the immediate surroundings. Although additional housing stock is a worthy and necessary goal, it does not need to come at the expense of the neighborhood's historic character. The overwhelming sentiment among NWDA members is that the existing structure should be saved, and if development is to occur, it should incorporate the Ballou and Wright building in a creative way. An online petition to save the building has gathered 1739 signatures over the last three weeks, with more being added every day. As you can see from the testimony today, many neighbors feel very strongly about this and they have been willing to donate their time, money, energy, and expertise in an effort to save this building. I urge City Council to preserve this contributing structure in a historic neighborhood and to check the demolition trend that threatens to irreparably damage the historic character of our city. Thank you for your time and consideration.

Hales: Thank you. Welcome.

Wendy Chung: Mayor Hales, Commissioners, thank you for having us here and allowing us to take the time to talk to you about this important issue in our neighborhood. My name is Wendy Chung, I'm a member of the NWDA board and the NWDA planning committee. I live at 1729 NW Irving Street in an individually listed historic building, one of the Victorians -- the blue one second from the end -- that would be immediately across the street from this development. You know, I had some remarks that I had planned to deliver today, and then I got to listening to the comments and the questions that have been presented thus far. I wanted to sort of -- I've been trying to understand why my dear friend and neighbors -- some of whom in fact are here or have testified -- on the adjacent blocks would be opposed to preserving this building in favor of a six story apartment building. Then when Commissioner Fish started asking about the approval criteria, it occurred to me -- I figured it out. The reason everybody is concerned about -- seems like a -- it's not a close call. Demolishing a historic resource, putting up a four to six story building in a neighborhood that's already overly -- you know, has the highest density in the city based on city records.

[indistinguishable] Manning just issued a study showing that Northwest Portland has the highest density in the city of Portland. It has a vacancy rate almost double than the rest of the city. So, it seemed to be kind of a no-brainer to me. Now, I realize it's because everyone's concerned about the notion that there would be no development on that lot if we didn't do this, if we didn't allow demolition. And that's in fact what the applicants have said to our neighbors. Because it's scary. You don't want a vacant building there, nobody does. But the fact of the matter is -- as Commissioner Fritz pointed out -- the applicant is not arguing that there's no economic value to the building. He's arguing that he can't have the maximum value that he can get out of it by erecting an 82-unit building. That's the issue, right? So, one point I would like to make is that applicant said development would not occur without demolition. In other words, is it going to continue to be

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vacant? Is it going to continue to attract vagrants? Is it going to continue to be undeveloped? Well, I think that's kind of up to the applicant, right? Then as for who determines whether or not something can be done on other lots, that's the design commission -- or actually Landmarks, because it's a historic district -- and it only comes to you if it's appealed if they don't like what they saw. So, I'm a lawyer too, but I'm not a land use lawyer and I only point that out because I found the regulations baffling and incomprehensible. And so when our attorney said that you -- he didn't say it, this way -- but you weren't qualified to make the decision. Frankly, I have spent a year and a half pouring over the regulations and it's almost incomprehensible. One thing I will point out, though, is that the eastern edge of the neighborhood that Mr. Ramis and one of the other applicants mentioned that he helped develop describes quarter block and fine grain development. It doesn't describe half block development as described by the applicant. You might notice that the photograph that looks very similar to something the applicants presented -- this is adopted Northwest District Plan. This is C20. This is page C20 showing a photograph of the very site that we're talking about as an example of fine grain quarter block development. So, this notion that this kind of development is what was contemplated by the Northwest District Plan that Mr. Ramis helped write completely lacks credibility. Thank you.

Hales: Thank you. Good afternoon.

Ron Walters: Good afternoon, Mayor Hales, Commissioners. My name is Ron Walters, I live at 2057 NW Overton Street. I, too, struggle with understanding how density and additional market rate housing is a public benefit. Northwest Portland already has the highest density of housing in the city. It already exceeds the long-term density goals of long-term planning for the city. Between 2011 and 2015, it will have added more than 1500 housing units in the neighborhood. So, we're not anti-development, we're in favor of good development. In the Conway master plan area, we're going to see another thousand or more units in the foreseeable future. So, we have lots of new housing and we support it when it's done well. We're not parched for additional six-story apartment complexes. In fact, we're already drinking from a fire hose. So, I would suggest to you that in this case, we should be very selective about where we put additional buildings, and it's the exact opposite of what we're doing where just about anywhere is fine. I would add to the opposition that we should continue to support the historic buildings in the neighborhood, keep the building we have, and figure out a way to have good development as opposite to wipe historic buildings out and built additional six-story apartment complexes. Thank you.

Hales: Thank you. Good afternoon, welcome.

Vicki Skryha: Good afternoon, Mayor and Commissioners. My name is Vicki Skryha and I live at 1728 NW Hoyt in one of the Trenkman homes directly across the street from the site. I feel very honored to be in a historic property. I feel like our family moved in and we really tried to fix it up. We feel like we're part of a legacy that's saving historic properties so that the historic district can be preserved for others to enjoy for many years to come. It's a really special area. I actually was going to testify on a lot of the things that Commissioner Fish already asked questions about. My career -- I've spent most of my professional life supporting affordable housing development for very low income people, for people with special needs. That's been what I've committed myself to. I currently serve on the city's mixed use zones policy advisory committee. In the past, I've been on a variety of different city and county committees and did work at the State of Oregon promoting housing for special needs populations. I just want to say that I think you can have both housing and historic preservation, I don't think they're mutually exclusive. And I think this site is an exact example of where you can accomplish both housing and preservation. I, like Commissioner Fish, looked very closely at the criteria that the applicants proposed to use to say that they're going to provide housing a 80% of median area income, or area median income, AMI. And really where the need is, where the most units are needed -- I know, Commissioner Saltzman, you know this too because you're over the Housing Bureau -- is at that lowest level, like 50% of area median income and below. That's where the needs are. And simply providing more housing in already the densest

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part of Portland when you could do fewer units and family units, such as a town home project, which is suggested by the Historic Landmarks Commission and in the staff report as an alternative. It's what the neighbors strongly advocated for at the first meeting, and instead of downscaling and providing a more acceptable design to most of us. We didn't even know how to react to what the developers were proposing because we really wanted to preserve the building and we wanted housing that was more in scale with our neighborhood. So, when you're being asked, "what can we do to make this six-story building more acceptable?" it's sort of like you're left with your mouth open and you don't know what to say. So I do think it's somewhat disingenuous for the developers to say they got a lot of good input from the neighbors. Again, I don't think that the housing and historic preservation have to be mutually exclusive. I'm very much in support of affordable housing in our area. We do have a lot of Home Forward buildings within blocks of us, and I would be the first one to accept -- try to work to get that more available. Some of us have been approached the local church that's thinking of redeveloping one of the properties right across from the building to consider some kind of alternative development and have offered assistance to them in that. So, I'll just leave it at that. Thank you very much for your time.

Hales: Thank you. Good afternoon.

Page Stockwell: Good afternoon, or good evening. Thank you very much for taking the time to listen to us, Mayor Hales and City Commissioners. My name is Page Stockwell, I'm on the Northwest District Association board. I live in the Lewis Mills house at 2039 NW Irving Street in heart of the Historic Alphabet District. The house was built in 1916 and is listed in the National Register of Historic Places. I'm opposed to the demolition of the historic Ballou and Wright building. Over the last 15 years, I have spent more than \$100,000 restoring the house to what it was nearly 100 years ago -- construction centered on rebuilding and repairing architectural features which had been removed or modified -- much like this building -- over the years. Among other things, this involved reconstructing the original entryway, reconstructing a widow's walk on the roof, installing working shutters, and rebuilding the interior staircase. I would like to point out this is the same sort of restoration or preservation that a potential buyer could undertake or that the current owner could have undertaken during his 35 years of his stewardship of the Ballou and Wright building. Since the work on my house was largely cosmetic, I do not expect to realize any financial gain from this endeavor. So, why am I doing this, and why am I here today, especially since any replacement for Ballou and Wright will not impact me or my property directly? I'm making this effort because I was born and raised in Portland and have a great deal of respect for our city's heritage, reflected in many ways by the historic Alphabet District. Because I live in the district, I feel that it is my civic duty to contribute to it and help preserve it. The district is not simply a collection of buildings -- as has been pointed out before -- but it is a neighborhood, a fabric woven by the history and culture of our city. I have always been under the impression that City Hall understands this concept and embraces its civic duty in the same way as I do. If I am correct, then you should deny the application to demolish this historic building, which is an important part of the fabric of the city and the historic district. To do otherwise would be a betrayal of civic duty and would represent an unraveling of the neighborhood fabric. I can assure you that the building's destruction will be noted locally and nationally. Does the city really want to throw away all of the work that went into the creation of the historic district and become a laughingstock in the country's historic preservation community? To coin a phrase, do we want to be known as the city that works or the city that shirks? I urge you to fulfill your civic duty and deny this application. Thank you very much.

Hales: Thank you. Good afternoon.

JoZell Johnson: Hi, my name is JoZell Johnson and I'm actually a long term resident of this community. I bought first year in 1990. I was a child prodigy and was able to do that. Then, I was able to purchase my current house in 1992. I'm on the southwest corner of 18th and Hoyt, and this property we're discussing is on the northwest corner of 18th and Hoyt. I have never been contacted

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by the development group despite the fact that I actually rent parking from them. One of the things that is very concerning to me is that I chose this neighborhood because of its historic fabric. I bought my largest antique and proceeded to remodel 60,000 square feet. I am also a multifamily housing owner. So, when they talk about livable units, my units are over 1500 square feet. And I chose to do that so that I could maintain a community in our neighborhood. One of the things that I do want to talk about -- and my house is the one up there that's being overshadowed by Park 19, which I again testified against -- we are being overshadowed by these large six-plus story buildings coming in here, where we are no longer a community fabric, we're pockets of historic neighbors. We're no longer these half-block blocks. We're no longer seeing the mix of half-block one buildings, but we're seeing the single families overshadowed by housing. But let me get back to what I wanted to talk about. My colleague got off easy, he spent \$100,000 of his own money. I spent well over a quarter of a million to put into this house. What I did was I followed designed set out by the zoning commission and also set out by the permit requirements and etc. What is very frustrating to me as a long term resident is have my colleagues continually purchase and develop these houses -- these properties -- on speculation. The proposal that they have done is not something that can be done within the current groundwork. Well, they've owned the building for 30 years, I respect that. They bought the lot next to it for over a million dollars within the last year. How are they able to buy these lots, make this investment without being following the rules that the rest of us in the neighborhood are doing? They are basically investing their money and then they tell me they need to pencil it out by asking you for investments and housing that gives them money back. Where are the rules? I want to play by the same rules so that we're all on the investment and development of our community together. Thank you.

Hales: Thank you. Thanks very much. Next?

*****: [inaudible]

Hales: Oh, OK. Thank you.

Jill Warren: Good afternoon, Mayor, Council members, thank you for your time. This is a long hearing here. I own the property directly across the street, I own the old church, and I've had it for about 22 years. It was built in the late 1800s. While I do not commend the high rents of new construction, what I do have is affordable housing. And my tenants consist of medical students, restaurant workers, young professionals, and artists. And I really feel, gee, I never considered them as class C people, but I think that they definitely contribute to the vitality of the neighborhood. These medical students, they can't afford \$4000 a month in their rent. I oppose the demolition of the Ballou and Wright building because my building is so delicate. I mean, I had to do a window repair last year and it cost me \$1000. I had to get a master craftsman out there. I have to handle that building with kid gloves. The stained glass windows were brought over on a ship from Norway in the late 1800s. And I can't imagine -- if there's demolition across the street -- it's Park 19 -- I want to correct my testimony I mailed in -- but when Park 19 was built the pile driving from building the infrastructure loosened my plumbing and in both buildings I had leaks. I had to get a plumber out to repair those leaks. If we have that type of demolition directly across the street, I am very fearful that it is going permanently damage my stained glass and cause plumbing problems and who knows what else. And you know, those stained glass windows are so valuable, and when you have an antique and you replace it or alter it in any way, the value plummets. I'm just really fearful that not only will that compromise my structure, but also a huge six-story building across the street is going to put my building in perpetual shade. And that's one of the assets that I do have to my tenants, is the beautiful light coming in through those huge windows. People walk in to look at it, and they go, wow, there's so much light here, and they really love it. So, it would degrade my property. I also feel that I want to reiterate that it would -- if this is approved, this demolition, it's going to open the door that it's open season for developers to just buy up historic landmarks and exploit them for profit. Thank you very much.

Hales: Thank you.

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Fritz: Thank you for your testimony. I missed your name.

Warren: Jill Warren.

Fish: Jill, you have a slide that says affordable housing with long term commitments. What kind of tenants are those?

Warren: The tenants last two, three years.

Fish: Oh, I see.

Warren: And they're young professionals. A lot of them live in Hillsboro but choose -- or they work in Hillsboro but choose to live in northwest.

Hales: Thank you. Karen, welcome.

Karen Karlsson: Karen Karlsson, 906 NW 23rd Avenue and 1905 NW Northrup. I both live and have a business in the neighborhood. I'm here as board member of the NWDA, but I'm also here as an individual and a preservationist and someone who recently helped keep a historic building from demolition by purchasing the Bernard Goldsmith house. I had testimony I was supposed to give, but so many people have said so many things. I just want to pop in on just a couple things. We've talked a lot about precedent. I do think although each is on a case-by-case basis, you do go back and you do look at what was said before. Do I therefore -- you know, is my situation similar. This is balancing the goals of the comprehensive plan, and I think the staff report does a really good job and I urge you to go back and read it. They do a really good job of talking about how each of these goals is met or is not met -- most of them not met. The Historic Alphabet District took 10 years or more in the making. It was a lot of work by a lot of people, and I do believe the applicant should have been, if not, aware this was happening. There was comment earlier -- and I think you brought it up, as well -- the Landmarks Commission stated that they thought a four- to six-story building was not going to be compatible with the site. And in that conversation, it sort of led to, it would all come back to you anyway. I think what was meant by that was that, at Landmarks, if you approve the demolition, they will go back with the development at Landmarks. If the development is what they have proposed today, I think it's going to be a very difficult discussion. And I don't think that Landmarks won't work and negotiate, but if it is not enough to make their economic model, they will come back to you asking to you balance the economic model with -- again -- the preservation of the neighborhood. In historic districts, you do infill and new construction that have to be compatible. There's a lot of code around its compatibility. And its compatibility is not just from a broader sense of the whole historic district, but it's also in context. I think you've heard some of that today, because some of those properties that are very nearby are not six-story buildings. Where some of the other five-story buildings have been added into the neighborhood, this context is different. Really quickly, one last thing. I think, Commissioner Fish, you were the one who asked the question of, is RH the correct zoning in this area? I think one of the things that is a disconnect that has led developers to think that they can build more -- but Landmarks says no -- is that we haven't really matched up zoning to the historic district. We established the historic district. And unlike others, there's a lot of diversity. Just because there's a five-story building in the district doesn't mean every new development can be a five-story building and is thus compatible. I think we do need to take a second look and step back. We're really busy in northwest, we've kind of been wanting to do this as part of our comprehensive plan comments but haven't. So, I'm not sure that RH is the correct zoning here. Certainly multifamily. And I think there's a lot of multifamily options -- and I think I've gone over my time, sorry.

Fish: I think that was Charlie's question, but Council appreciates the answer.

Hales: Yeah, thank you. And let's do a process check here. The council has had a very long day and there's going to be an event here in the building at 6 o'clock and we're going to need to adjourn by then -- if people don't collapse first. So, where are we in the sign-up sheet? I know I've got my staff looking at options for what we might do here procedurally.

Moore-Love: I show about 13 more.

Hales: OK, 13 more people signed sunup.

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Fish: Mayor, we have a general practice here of -- we don't really give extra weight to volume of testimony. If we hear the same thing multiple times, it doesn't make it more compelling. At a stage like this, it's actually more helpful to hear an argument that we haven't heard to make sure it's in the record. This has been an unusually thoughtful hearing, and I think people have laid out the case very well. I would say that if we're going to take additional testimony, I would urge people to offer something new or just to second something they've heard but not necessarily make it duplicative in the record. Because there's no benefit to the process of having 20 people say the same thing -- we get the point.

Hales: Dan, you had some -- ?

Saltzman: You know, like you said, it has been a long day. I'm not sure I'm thinking cohesively. I think I would prefer if we could continue this hearing.

Hales: Are you checking on dates?

Fritz: Well, except -- the applicant had a very long time to give their presentation, which I think was over an hour. The folks here have been here a very long time waiting for their turn.

Hales: I hear that, I'm not considering an option that we just cut off the hearing. The question is, when do we hear people -- is it now, later, or both? So, that's what I'm trying to ascertain here. My suggestion would be we maybe take three to six more people and see where we stand. Can we do that? Get to 5:30 and take another stamina check.

Fish: Well, and the other thing there, Mayor. As you noted, we went through virtually with no lunch break today. So, we've been at this since 9:30. That's not your problem -- but there is -- during a hearing like this where people are talking about precedent and making very thoughtful issues of first impression for many of us, there is a benefit to having that soak in and to ponder it and not at our most fatigued moment just giving a reaction. I think you're asking for something more than that.

Hales: At the very least, I would assume we might save applicant's rebuttal and Council deliberation for another day. The question is whether we soldier on through the remaining testimony.

Fish: And that's to honor the process, Mayor, not to defer.

Hales: Exactly. I think you all want us to be relatively fresh when we think about this and decide it, regardless of whatever issue you're on.

Fish: Might I suggest we take another 15 minutes of testimony because of the event to follow, and then schedule another time?

Hales: They're working on a time certain. OK. Let's proceed with the next three and see if beck get it done in 15 minutes.

Juliet Hyams: Good afternoon, my name is Juliet Hyams, I live at 2324 NW Marshall and I'm vice president of the Northwest District Association. I don't think I'm saying anything you have already heard today. I've been asked to talk about historic preservation and sustainability, and it's not nearly as wonky as what others have talked about.

Fish: Juliet, take the full time. We're going to continue the hearing so take the full time, because you've been here and you always have something thoughtful to say.

Hyams: Thanks. Most of this is cited from the National Institute of Building Sciences. Historic buildings are inherently sustainable. Preservation maximizes the use of existing materials and infrastructure, reduces weight, and preserves historic character. As staff mentioned, it also saves energy embedded in existing buildings which, for the record, is the sum of all the energy required to extract, process, deliver, and install materials needed to do construct it. That energy is squandered if the building is demolished. Furthermore, according to the EPA, building-related construction and demolition debris totals nearly 40% of the municipal solid waste stream. Some estimates are even higher than that, up to 60%, I saw today. With some exceptions, existing buildings reduce climate impact over the newly built. Additionally, findings suggest that even sustainably constructed new built structures do not recoup energy outlays for approximately 30 years, compared to renovated

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existing buildings. Therefore, reusing older buildings offers immediate and lasting environmental benefits. Furthermore, historic buildings were traditionally designed with sustainable features that responded to climate and site. When effectively restored and reused, these features can save substantial amounts of energy, and modern technology can supplement inherent sustainable features without compromising historic character. For example, operable historic windows and monitors substantially reduce the demand for heating and cooling during temperate months. Windows built of old growth wood can function indefinitely, and their efficiency can be substantially bolstered to resemble that of new and slated glass windows. In contrast, some modern windows have a relatively short lifespan and can be difficult if not impossible to repair. Once they fail, they're hard to recycle and usually end up in the landfill. Properly designed awnings can reduce heat gain, existing deep overhangs provide shade during the hottest part of the day while allowing in sunlight during cold months and in cooler parts of the day. Overhangs also keep roof drainage away from building foundations, often negating the need for gutters and downspouts. Original high ceilings -- which may not be the case here -- allow air to circulate and the masonry can maintain the inner temperature quite efficiently. I'll just conclude that historic preservation and sustainability offer numerous benefits and can work together. Preserving the Ballou and Wright building is the perfect opportunity to show and apply the principles.

Hales: Thank you very much. Ms. Rahm, welcome.

Wendy Rahm: Thank you very much for sticking around and letting me speak. I speak from a different perspective. I'm not a resident of the Northwest, but I am here as one who values Portland's history. I therefore recommend denial of the demolition request of the historic Ballou and Wright building, an Alphabet Historic District building with the National Register status of a contributing building, which you've heard. The status is hard-won and it is of value to all Portland residents. Allowing the demolition of this contributing building would set a very bad precedent. As a once-neighborhood maternity hospital associated with Spaulding, it is a signifier of women's history in Portland. It is not insignificant for Portland's women and young girls. Buildings are prompts for storytelling that help us tell children of the past we share. That contributing status was agreed to, as I understand, it by the current owner -- or should have been. It seems disingenuous now to claim ignorance of the granting of that status and to allow the building to fall into disrepair with the hope of being allowed to demolish it. What is the benefit of demolition? Not sustainability. The greenest building is the existing building that is readapted for modern uses. So, who would benefit? Residents? History lovers? Or, moneyed interests looking for greater profits? It seems to me an ill-advised precedent to endorse a pattern of neglect by the owner of a historic property. This building is across the street from very small, individually registered, architecturally significant single-family homes and its character and scale are in keeping with the historic district. As a concerned resident of the west end, I fear we may not be paying enough attention to the preservation of Portland's historic fabric. The authenticity of these old buildings cannot be replicated. What so often seems to replace them are context-insensitive, characterless buildings that add nothing to the street level or pedestrian experience. The old buildings are what make Portland a standout city in the eyes of outsiders. Our past needs to be part of our future. It is who we are and the more we lose, the poorer we become -- Portland begins to lose its identity and its soul. I urge you to deny this demolition. Thank you.

Hales: Thank you. Ms. Czarnecki, good evening.

Mary Czarnecki: Yes, hi. I'm Mary Czarnecki of 2742 NW Savier in Portland, and a principal at New Traditional Architecture. Today, I'm here to read into the record a portion of the written testimony of the John Czarnecki, AIA, past chair of the Portland Historic Landmarks Commission. And I may ask for a couple more minutes because John's words are heavily weighted but I think very valuable. Dear Mayor Hales and Commissioners, this testimony strongly supports the preservation and rehabilitation of the Buck Prager building. Mayor Hales sat on the council during the adoption of the historic resource code amendments that enabled this review process. These

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amendments emerge from a negotiated balance of incentives, regulations, and encourage conservation and the use of designated historic resources. I am privileged to have chaired the Landmarks Commission at that time. The following points may inform today's discussion. The building has not lost its architectural integrity. The exterior can be repaired by understanding the physical and photographic evidence of the original character and making compatible improvements. Conditions resulting from neglect can be reversed. The actual cost of demolition must be measured in relationship to the economic benefits of historic conservation that support genuine long term sustainability. Included in the written testimony before you is one recent exhaustive study outlining the means and the methods of determining comprehensive economic value of preserving historic resources. Some of the costs arise from energy required for demolition and new construction, including long-term costs of carbon footprint including that arising from manufacturing, transportation, and construction processes, the loss of energy and long embodied within the existing structure and the loss of existing proven livability. Some of the economic benefits include jobs, property values, heritage, tourism, environmental measures. Historic preservation is in and of itself sustainable development. Cultural sustainability is a major benefit. The Alphabet District is a resource. The value of historic resources can transform their individual appearance or other characteristics. The Buck Prager building has a significant role in the history of women's leadership in the medical profession. It is key directly to understanding the importance of social and political events in Northwest, and in Portland as a whole. Public purpose will be well-served by rehabilitating the Buck Prager building and maintaining the integrity of the resource that is the Alphabet Historic District as a whole. In fact, protection and reuse of this modest yet carefully-designed building maintains an important synergy in the district in producing livable character greater than the sum of its parts. Public policies that limit sprawl and encourage density can help maintain and increase livability but we need not promote development that requires demolition of historic resources. We can support growth and proven technique of sensitive, sustainable urban intervention and rehabilitation that by their varied types and opportunities also encouraged social equity. Whether they are buildings, public spaces, or neighborhoods, we should treat historic resources as we would any other resource -- directly and as valuable precedents for successful future developments. We should understand their extent and qualities, conserve them, and use them wisely to enhance our livable environment. I respectfully ask you to deny the application for demolition of the Buck Prager building. Please ensure that the building and its context continue to have value worthy of wise conservation and continued use. Thank you for your stewardship and forward thinking on behalf of all of us. Sincerely, John R. Czarnecki, AIA. That report I mentioned is, *Measuring Economic Impacts of Historic Preservation: A Report to the Advisory Council on Historic Preservation* by Donovan Rypkema; Caroline Cheong; Randall Mason, PhD; University of Pennsylvania; 2011.

Hales: Thank you very much. Thank you. Next three and then we'll see where we stand. Come on up. Go ahead, please.

Jim Heuer: My name is Jim Heuer, and I'm one of the other people here who is not actually a resident of the northwest historic district. I live in Irvington, and I'm a representative from the Portland Coalition for Historic Resources. I'm also on the Irvington land use committee. One of our luminaries from Irvington, Dean Gisvold, is also in the audience today and is scheduled to speak at some point -- he has quite a bit to say. Departing from my original plan, I would say that we are extremely alarmed about this case. We have over 2000 contributing properties in the Irvington Historic District. Many of them are modest, beautifully designed smaller houses that are not individually distinguished but which fit into a beautiful overall composition of our district. And this particular case we feel puts them at risk. So, Dean has good deal more to say about that -- he may be saying it tomorrow, I suspect. What I'd like to address in my prepared remarks is the balancing act that is needed to be done between the housing goals and the density goals on the one hand, and the historic preservation goals on the other. The instrumentality for the housing and density goals is the

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zoning. The instrumentality for the preservation is the Alphabet Historic District design guidelines which is made part of the Northwest District Plan. So, they are legally connected. There's also language in the code -- it's at 33.846.060 E and F -- and again, it's repeated in 33.700.070 E. That's where the code defines the priority that can be given to these two different potentially conflicting instrumentalities in the comp plan, the zoning and the historic design guidelines. In both instances in the code, it's very clear that the priority is given to the historic design guidelines even when they conflict with the zoning. And that is one of the reasons why when the Historic Landmarks Commission talks about why this building could not be built under the guidelines in which they operate is that the compatibility hierarchy, which is compatibility with the resource itself -- that's when you're modifying an existing historic building -- or the immediate surroundings, which is, let's say, within a block or two, that's the next level of hierarchy. And then the final level of hierarchy is the district as whole. In this particular case, if you go 750 feet out from the building in question you find that the FAR on average is only 1.3. That's a pretty small building, and the height is only 30 feet on average. This building being proposed with a FAR close to 4 and a height of 75 feet. It isn't even remotely comparable to the immediate fabric. And the fact that there are larger buildings in the area is true in the district, but the average distance of the buildings with a FAR 3 or more from this building is over a third of a mile. So, the immediate context really dictates what could be built there under the code. Now, very quickly, I'll say in balancing these, the RH zoning -- even if you were to allow it, the question is, what could be done elsewhere in the city in RH zoning? My calculation shows there's capacity for 25,000 additional housing units in existing RH zones outside of historic districts. There's no compelling reason to allow greater density or greater housing capacity on this particular site when there is compelling argument that the precedence to be considered is that of the district itself and the historic protections. Thank you.

Hales: Thank you. Good evening, welcome. Go ahead.

Rich Ovenburg: My name is Rich Ovenburg, and my wife is Mary Folberg, and we own and rent one of the historic Victorian homes on Hoyt Street. I'll condense these remarks out of sympathy for everybody here. I just want to make a couple of points. The historic landmark homes on Hoyt and Irving Street between 17th and 18th are the highest concentration of historic landmark homes in the city of Portland. And right in the middle of these homes is the three-story Ballou Wright building. The Ballou Wright building is on the National Register of Historic Buildings and is listed as a contributing resource. I'll skip down here to -- we have heard from developers here who want you to believe this building really doesn't qualify as a historic building, and it really shouldn't be listed on the national registry. But that's not really the question here, is it? Because it is already on the national registry. It is already an historic building. What we really have here is -- the question that we really have here is, can these real estate developers convince the mayor and city council to let them demolish a historic building in a historic neighborhood against the wishes of the neighbors and the planning commission and the city Landmarks Commission, and replace it with a six-story 82-unit hippopotamus right in the middle of these beautiful Victorian landmark homes? Let's be honest, they really don't want to do this because they love the neighborhood or they think it would be good for Portland. They are doing it to make a lot of money. That's why it has to be six stories -- just to maximize the profits. I was at the meetings when they came to us with their plans and with this six-story building. I went to every one of them. And every time, we said something like, can we do like a townhouse sort of a thing or maybe three stories or something like that? They all said, nope, the business model to make the most amount of money is six stories and we need 82 units. So, that's really what's here. And I have a little bit of a hard time. How can an applicant come in here and say, hey, let us demolish this building and then we're going give you some plans later on. That's really what we're hearing here. These guys are saying, well, you know, we're willing to mitigate these plans, we're willing to do that. But they weren't willing to do it with the neighbors when we talked to them. They think they have a better chance with you guys. And I guess what I really think the answer to this is -- to keep you guys from having to keep designing buildings every

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couple of weeks, let's just say -- let's just say we can't -- don't let developers demolish historic buildings in the city of Portland, no matter who they are. Draw a line right here, right now. Thank you.

Hales: Thank you.

Brandon Spencer-Hartle: My name is Brandon Spencer-Hartle, I'm the senior field programs manager at Restore Oregon. Restore Oregon is the statewide historic preservation nonprofit. I'm going to read a letter from our executive director, Peggy Moretti. Restore Oregon has studied the challenges of the historic districts for the past five years and published a well-vetted report outlining principles for compatible infill design. We're currently bringing forward state legislation called the Revitalize Main Street Act that would create a historic rehabilitation fund to make the adaptive reuse of historic properties such as the Buck Prager building much more financially feasible. It goes without saying that not every old building should be preserved. We greatly admire the preservation work of the developer and the team involved. But Restore Oregon supports the findings of BDS and the preservation community as well as the Portland Landmarks Commission to deny the demolition application for this project as it is currently proposed. We believe that an important point has to be made about the process that has gotten us here today, and the professionals who have been involved. First, staff in the Bureau of Development Services have thoroughly reviewed the demolition application and on balance, found that it does not meet the goals of our comprehensive plan. Second, the Historic Landmarks Commission agreed with the staff's findings. It's important to note here that the Landmarks Commission represents a spectrum of preservation professionals involved in development projects, including preservation developers, architects, and consultants. As our colleagues at the National Trust for Historical Preservation have noted, any question as to whether or not the Buck Prager building really meets the criteria of a contributing building in the historic district falls under the jurisdiction of the State Historic Preservation Office and not this body. In deference to the trained experts on staff and the volunteers on the Landmarks Commission, and with a particularly watchful eye to the precedence to this case could set, we ask the council to deny the demolition application and request that the development team with an alternate infill proposal under a Type 3 design review request under the Landmarks Commission. Thank you.

Hales: Thanks very much. I think we have a couple people left?

Moore-Love: If they're here, I show about five people.

Hales: I think we can make it.

Dan Volkmer: Hi. Dan Volkmer, 2205 NW Johnson, past Landmarks Commissioner for eight years during the time that the Alphabet District became officially listed. Mayor Hales and Commissioners, thank you for your polite graciousness and your patience with all of this process. It's so important to all of us. I believe the environmental, the social energy, and economic interests of the neighborhood are best served and celebrated by preserving this resource. The golden renaissance of Portland's inner city neighborhoods that began in the 1970s; the idea of celebrating what makes each neighborhood unique, and Portland nationally known as a city of neighborhoods began in northwest Portland right on 18th and Hoyt. We owe a big thanks to neighbor fair, Mayor Goldschmidt who after hearing that the Trenkmann houses directly across from the Ballou Wright building were to be demolished, convinced the owner there was more value in selling them individually to young creative urbanites who did then move in their families and restore them. Quickly following came the restoration of the Campbell row houses, the Couch investment properties, and other houses -- all directly adjacent to and within feet of the Ballou Wright property. These young creative urbanites were the likes of Jane and Spencer Beebe, William Jamison, Mary Folberg was mentioned already, Bing Sheldon, Rick Michaelson who is here, Rob Philips, Edgar Wares, Susan Sturgis, Julia Pomeroy. I don't presume to speak on how these people feel about this project, but I do predict that their economic and social contributions will be documented in a future historic resources inventory. Today, Portland has many high-quality inner city neighborhoods, but Northwest Portland led the way and showed everyone else how to do it. And it began at NW Hoyt

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and 18th. To allow this contributing resource to be demolished would be disrespectful for the legacy of these champions of urban community and a defeating of the public benefit. Protecting and shoring up the eastern edge of this neighborhood was always considered crucial, even in the '70s. We had to do that in order to protect the inner neighborhood. The Ballou Wright building helps preserve and bolsters the eastern boundary of the historic district. Messing with historic district boundaries is a big no-no and would threaten its future viability. One last point. During the Landmarks' proceedings for the Alphabet District, we were instructed by SHPO that the criteria -- in addition to architectural significance, that the other criteria, historic events, famous people, and prominent institutions are to carry equal weight and are as valid in assessing historic significance and architectural integrity. Thanks.

Hales: Thank you.

Fred Leeson: Hi, I'm Fred Leeson, board president of the Bosco-Milligan Foundation/Architectural Heritage Center. Our board of directors has not voted on this matter, so I'm speaking as an individual preservationist at this point. I want to call your attention to some historical inaccuracies in the application. A careful reading shows their studios attempt in a very lawyerly way to literally trash this building in any way possible without regard in some cases to the historical record. The most bizarre misstatement of fact in my eyes is the attempt to place the building outside of the so-called streetcar era. Their report claims that Portland was rapidly falling in love with the automobile in 1918. Well, in 1918, our fire wagons were still pulled by horses, very few people owned cars. The streetcar system was finished by 1905 -- they were correct in that -- but transit ridership on that system continued until 1920, when it reached 100 million people. Ridership continued into tens of millions for years after that. This building sits within easy walk of two streetcar lines of the day, and many if not most of the patients of that era would have ridden streetcars to and from it. In fact, page 341 of the historic district nomination says, "the same streetcar system that provided incentive for apartment living in Northwest Portland also attracted retail and service businesses to the area." That exactly the case with this building. The historical record states that the street frontage that was devoted to retail services businesses tripled between 1908 and 1920, and this building contributed to that change. Yet your application says, quote, fundamentally, there are no values identified in the National Register nomination that are tied to the building at 1727 NW Hoyt. I want you to take a look at torturous amendments to disassociate A.B.Y. Spaulding as a person of significance. They go through several pages, nitpicking everything that they possibly can. And this tells you that they are extremely worried about her role in the building and nursing school history. Suffice it to say that she owned it for 10 years, she practiced her medical work there and managed it years after she sold it. The building was a waymark for the progress of women in nursing as they took evermore responsibility for medical institutions, and it's clearly important to consider this fact. I'm going shorten this a little bit. Here are the unassailable incontrovertible facts about this building. It is a good example of buildings built during the streetcar era. It was built within the historic period designated in the Alphabet Historic District. It was used for social service and business purposes, functions that are outlined in the historic district designation. It was built with materials and construction techniques common to business and multifamily buildings erected in that district during the historic era. The architectural firm that designed it designed other significant buildings and residences. The design itself reflected the visual cues and the architectural values of the historic era. The building can be renovated for continued successful use. I was just thrilled to see Don Genasci's drawing, which I'd seen for the first time. That's what the building looked like, that's what it can look like again. Thank you.

Hales: Thank you. Welcome.

Allen Buller: Good evening, thank you for the opportunity. My name is Allen Buller, and I reside at the building across the street at 1728. I'm not a long-term resident of this neighborhood, however, my commitment to Portland -- I lived in my prior residence for almost 30 years. I plan to stay there. I'm very proud. Sometimes when I'm walking down that cobbled walk there, I feel like I need to

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pinch myself that I'm fortunate enough to live in this neighborhood and in such a building. And I'm somewhat of a history buff. I live in one of the Trenkmann homes, and interestingly enough, he is one of the first developers in that area because he built the original houses and the house, and he resided in the house in which I live. I wanted to say a little more about Mrs. Spaulding. One of the significant things about her role in early women's and birth infant mortality rate -- and this should be a very proud moment for every Oregonian, it's a chance to educate people about this, and that's what these buildings have as far as significance is is that Oregon had the lowest -- among all the states -- the lowest infant mortality for five consecutive years during her time at this facility. And so, I think that's a really significant fact that we need to take into account. The other thing I just want to say is that when demolition is a prelude to a building -- and we've already heard the two factors that aren't going happen, and those two are that this building won't be scaled down, they've told the neighborhood that several times. And then the second thing is that it won't be affordable housing for people who really need it. Lastly, I'll just say that -- I just wanted to encapsulate -- there's probably somewhere in the neighborhood of 300 to 400 units in this immediate area that are coming on the market soon. And as already been identified, it's been identified as one of the areas with the highest apartment vacancy rate in the city. And so, you can't demonstrate need based upon that. But of course, we're not opposed to development. Just conscious development. In closing, I would ask you to vote to not support the demolition of this building, and follow -- it should be a slam dunk. The presentation that you saw clearly indicated the reason to support a no vote. NWDA, Northwest District Association voted unanimously to oppose demolition. The BDS staff report support as no vote and the Historic Landmarks Commission with a supported no vote, and then there's the more than 1700 neighbors and concerned citizens that have also supported a no vote. I urge you to also vote no and slam dunk this demolition permit. Thank you.

Hales: Thank you, thank you all. OK, I think we're down to the last three, is that right? OK, come on up.

*****: [inaudible]

Hales: I'll allow that if you're willing. OK, we'll take Dean and then let the last two people on the sign-up sheet reappear next week.

Dean Gisvold: Dean Gisvold, 2225 NE 15th Street. I live in Irvington, I'm on the ICA board, I'm chair of the land use committee, and I've been involved in every one of the 300 applications in the Irvington Historic District. This application raises major issues and precedents for Portland historic districts, including the Irvington district. As a result, the ICA board at its last meeting voted unanimously to oppose the demolition and to support the decision of the Landmarks Commission. I want to pick up on a comment that Jessica Richman said. Without contributing structures, you don't have a district. Because that's what Irvington is, and that's what this puts at risk. Most of the individual contributing Irvington properties would not be qualified for individual listings on the National Register. Which in that standard -- National Register -- seems to be the standard being put forward by the applicant. But I'm really not sure what that standard is. It's a contributing structure, but it's not as good as contributing structure as we would like to see our historic district. I don't buy that. Because Irvington has 80% to 90% of the structures are contributing. It was nominated because, taken as a whole, it is a remarkable intact example of early 20th century streetcar suburb, with over 85% of the structures deemed contributing. At the time of the nomination, only 28 properties were on the Landmarks Commission. Maybe another 40 could have been on the Landmarks Commission. That still puts 2000 contributing structures at risk. That's like the Alphabet District -- there's 450 and there are many that are contributing -- or on the landmarks, but most are contributing. You take this as a whole and some other speaker said, you slice and dice and cut by a thousand cuts and pretty soon you don't have a district anymore because your contributing structures are gone. The public benefit to me -- looking at the only precedent you have -- is not more market housing. It's got to be something more than that, more than a plaque. And I happen to have a lot of experience with affordable housing. I can tell you that the need is not at 80%, it's less

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than that. And to put together a really good affordable housing project, you need money, you need subsidies, and you need 12 to 18 months, maybe three years to do it right and make sure the services are there for the people who need it. I have other questions about the process. I know you've been here a long time. Commissioner Fish raised a question about design. To me, my experience of four years dealing with the Landmarks Commission -- that's the right place for this process to go. If you approve it, it's the right place for the design to go back. The design is only one aspect. You have mass, you have scale, you have context, you have hierarchy, you have a whole bunch of issues that are delegated to the right agency. And I'd hate to see the Design Commission get involved because my experience -- they never met a design they didn't like. [laughter]

Hales: Thank you very much, Dean. On that note, I want to compliment the excellent testimony that we've heard today. I think probably only in Portland could we have a debate like this. I want to thank everybody. What I'm going to propose to do procedurally -- and I'm going to check it with our City Attorney -- I'm going to close the public testimony but for the two people who signed up and who will be carried over to next week, and allow written -- allow the record to remain open for written testimony, if I can get away with that. Because I don't intend to simply continue and reopen for more folks to sign up. And then, we'll take rebuttal, further staff questions and Council deliberation. Can we do it that way, Linly?

Rees: Yes, I was just worried you were forgetting the rebuttal part. I think that's acceptable to do.

Hales: OK. So again, my ruling is going to be we're going to take those two people who signed up but ceded their time until when we return for verbal testimony. We'll keep the record open for any additional written testimony for anyone who would like to send this in next week. We'll set this over to next Thursday at 3:00 p.m. if that's acceptable to Council.

Fish: Just curious, what's a 2:00? Because we've been --

Hales: We've been heavily loaded.

Moore-Love: That's the transient lodging tax code reschedule date. [laughter]

Novick: That should only take 20 minutes.

Fish: That's the first reading of the enforcement side. So, maybe we should say 3:30.

Hales: Let's say 3:30. Let's try to be a little more realistic. Is there nothing later in the afternoon?

Moore-Love: For the 18th?

Hales: I'm saying if we set it for 3:30 or 4:00, there's not another boxcar behind this one, right?

Moore-Love: Right.

Fritz: Since this one might not go quite that long, could we do this one first at 2:00 and then do transient lodging after that?

Hales: I think that's a better suggestion. So, let's set this for 2:00 p.m. next Thursday and reschedule the transient lodging issue to 3:00. Because all we have two more citizens to testify, rebuttal, and deliberation. We might even get to take a break in between two pieces of the council session, which would be a really bizarre thing. If that's well understood by everyone, this is continued until next Thursday, and we're recessed until tomorrow. Thank you very much.

At 5:57 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.

DECEMBER 11, 2014 2:00 PM

Hales: Good afternoon, everyone. Welcome to the December 11th meeting of the Portland City Council. Would you please call the roll?

Novick: Here.

Fritz: Here.

Hales: Microphone not working? I'm here! Thank you. We have a couple -- we have actually three items left over from yesterday's calendar which we're going to hold until after today's items. So, for those of you who are here, I'm sorry, but you'll have to be patient a little bit longer. But we have some city business that got shunted aside thanks to a long Council calendar yesterday.

Fritz: We might to be able to do it after the first one.

Hales: We might be able to do it after this first one and before the second one, I think that's probably a good suggestion because we have perhaps a little gap between the two. So, let's try that and see if it works so that Sam and his team and others will not have to be here all afternoon. Let's proceed with item 1291, please.

Item 1291.

Hales: Thanks everyone. Let me queue this item up and call some folks that are here to present it. The purpose of this plan, of course, was to identify gaps in policies and services and improvements in East Portland, and to look for opportunities to address those gaps and remedy long-standing disparities in this part of our city. After the plan was adopted, community members and the city agreed to continue working together to ensure implementation. Since 2009, the City Council has funded the East Portland Action Plan advocacy project, which has done a great job of convening community members and institutional and governmental stakeholders to advocate for the implementation of the plan. Throughout that time, the East Portland Action Plan advocacy project has continued to provide leadership and guidance to all of us and to public agencies and other entities throughout the community on how to address identified issues and allocate resources to improve the livability of these neighborhoods. Since 2009, the City Council has used one-time funding each year to support the East Portland Action Plan advocacy project, known as EPAP. I believe that funding short-term projects with one-time funding is a responsible and reasonable practice. If we're going to carry something on over a longer time frame, we should fund them with ongoing dollars and be honest that something is a continuing effort rather than carry out so-called serial one-time expenditures, which this Council has been in the process of working its way out of over the last couple of years. Last year, in the city budget process, we directed ONI to work with EPAP and the East Portland Neighborhood Office to develop a transition plan for EPAP that would determine how the advocacy project would move forward. So today, we're going to have representatives from the Office of Neighborhood Involvement and East Portland Action Plan to share their report with us. I think the presentation is going to start with our own staff team of Amalia Alarcón de Morris from ONI, and Paul Leistner as well. And then we'll have some of the leadership of the EPAP steering committee as well. Good afternoon, Amalia and Paul.

Amalia Alarcón de Morris, Director, Office of Neighborhood Involvement: Good afternoon, Mayor Hales, Commissioner Fritz, Commissioner Novick. Thank you so much. I'm pleased to be here to introduce the report that was generated jointly by EPAP and ONI in response to the City Budget Office's budget note -- Council's budget note about EPAP and its future. Just a few points

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very briefly before I turn it over. In terms of context in history -- so, the “plan” part of the East Portland Action Plan was developed by Planning, and then the “action” part is what came with the effort now known as EPAP, and it happened to ensure that the plan didn’t sit on a shelf and collect dust, but rather actually had an impact in the community. EPAP is an independent and autonomous effort that has lived in many places in the city. It’s lived in the Bureau of Planning and Sustainability, it’s lived in the mayor’s special appropriations budget, and as of two years ago approximately, it’s housed in ONI, where we strongly support and advocate for the work of this model program -- key word there being model. But we don’t own or direct it. Plan fulfillment, as many things in government, is a two-way street. There is a city role for how we implement and then there is a community role as well. With that, I’m going turn it over to my colleague, Paul Leistner, who will kick us off to tell you about the results of this report.

Paul Leistner, Office of Neighborhood Involvement: Thanks, Amalia. Mayor Hales and Commissioners, I’m Paul Leistner with the Office of Neighborhood Involvement. Just to give you a sense of what we’re going to talk with you about today -- Amalia gave you an introduction; I’m going to do a review of the report that we are presenting to you, the process and the findings. Arlene Kimura, EPAP co-chair, will describe to you one of the questions you asked a lot: how do we know when EPAP is done? And they’ve done a lot of work to prepare a description of that. Sam Breyer, the superintendent of the Centennial School District, is going to talk about the value of the relationship that EPAP has with local school districts in East Portland. And Mark Lear from PBOT, who’s also a member of the EPAP technical advisory committee, is going to talk about the value of EPAP to city bureaus and the partnerships that they’ve developed. And then I’ll come back and briefly go over the recommendations of the report with you. Just as a reminder, this is what you told us to do last year. As the mayor said, it was to work with the East Portland Action Plan and East Portland Neighborhood Office to develop a transition plan for EPAP and how we move forward. Just some background. The EPAP report was adopted by City Council in 2009. It included 63 strategies and 269 action items in five categories: the built environment, environment, economics, learning, and social. The time frames that were listed for the individual action items range from zero to two years, two to five years, and five plus years. So, a wide range of different kinds of projects. The project has been funded annually, as the mayor said. And with one-time funding last year, EPAP received \$300,000. About 40% of that went to pay for the advocate position, which is Lore Wintergreen, who’s done a fabulous job supporting the group. Ten percent went to operations. That’s funded a lot of the amazing stuff you have seen at their meetings -- the translation, the food, the [indistinguishable] -- it’s just been amazing. And the other 50% is actually going out in direct grants to help implement specific action items. So, it’s a very interesting model. The bulk of the action items are things that city bureaus were assigned as the lead responsibility. There were 208 action items. Some of them overlap. Twenty-six items were targeted at the schools; 38 items went to other jurisdictions like the County or East Portland Community College; and then 42 items directed toward community organizations, businesses, neighborhood associations, and others. And this is just a little more of a breakdown, which was in your report that looks at some of the different bureaus, what individual players here got. So, PBOT got 29; ONI has 31; the schools; Multnomah County has 15. This gives you a little more of a breakdown. So, our process that we used this summer -- Mayor’s Office very kindly got us the services of an Oregon Fellow, Julia McKenna, who did a wonderful job. She’s from Oregon State University, very professional, and reached out to many different bureau staff people to get information on what has their experience been like trying to implement the East Portland Action Plan. We’re going to use her findings -- or, I’m presenting them here that are going to talk about what city bureaus can do and the opportunities there. Also had a lot of interaction and outreach with EPAP members and other community members to identify the value of the EPAP project. Some of the key values that the EPAP advocacy project brings that it’s the city’s most focused and effective strategy for advancing the city’s equity goals in East Portland. It’s comprehensive, it’s broad, it’s inclusive, it’s very constructive and positive. They’re also

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playing a very important convening role. I think all of you have been to their meetings -- but to have 40 to 60 people there in all sorts of different jurisdictions, community groups, ethnic groups, neighborhoods -- everybody is there and everybody is participating. So, they're the only place that is convening people the way to address the needs of East Portland. It's also the state of the art in diverse community involvement. Different people have said, well, do we need outside consultants to tell EPAP how they should do it? They are in the lead. They are showing everybody else how to do it. It's really -- in manifesting the kind of things we always said needed to happen with community involvement, they're actually making it happen. Plus, it keeps attention focused on East Portland and the action plan. Plans keep being generated by city government, and oftentimes, the latest plan is the one that we focus on and the past plans get lost. It's keeping the attention on that plan to make sure it gets implemented. Plus, plans get stale lots of times. Five years down, seven, eight years, 10 years, the plan that was done in the past is not necessarily what the community still needs. Bureaus go out trying to implement an older plan and then run into trouble with the community. EPAP has a major focus on making sure that those priorities of the community are identified every year and communicated to city bureaus. And it also leverages significant community resources and builds and supports significant engagement in East Portland. There are people involved in this process who've never been involved with any sort of a city kind ever project before. Plus, it's bringing in all of the different jurisdictional partners as well. It's really a remarkable effort. And so all of that energy and all of those resources are also being leveraged to implement the plan. The city is not trying to do it by itself. EPAP's work is distinct from but complements the work of the East Portland Neighborhood Office and the East Portland neighborhoods. EPAP is a very disciplined, focused project that is focused on the 269 action items. The East Portland Neighborhood Office gives a wide range of support in capacity-building and organizational support that is different than what EPAP does. So, they're not the same thing; they're complementary but they're not the same. A lot of city agencies have done a lot of great work in trying to implement the EPAP action items. Some of the opportunities that were discovered by Julia in her outreach -- one was that bureaus are pulled in many, many different directions and they need some help to actually keep the focus on the action items that are assigned to them. In some cases, there was lack of bureau buy-in to some of the action items where the action items were developed during that early process, and sometimes bureaus are saying that they're -- they don't feel connected to that. Action items vary in specificity and complexity from building a sidewalks to bringing about broad socioeconomic cultural change. So, there are very different kinds of action items. Completion is something that many times was not really quite clearly defined. There'd be an action item, but it wasn't always clear how we know when it is complete. Sometimes it's building something. Sometimes it's creating and sustaining a program. There are many different items where more understanding of what complete looks like would be helpful. And also, a more nuanced description of where they are in the process. You know, it's either not started, it's in progress, or it's done. Well, there are a lot of different stages to that, and city staff wanted better guidance on that as did decision-makers. Some action items, even though they were zero to two years, were not completed in the first two years because they weren't funded. So, that's another issue. Staff turnover in city bureaus. Some city staff were involved in the original plan; they really understood it and they got it. And then they moved on. New staff were there who weren't part of it and don't necessarily have that same connection or awareness of the plan. The influence of the plan on bureau priorities and work is unclear. Sometimes, bureaus will take whatever they're doing and then try to report it within the structure of the EPAP but not necessarily meeting the spirit of the EPAP. So, there's some opportunity for some improvement there. No city entity is charged with tracking or reporting on city bureau progress implementing the action items. The EPAP group does have a mechanism where people can self-report what progress they're making, but a lot of you were asking well, where are we in the process? How many of these things are done? Where is it? As Amalia said, the advocacy group is doing a great job out in the community organizing themselves and talking to the

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city. I think it's time for the city to take some responsibility to make sure that we're stepping up and doing our part in that partnership. So, there's --

Novick: Paul?

Leistner: Yes.

Novick: I think a more nuanced description of in-progress versus ongoing as needed. That's definitely true. Do you have suggestions as to how to be more nuanced and how to change the reporting?

Leistner: Sure. There were some cases where a new program needs to be developed and that it needs to be implemented and then sustained and then evaluated. So, there are different steps like that along the process. Some projects actually needed preparatory data-gathering, initial preliminary studies, or there needed to be other work done before the project could actually move to completion. So, part of it is really understanding what those next logical steps are to reach the final goal of completing the project. Without knowing that, it's sometimes difficult to move forward. Is that what you're asking?

Alarcón de Morris: And I think there will be some pieces in the recommendations part that are going to offer some thoughts about how the city might be able to assess and track and figure those pieces out.

Novick: Yeah, it seems like it's such a broad category, it's not really worth much. It could be divided up into, you know -- mostly actually complete and not started due to funding, and various other things. But "in progress" doesn't really tell you anything.

Alarcón de Morris: Right, exactly.

Leistner: Right. And that was the complaint that some of your staff members and some of you shared with us as well. And the same issue for other jurisdictions as well. It would be helpful for them to also do some internal tracking themselves. So, those were the main findings. And now, I would like to invite up Arlene, Sam, and Mark. And Arlene is going to start off and talk to you about what success would look like, because many of you asked, when it will be done?

Hales: Good afternoon and welcome.

Arlene Kimura: Good afternoon. Thank you very much. Can you hear me?

Fish: Arlene, I can't see you. Someone put the Spirit of Portland award -- East Portland -- [laughter]

Hales: How did that get there?

Fish: -- between you and me, and I wonder who did that and why?

Kimura: It was me. I'm here to talk about measurable outcomes. We had been asked to find some way of measuring when we would be mostly done. And I know that there was some discussion about an actual number of years. The general meeting of the EPAP did not come to consensus on doing that. What they said was, we can't give a time frame, we're not comfortable doing that. So, there was no consensus on giving any sort of year, you know, whatever the year was proposed. We had three different proposals. So, we went with no. What we did do, though, was agree there are specific measurable outcomes in terms of our work -- which we all do together -- that would be significant enough that we would consider the plan mostly complete. And that would be a things like the per capita housing investment meets or exceeds the city's per capita housing investments; 25% of East Portland residents would work in East Portland and receive family-wage living jobs; the Gateway Education Economic Development Center or an equivalent facility in partnership with East Portland public schools would be established to provide living wage industry skills for East Portland students and residents; East Portland's high school graduation rate is at least equal to or of the city's high school graduation rate; the aggregate graduation rate of East Portland schools is 80%, and students of all ethnic, racial, first-language demographics graduate at equal rates. I think this is very significant. East Portland in Motion is fully implemented, except for the undefined Foster flip elevated roadway. This includes the outer Powell Boulevard conceptual plan, Sandy Boulevard project. Transit options are improved, and includes the establishment of additional north-

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south transit lines and connectors to jobs on the Columbia corridor -- which we are working with Corky Collier to see if we can get more traction on that. All collector and arterial streets are ADA-compliant, with sidewalks with both sides and marked crosswalks at least a quarter of a mile; all roadway facilities meet the City of Portland standards; the identified most dangerous intersections in Portland are not in East Portland three years in a row. We would like to spread the wealth on that one. Eighty percent of East Portland's population is within walking distance of a park -- which we are not now -- or at least a natural area; and East Portland maintains or exceeds the diverse demographics identified in the U.S. Census 2005-2009 American Community Survey while achieving the above measurements equally for each demographic community. And we have lots of ethnic variety and we want all of them to be part of the greater Portland good living. Thank you.

Hales: Thank you.

Fish: Arlene, can I ask you one question?

Kimura: Uh-huh.

Fish: Because your presentation is about measurable outcomes. So, I don't want to miss an opportunity to ask you, do you believe through our budget process that we are doing a good enough job reporting back to you measurable outcomes in East Portland? And in not, what would you like to see us do different at budget time?

Kimura: I think the budget outcomes are incomplete. Dollars spent are often just aggregate dollars. They don't look at specific instances. For our -- some of our -- like our school districts -- safe routes to school is an issue. We don't reach the population of our business that don't speak English for the most part and basically cater to, let's say, the Latino -- and we don't have any real measuring data. So, it isn't just aggregate dollars, it's how those dollars are distributed.

Fish: And what's your view about the utility of budget mapping?

Kimura: The budget mapping is helpful because we can actually look at -- because they're tied to specific projects, and I think that budget mapping is an important tool that can be enhanced and help us better decide where we need to put our focus at any given year. Does that help you?

Fish: It does, thank you.

Hales: Welcome, Sam.

Sam Breyer: Thank you. Sam Breyer, superintendent of Centennial School District. Thank you for a few moments to talk about East Portland Action Plan. And I was asked to address how it benefits the school district, but I think the real relevant question here is how it helps us benefit the community. I want to address that at a big picture level, and then a more specific level as well. We serve outer East Portland in partnership of course with Parkrose, David Douglas, portions of the Reynolds School District. As you're aware, our community has undergone a fairly rapid transition in the last 10 to 15 years, and that's often discussed in deficit mode or with a focus on the challenges that we face. As a superintendent of the school district, I know my colleagues would agree. We really view this as an opportunity. This is an incredible community here and we have a chance to partner with our existing residents, with our new residents, our long-term residents, our local government, and our school districts to really build a community to provide some voice, some support, put down roots, and stop the historic transition that has caused so many problems in our community. As a school district, East Portland Action Plan provides an excellent venue for that to provide some targets for the school districts to reach, but also a direct connection to a grassroots, democratic, active organization that is specific to the communities that we serve. As school districts, we're always working to build those back and forth conversations, and we do that with more or less success. And so, an organization like EPAP that does it with so much success and provides us an easy access point into those conversations is truly a benefit to the school district, but also helps us serve and respond to the needs of community. And that's a really important big-picture piece. It was also mentioned earlier that it serves an important convening role, and one of those is the East Portland Action Plan education subcommittee, which I've had the pleasure of serving on for the last three years. And that committee provides an excellent venue for community activists, community

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partners, and school districts to sit together, work, and respond to the needs identified in the action plan and the community as a whole. And some of the specific accomplishments of that group are an increase in improvement in the SUN programming and spreading that across more schools in the East County. In Centennial, 70% of our schools are now SUN schools. And I know in David Douglas, I believe it's 100% this year. And that's largely due both to an effective partnership of course with city and county, but also with the education subcommittee work. We also have built really strong partnerships in early childhood education through this committee. And you'll hear largely about that in David Douglas where they have a successful center, but it has also benefited schools throughout East Portland. We've prioritized safe route to schools. Transportation safety is a huge issue. Making sure our students get to and from schools is something we're constantly working on. We've had some impacts through this group, and will continue to work on that. Advocacy for regional affording housing supply. What we want to do, again, is root families in our schools so that we can serve and elevate the community together, and that is a really important piece. Strong partnerships with the county library programs that have both allowed our community to better utilize the library and also allow the library to provide service within our schools. A direct benefit that is actually a benefit to the school district that was a big win for us is establishment of policies that let us know when building is happening -- particular large developments. We were growing so rapidly and so haphazardly that in many places, it was leading to overcrowding in schools that we simply didn't know were coming and would lead to overcrowded or under-resourced schools. So, that's a tangible action that has really helped us with our long-range planning. Again, we better connect and communicate with our community. One piece of evidence of that is we've been able through the subcommittee to distribute literature around our school-based health programs in nine languages instead of the normal two or three school districts are able to provide. Again, better and stronger connection with community. And now, the group has moved on to address the biggest challenge we face in our relationship, and that's how we address parent involvement in K-12 schools; both how we make that more effective for parents and how schools can better provide and support what's happening with our students both in the school day and outside of the school day. And those are tangible actions that are taking place, and the last one is exciting move we are in the middle of right now. Thank you again for a few moments to share all of the benefits I see the East Portland Action Plan in the school partnership.

Hales: Thank you. So, now for a city bureau perspective, Mark Lear.

Mark Lear, Portland Bureau of Transportation: My name is Mark Lear at Portland Bureau of Transportation. And for most of the time, I served on the technical advisory committee for EPAP. I was the traffic safety manager for city of Portland, so obviously, the work and help we were getting EPAP on traffic safety issues was very valuable. I can say in my 18 years with the city of Portland, I'm not sure I have ever had a group that added as much value to the work I was personally doing or my groups were doing as EPAP has. From my perspective, the value of the group has really helped us understand the issues people are dealing with, the priorities, getting a shared sense of what goals and what projects we actually want to deliver on. And the amount of staff support that we have got from people like Arlene, Dave, Lore, and others has been amazing. I feel bad a little bit from the agency's ability to sort of keep up, but what they've been able to do and the ability to improve our on community outreach has been really positive. Just to highlight a couple of projects. The East Portland in Motion project came after EPAP was kicked off. And with that framework, we could have done East Portland in Motion but couldn't have done it anywhere to the level and quality that we did without the help of EPAP. So, that was super-positive. We've gotten regional funding -- there was an example of the regional economic opportunity fund. I'm pretty certain that Portland -- and East Portland specifically -- wouldn't have got an allocation absent all of that grassroots in work helping us define the problem. So, there's \$8 or \$9 million of additional resources that came to the region as a result of that conversation. And just all of the work that we do, whether it is talking about new funding like street fund or other conversations, just having EPAP as a place to go

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meet with 60 or 80 people as a diverse a group as you are going to meet from my experience in any public sort of setting is just a valuable thing. I think we've heard that from TriMet, ODOT, PDOT, Police, ONI, and Multnomah County when we're having these -- I think we meet now once a quarter -- when we have these meetings, it's everything from what's happening with the big plans to -- we were just talking about a new housing project near a school that will create some problems next month sort of thing that we're addressing. So, it's just been really valuable, I think that's the general sense of the people who served on the technical advisory committee. Thanks for the opportunity to provide that feedback.

Hales: Thank you. Questions for any of these folks? Thanks for working together. Thank you. OK, so -- you are going to go through recommendations, Paul? With your partners here.

Leistner: Yes. So, just quickly here -- one of the main questions you asked, is this one-time funding, will it be done in a year, or is it something that should be shifted to ongoing as the mayor described? Definitely, there's a lot of work left to be done and a lot of great value that EPAP is still providing. So, the recommendation is that it shift to ongoing and that the program, the project be continued to be funded. One of the things that you could help with is helping make sure that all of your bureaus are actually prioritizing and aware of and prioritizing the EPAP implementation items. I think getting your leadership on that would be very helpful. It would also be helpful to have a one-time assessment that digs a little deeper than ONI and the EPAP group were able to this time around, but to really look at which items were completed, what remains to be done, how far along are they -- get a better definition of what completion looks like for each item and identify what steps may need to happen to lead to that completion strategically, and identifying any action items that may not be needed anymore, that the community and the city and other partners agree those are things we don't need any more so we don't have everything on the list forever. Also, identifying -- once that assessment is done, it would be helpful to have some sort of mechanism within city government that all of our bureaus are reporting on some sort of regular basis on how we're doing, that somebody creates a framework for that and sort of prods us along and gathers that information so you can have it and the community can have it as well.

Fritz: Does EPAP have a recommendation on what entity that should be?

Leistner: I don't think that -- Lore, did you guys --

Lore Wintergreen: When the draft originally came to us, there was a proposal that it either be through the Auditor's Office because they had done the recent audit, or OMF.

Fritz: When did the draft come to you?

Wintergreen: That was the first draft of this -- coming from the Office of Neighborhood Involvement, the great work that Paul has done on this. And was not included, and I think with input from other reviewers of the draft.

Fritz: Why don't you have a seat? Because I'm going to ask you some more questions. And thank you. This is Lore Wintergreen, for the record, who's our coordinator for the East Portland Action Plan. Was there any consideration given to having the City Budget Office be the entity doing the assessment and reporting?

Wintergreen: Actually, we talked about correlating it with the geographic mapping. So certainly, it was a matter if you're doing the geographic mapping -- and I believe it was Commissioner Fish saying earlier -- is that of value and then how might that value be enhanced? We thought that might be a good locale if people are submitting their budgets annually to do a tracking of the action plan.

Fritz: And what was the discussion around which bureau within the Office of Finance might be responsible for the annual report?

Wintergreen: There wasn't any further discussion, because it was chosen not to proceed in the draft. We moved forward with the document as submitted.

Fritz: Thank you.

Leistner: I think it would be helpful to have somebody do it, and the next step is if you think that's a good idea, figuring out who would do that.

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Novick: I was curious, actually -- on page three, it lays out a number, it says, the entity responsible for tracking should have some level of citywide statute that would allow it to engage bureaus across city government. Some entities that might be able to play this role include Bureau of Planning and Sustainability, OMF, the Mayor's Office, the City Auditor and OEHR. What about ONI itself? Was there consideration given to that?

Leistner: We're so modest that we did not add ourselves to that list. [laughter]

Fritz: I was interested as to why the City Budget Office wasn't listed there, because they are the coordinators and the ones that report to all five of the council.

Leistner: Yes, and I think in conversations recently with the Mayor's staff that did come up that they would be somebody who would be a good choice.

Fritz: So, you wouldn't be averse to that being the locality.

Wintergreen: I don't believe so. I don't think there would be any opposition through EPAP members.

Novick: Another question is, you have some sense of what the cost would be of doing this kind of tracking in terms of dollars or personnel, and how that should be paid for?

Leistner: We also did not take a look at that. We didn't have sort of the time and capacity to do that. If that's something that you think is important, that may be something that the Budget Office could take a look at defining a clearer scope of what that would mean, and then being able on that basis to develop cost estimates.

Wintergreen: And I had made a recommendation that perhaps discussing between the geographic mapping costs and the work that the Auditor's Office recently did looking at the action plan -- being able to take input from that process.

Fritz: And that's a one-time project, right?

Wintergreen: Exactly.

Fritz: It's just a, where are we now, looking at my 25 things in Parks and seven things in development services, how many of those are done. So, that would be maybe an outside contract you're envisioning?

Leistner: Well, I think one of the recommendations was an outside contractor, or again, providing some funding to a city bureau to staff up to do that. Or there had been talk of trying to do it with a bureau with assistance, again, from another Oregon Fellow or some other approach.

Fritz: Yeah, an Oregon Fellow -- this seems like a good project for somebody to do that.

Leistner: Especially somebody good like Julia was. She was wonderful.

Fritz: Yes, I'm glad that worked out well for you.

Hales: OK, other questions.

Fish: I have -- are we --

Hales: I think Paul will go on further with recommendations.

Leistner: No, we got to the end there. One-time assessment, some sort of ongoing tracking and reporting so that we all know what's happening. And then again just emphasizing for you that EPAP and East Portland Neighborhood Office play very different roles, and so you keep that in your mind. That's it.

Hales: Right. Commissioner Fish?

Fish: Comment and I guess a question. Comment is -- I used to meet fairly regularly with EPAP to talk about parks and housing. Now, I have a slightly different portfolio. And I want to give you a preview of some things next year where I need your help. One of them is we will take another run at discounts, how we can fashion a discount program in a multifamily context. Right now, our water and sewer discounts for low-income users are pegged mostly to homeowners because there's a single meter. The challenge has always been, how do you apply a discount where it is a building with lots of units and a single meter, and you don't know with precision what each individual usage is, and since the discount pegged to usage, it creates a complication. So, starting in January, we're going to take another run at that. Obviously, this has a significant impact on East Portland. Not just

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low-income families, but also older adults. I want to preview that as something we're going to need help on. Number two is we will be heating up the discussion around surplus property. And we have some property post-Big Pipe that we've got to get rid of, and other properties in the Water and BES. And my guess is if we had the list here, we could identify properties in East Portland and there are questions, about what do you do with that property? What's the public interest? And under our new guidelines, are there other bureaus that might want a crack at those properties before they go out on the open market? But the third thing is -- are we talking, currently, Mayor? I'm sorry, I had to step out for a call. Are we talking about the question of funding going forward?

Hales: Potentially moving it to ongoing given the fact that we do have obviously a lot of these planned provisions that are going to take a long time to realize and where there's maybe progress more or less, but no expectation that we're going to be done in a few years.

Fish: Well, we -- the mayor has signaled and the independent Budget Office has signaled that we are likely to have a chunk of one-time money and we may have less in the ongoing in the budget going forward. And in terms of budget sustainability, we have been cautioned about serial one-time spending. At some point, you either make a decision and put something in the budget, but you don't treat an ongoing project as just getting one-time funding. So, one of the things that I'd be interested in exploring in the budget is if necessary, a one-year bridge to a sustainable funding plan. So, if the only dollars that are available, I'm willing to violate the rule and I think it's a better rule, which is the ongoing when you can get it. If there's no ongoing, I would at least be open to a one-year bridge and then a concrete plan as to how we can put EPAP in the budget. And to -- and that's I think a good conversation for the council to have, and then be very specific about what are the kinds of conditions, what are our expectations, what are your expectations, and be very focused on that. And I had a chance briefly to discuss this with Commissioner Fritz, and I'm totally flexible in how we get there, but I would like to see less of the perils of Pauline and more of sort of long-term secure funding. Because I think the work you do is irreplaceable. And even though I think there's always room for improvement on both sides, if we didn't have an EPAP -- and I've had the good fortune of working with EPAP since we launched in 2009 -- so it's almost been co-terminus with my service -- I've seen enormous benefits. One of the benefits is I've seen a completely different tenor to the conversation between East Portland neighborhoods and City Hall. And gone from one maybe heavier on the frustration side to heavier on partnerships and relationships. And look no further than the fact that Commissioner Fritz in the last year and a half has been able to make a significant down payment on something we have been talking about for a long time, which is East Portland parks equity. And she said she was going to take those resources and invest them, and while she wasn't maybe prescient in terms of how much of a bull market we would have in the development side, we've never seen so much money come in the door, and she's made sure it goes and is prioritized in East Portland. I don't think it would have happened with the same sense of urgency had that not been a priority that you framed in the plan and you held us accountable to. The final thing I just wanted to observe for Sam is -- Mr. Superintendent -- is the last time I was at an elementary school in Centennial, I won't bore you with the details, but it was meeting with some kids in a SUN school and it ended up being like a Model UN gathering. What struck me was many of the kids had as many as three languages under their belt. Three and two languages. And, Mayor, you know, we have kids that have a second language. I wish I had a second language. That was the shortcoming in my education. It also means I can't understand my family when they talk in Spanish. But there were kids at the table that had three languages. And I was sitting there thinking, sometimes we say, oh, what a burden it is for a school district to have to accommodate 45 or 50 languages. And then I thought, what a gift we have people at that age already fluent in multiple cultures, and why isn't that part of our great advantage as a community? You know, why isn't that an advantage that they can speak multiple languages, have understandings -- some of the kids that come from refugee camps and places you can hardly find on a map, others had had tough roads -- but they had language and culture experience. It seems to me in this new global economy, it's one

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of our great advantages. I will be looking to you, sir. The Mayor's economic development plan report we got the other day said workforce development and connecting our talent with the next round of jobs is a priority and is a key. And you've one of the great resources in your own back yard. How do we connect them to jobs that are good paying and that provide opportunities? So, I was very inspired.

Breyer: Thank you.

Wintergreen: I would just like to add to the measurable outcomes -- Arlene said the EPAP answers how you do that. There has been a strong recommendation for the Gateway Education Economic Development Center that all of the school districts have come together to say would be a center with Mt. Hood to do that, to corral that and see that the people in East Portland get that focus.

Fritz: I concur with Commissioner Fish's framing of the changed dynamic between people in East Portland and advocacy in East Portland and City Council, as evidenced by the fact I don't think we have any reporters here today. So, if they thought it would have been controversial, they would have been here. [laughter]

Hales: Or bad news, either one.

Novick: Wait a second, is JoAnn Hardesty there?

JoAnn Hardesty: I'm here in support. [laughter]

Fritz: That's a testament to your advocacy. And as Commissioner Fish said, one of the reasons that I was so passionate about allocating the majority of new system development charge money in East Portland is because of your advocacy, your success, it's due to you. I want to be very clear to you that one way or another, I am committed to continuing funding the East Portland Action Plan and I believe I have the consensus of the council on that. So, as we figure out how to do that, as Commissioner Fish said, it may be one more year of one-time funding and perhaps a budget note to say after that perhaps the one-time funding could coincide with while we're doing the assessment and then you could bring the assessment sometime in the summer or fall of next year, and at that point we could do something to make sure that -- the only thing I'm hesitant about that is there's a lot of value in you coming in every year, and the only reason I'm saying that because I know you will come in for the annual report, that it won't be something that will just fade into the sunset and be good people doing good things but nobody ever knows about it. So, if it weren't for that, I'd say, let's keep it in one-time funding because you'd have to keep doing your advocacy stuff, but you're beyond that. You are seasoned advocates at this point. You are accomplished. And so we, I believe, need to get the funding, the structure, the support figured out so that you don't have to keep worrying about that. You can keep doing the work that you're doing. I so appreciate being able to contact Lore and Arlene and others when I have committee openings -- which coincidentally, I do have some more committee openings -- so that we get your voices on our commissions, on our boards, on our advisory groups and make sure that you're heard.

Fish: Commissioner Fritz, do you have any openings on the COCL?

Fritz: As a matter of fact, I do. Thank you for mentioning that, Commissioner Fish. So, just today, we are posting the application to be on the Community Oversight Advisory Board for the Department of Justice settlement implementation, and we need good people who can volunteer significant hours a month for sure -- but people willing to be the eyes and ears and voices of the communities as we try to partner with the Department of Justice and the Police Bureau in making sure that our streets, homes, and back yards are safe for everybody. And so, could you please go to my web site and look at that? And if you're not able to commit that amount of time yourself, or if that's not your area of advocacy, go home and call somebody who you think might be able to do it. Because we've got a very short time line for filling those positions -- January 9th is the application deadline and that's not our choice. We know that we need more time to get the word out. The Department of Justice is holding our feet to the fire. So, I know that you can help us and that and even over the holidays people in East Portland will stay up at night and fill out those forms or fill out the online application. And please reach out to folks and help us get representation, because the

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Department of Justice specifically mentioned East Portland. East Portland residents and the different communities in East Portland as people who need to be involved in this going forward. We didn't suggest it, they required it. Thank you for the participation so far and please get that message out for me and for all of us.

Hales: Great. Other questions or comments to the team?

Novick: Just a couple of comments. One is I think that Arlene, your list of the purpose EPAP advocacy be achieved when -- that's a phenomenal list. It's very aspirational, but it's also very concrete. There's nothing vague about it. So, I really, really appreciate having that, and we should strive to achieve it. Also have to say that having the Bureau of Transportation benefit every day from the work of EPAP and people involved with East Portland in Motion -- it's not a matter of us saying yes, we know there's a lot of transportation issues in East Portland that need to be dealt with. It's a matter of saying, there's a lot of transportation issues and they've been identified and prioritized by the community, and these are things that we know need to be done in this order. And that's just incredibly valuable to have, and we could not have the coherent conversation about the safety element of the street fund proposal without that work. So, thank you.

Hales: Thank you all. It has been a great presentation. We appreciate it very much, and the work of all of the leaders in the room. I know we're going to hear from some of them individually as well, so, thank you. I think we probably have some folks either who are here on an official or unofficial basis from EPAP that would like to add to this presentation. Karla, won't you call on the folks as you have them.

Moore-Love: We have 18 people signed up. The first three, please come on up.

Bob Earnest: Good afternoon. My name is Bob Earnest, I live on NE 107th place, I live on the western side of the -- the western end of the East Portland Action Plan area. I am a founding member of EPAP and have been involved in the group since December of 2007. I serve as the structure's committee chair. Part of the structure's committee. We developed the idea of having a consensus-based organization. I've also served on other committees, and most recently, I was selected to be on the Gateway Park citizens advisory committee. I'm talking to you today as an area resident. I'm not representing EPAP. Again, this is because we operate on a consensus model and we did not reach consensus on some of the items I wanted to mention today. These are my comments and observations. I support EPAP and the goals. When we moved to our current residence in 1996, I became involved in the Gateway urban renewal citizens advisory committee. I served in various leadership roles including chair, co-chair, vice chair. When we had community meetings in the late 1990s, the topic of sewers and stormwater runoff dominated many of our meetings. Annexation issues ran a close second on the public agenda. These topics no longer dominate our public meetings. So, we've made some major progress in communicating with residents and sort of levelling that playing field. EPAP formed in December of 2007, and the council approved the plan in February of 2009. There's one paid staff and hundreds of volunteers who carry the EPAP forward. So, it's a major volunteer organization and there's a tremendous value for the investment from the city funding. EPAP has brought a focused approach to leverage city services and partner with the community. EPAP is working on safe routes to schools, bringing parks to a park-deficient area, and community building efforts in addition to a variety of other actions and strategies to engage residents. The community has organized and has involved both new residents and long-time residents to improve our neighborhoods. The work of EPAP is not done. I believe we need at least another seven to 10 years to accomplish at least 90% of our strategies and actions. We've made significant progress, and I urge your support to continue the good work into the future. EPAP has brought an awareness of East Portland to the city as a whole, and recognize we are a contributing area adding to the quality of life in Portland. Please continue funding for at least the next 7 to 10 years so that EPAP can get the work done. Thank you.

Hales: Thank you. Thanks very much. Good afternoon.

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Tom Lewis: Good afternoon, Mayor Hales and Commissioners. I'm Tom Lewis, with Centennial community association. I work with the operations committee at EPAP helping move those priorities for each year ahead -- be advocated for. And I wanted to appreciate that lights are on to the way EPAP is structured and the work being done, and I appreciate that very much. I wanted to just have a couple of hits on my community being the neighbor to Gresham, and the line going out to 174th East -- Portland in that direction -- and wanting to feel and have some hope as the city has recognized the needs out my way, even though they haven't reached me yet in some fashion, that there is hope alive. And we could use our named Park Lane Park in East Portland Action Plan developed. We could use a community center -- either there or with partnerships such as Rosewood Initiative that has struggles paying their bills and having doors open for us to have a meeting place at and hash over community concerns. And that will make good neighbors to Gresham and the interests that cross the boundaries, take down the boundaries between Portland and Gresham with advocacy with Multnomah County, Metro, and other government entities that will help us make that a consistent, meaningful, livable neighborhoods for both City of Portland and Gresham being one community. And I thank you for your patience.

Hales: Thanks, Tom. Thank you very much. Good afternoon.

Jeremy O'Leary: Thank you. Hi, my name is Jeremy O'Leary, I am the co-chair of East Portland Action Plan and have been a long-time policy geek. My motivations for my work with EPAP are based on my involvement with the peak oil task force, the climate action plan, the Multnomah food initiative, and many others. And basically, as we're facing challenges from the ongoing economic shifts and energy issues and how do we adapt to a low carbon future == which we don't entirely know how to do -- there's going to be pressure points on the community. And those pressure points can take the form of just rent prices or from actual natural disasters. And this is where the basic community organizing that EPAP does is critical, from everything from emergency preparedness to long-term recovery, which is something that I'm talking with the various bureaus about how we achieve this and have been working on how EPAP can fit into a long term recovery organization effort. And, yeah. Definitely here to show my support, and hopefully we can figure out something going forward. Thank you.

Hales: Thanks all of you. Thanks to all of you, appreciate your leadership. Thank you. Welcome, I think you're on first, Anna.

Anna Volkova: Good afternoon. As an immigrant five years ago, the only things I knew in East Portland were grocery stores and my workplace. I started working as a workforce specialist for Human Solutions many years ago, and you know that Human Solutions is located in East Portland. And I'm glad that EPAP started working five years ago. Thanks to East Portland Action Plan work and regular events, I learned more about City of Portland bureaus and their operations. I learned that my voice and the voice of my community can be heard and can impact me, my community, my neighborhoods in a positive way. I see the community involvement -- especially for my community -- is rising. But not only this. EPAP members keep accountable city bureaus and state entities. This is phenomenal, and this is something that I have never, never seen -- not only me, I'm an immigrant -- but all of those people that I am talking to. It did not take one year, of course. It took more. People just started to believe in their own ability to influence change. It could not be interrupted. And I and my community members want to see all of those EPAP items accomplished, or at least to be at about that stage. I'm very happy to be part of EPAP's sub-committees and see positive change happening. For me personally and for many of my friends and community members, projects like 136th Avenue improvements, working with Multnomah County to have school-based health clinic distributed to all students in nine languages, have the power to define application for civic engagement language and culturally-specific grant funds, and see how effective educational subcommittee work with schools and impact many aspects like parenting involvement that needed improvement. And many, many others -- it's just I don't have enough time to list all of the projects that were advocated for, accomplished successfully because of EPAP advocacy. Again, they were

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very important for me personally and my community members and they happened, which is the most important thing. What I wanted to say again that -- not say, but maybe propose that I see how hard Lore Wintergreen is working. So, it would be nice to have a paid full-time person who could help Lore in the future. Thank you very much.

Hales: Thank you.

Galina Nekrasova: Hi. My name is Galina Nekrasova. I am the President of the Slavic Immigrant Association, and I work with all Slavic immigrants of East Portland. I am a member of EPAP and I am a member of educational sub-committee. EPAP is always the most important for us. It is the life center for us. And EPAP -- anytime, office is open. 10 a.m., open. 10 p.m., still open. And Lore is still in that office. And Lore's discussion she started to help with us, and answer each question. And EPAP for us, it is good school of our new life. It is good supporter. And EPAP is good teacher for us. I am studying all the time. When I come in every month for meeting in EPAP -- did you see it last time when you were at the meeting? 65 people. And they know what they're talking. They know each street. They know each house of that street. They know problems for each person. And Lore is interesting, Lore is a big mother of that big EPAP committee, and we are looking, listening to Lore and we are doing all of our plans. And we are so happy. And I don't know how me, myself, and how my community will be without EPAP to organize Slavic culture festivals, or now we have Russian language school. It is EPAP help for us. And I don't know how it will be. This is why I, myself, support full funding EPAP and my community is supporting, too.

Hales: Thank you.

Nekrasova: We really appreciate EPAP. It is good, good, good help for us.

Hales: Thank you very much. Thanks for your help. Ms. Hardesty, welcome.

JoAnn Hardesty: Thank you. Good afternoon. It seems like just yesterday I was here. [laughter] And the day before that. I want to -- and Commissioner Fish took my thunder. I was going to say, shockingly, hopefully you will take a picture that I am here in support of something that the city council and the mayor have been supportive of, and that is the EPAP organization. I want you to know that this is a model of how government and communities work together. I encourage anyone who hasn't been to a meeting in the last couple of years to come yourself. I appreciate that Commissioner Novick has a staff person that's wonderful and she comes every time, and she's on the grants committee with me. But I think it's important for you to see what happens when you have a meeting that respects everyone who attends, that anyone who speaks a language other than English doesn't feel like an outcast. There are people there to provide translation. There are people sitting with them. The meeting happens efficiently. We rarely spend more than 15 minutes on an issue in our meetings. It is because we have built trust, we have built respect, we have built an appreciation for the staff and the volunteers who came to together because the City was absent. In the five years that we have worked together, we have built some really strong relationships, and we built those relationships based on spending time in a room with each other. We eat healthy food at each of our meetings. We provide child care, because we believe if you want low-income parents and community members to participate in the governance of this city, we need to remove barriers to make it accessible to those individuals. So, we meet at a time that's convenient for the people who work and go to school and we make sure that whatever things interfere -- transportation -- we go pick up people and bring them to the meeting. We are a model of how government and community should work and the dance of governance in a community. And I gotta tell you, I didn't need another meeting when EPAP started, and wasn't looking for another government meeting to go to talk about what's wrong with government. But that's my community, I live there. I live in East Portland. And I see the need, I see the neglect, but I also see the dedication of the volunteers, the people that come every single month no matter what, and I get phone calls sometimes at 9:00 at night. I had to actually tell Lore not to call me at 9:00 p.m., because my city business is over at 9:00 p.m., but Lore Wintergreen is in the office. And many times, I am talking to her and saying, go home. This is not -- I mean, you can't pay people enough to have their heart. They're committed

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with working with volunteers in a community to make our community better, and that's why I've been the co-chair of the grant committee for the last two years, I've been on the grant committee for three years, and I have been participating in meetings for four years with EPAP. It works. Thank you.

Hales: Thank you. Thanks very much. Thank you all. Good afternoon. David, I guess you're on first.

David Perry: Good afternoon, Councilors, my name is David Perry, I'm the program director of Zenger Farm in Southeast Portland and resident of Mill Park. In my role at Zenger Farm, I've had the opportunity to work with the East Portland Action Plan on many occasions and am here to express Zenger Farm's support of EPAP's transition plan. EPAP's role in East Portland goes far beyond providing grants to organizations like Zenger Farm. Beyond the impacts EPAP has demonstrated through its work, I want to talk a little bit -- as others have -- about some of the intangible results of their efforts. EPAP is easily the most inclusive organization I have ever worked with in my time. A diverse group of people who gather for their meetings and the way each community member's voice is heard is truly a model in cutting-edge governance. They are the central hub around which organizations like Zenger Farm can meet others, connect, and work towards common goals. EPAP truly makes us all more efficient and effective in achieving our missions. It's our belief that ongoing funding for EPAP and the actions laid out in their plan will only improve this already effective organization. For this reason, we urge the council to approve the EPAP transition plan as presented. On behalf of the staff and board of Zenger Farm and communities we serve, thanks for the opportunity to testify on behalf of the East Portland Action Plan.

Hales: Thank you. Mohamed, welcome.

Mohamed Ali: Thank you. My name is Mohamed, I live East Portland, and I'm here to support EPAP because it is the only office I can work in and use their space any time I have community gatherings, community trainings. I work with AYCO, African Youth and Community Organization on a volunteer basis. We got a grant from EPAP that made us possible to train our youth on issues on civic engagement, leadership, and gang prevention. With help of EPAP and the commission they have created for Somali community, we managed to have opportunity to meet with house [indistinguishable] in Portland, Oregon. Because you know very well that Somali families are very large and they have housing issues, and the number of them that leave a unit that rents \$1600 while they're paying like \$1200, so there's this amount of money that they don't have, and housing is a big issue. So, we didn't know where to go. They help us establish a link where we have the offices. The housing representatives come to the community, sit with them, listen to the problem from the community, and that was very helpful. And we also get a lot of other information regarding what grant is available, regarding what other community meetings are taking place. We are in the process of learning how to integrant -- it is mostly into the community -- and really understand how to overcome those challenges. So, the direction I've worked with the community on a volunteer basis and helping EPAP through this kind of communication was very great, and I hope you guys continue supporting EPAP to be able to reach more people. And it was very amazing, so, I recommend that and I look forward. Thank you very much.

Hales: Thank you. Thanks for your help. Good afternoon, welcome.

Keith Scholz: Good afternoon. I didn't know I was going to be speaking until my name was called. [laughter] But four years ago I was introduced to an organization that advocates for transit, and I am a transit-dependent person. Through them, I was introduced to East Portland Action Plan, which is so much of a grassroots organization. I mean, like I just heard earlier, there is one paid staff person, and the rest of them are all volunteers. I'm one of them. I will do whatever -- you know, I live right east of the East Portland area, but most of my travels and business is done in the eastern part of Portland, and I totally support anything that this organization does to try to make things better for everyone in East Portland area. Thank you.

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Hales: Thank you. Thank you all. Appreciate your help. Katie, I think you were first. Since you are a budget advisor, we will give you precedence anyway.

Katie Larsell: OK. So, I was going to testify in my own words, but then I found these words. And these words were spoken by a public official from Portland, and I think this person was talking about East Portland and the East Portland Action Plan. This official was speaking to a group outside of Portland -- this is a little bit of a mystery here. And here is what this official said. There are a lot of great neighborhoods in Portland where you can really walk to the farmers market and go to a local movie theater and a brew pub right down the street, and all of those parts that you expect in a great urban neighborhood are there. That's only about half of the neighborhoods in the city. The other half of the neighborhoods are places that were half-baked suburbia when they got annexed to the city, and we're trying to make them complete communities with a local economy in that neighborhood and those kinds of services that you can walk to. And oh, yeah, in many cases there aren't even sidewalks and there's no neighborhood park. We're spending a lot of effort and time on trying to retrofit those suburban parts of Portland to not be physically identical to the old neighborhoods but have those ingredients of a complete neighborhood that Portlanders like to see. Does anyone up there recognize those --

Hales: I think I heard those words before.

Larsell: [laughs] So, that was Charlie Hales. I don't know if you -- you probably don't even like this, but your words are out there on the internet --

Hales: Happy about that.

Larsell: You were speaking to the urbanophiles -- I don't know if that's how you say that.

Fish: The mayor was assured that the comments would not leave the room. [laughter]

Hales: Yeah, that's right. We get those kinds of assurances in this business all of the time.

Larsell: So, anyway, I just thought that was wonderful to hear those words. I think of the East Portland Action Plan as a partnership between the city council and East Portland. And of course, you know that we aren't a silent partner, but we are your partners and we're your partners in making Portland a complete city. Portland isn't all Portlandia, as the mayor had pointed out, but a city with new Portlander families and struggling high school dropouts and people who have to take the bus and people who don't work in downtown towers. I want you to imagine what the city would be like without East Portland. It would be a little blah, wouldn't it? Perhaps a little bit too much alike. East Portland is an asset to this city. So then, I want you to imagine what Portland would be like without the East Portland Action Plan. There would be a lot of public meetings that you guys just would not want to go to. [laughs] We've provided a bridge, because we are your partners. So, I want to end with these very eloquent words of Charlie Hales. Now, I think we have a role to play maybe again fighting above our weight in improving the American paradigm wrong. The richer are always going to get richer, and the 99% are going to keep falling further behind. I think we can -- in our community and Portland way -- show that no, we're actually capable of thinking about our neighbors, devising economic strategies that lift more people up to a quality of life that some of us already enjoy. And I would love for that to be the reason for the tourism coming to Portland in 10 or 20 years from now and I second that. And I second that, I would love to have tours in 10 or 20 years coming through East Portland and people pointing out the sidewalks and the parks and people walking along on those sidewalks.

Hales: Thank you, Katie. Thank you very much.

Larsell: You're welcome.

Hales: Richard, I think you're next.

Richard Mohley: Yes, sir. Mr. Mayor, Commissioners, my name is Richard Mohley, I live at 146th and Halsey. I just joined the community group to help with the cleanup, that's all, and I crossed path with these guys. And I was amazed. I had no idea my neighborhood was so diverse. I've been there 20 years, things have changed a lot. It could go south. But these guys are involved. I'm amazed at what they're doing. So, it goes without saying, I think, that not everybody comes from a culture or

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family in which they organize themselves and petition for help, but when will wealthy neighborhoods stop asking for money? When will influential businesses stop asking for help? Never. But these guys -- that's not where they're coming from, but they're really doing amazing things and because I've been involved with this just a little bit -- I've got involved with other neighborhood associations and friends and city issues, and I find it fascinating. And so, I just came down here to thank the city for doing such a wonderful thing. Because without stuff like this, we could have problems other parts of the country have. It's great. So, thank you.

Hales: Thank you. David, welcome.

David Hampsten: Hi. I'm David Hampsten from the Hazelwood Neighborhood Association, and I'm the East Portland representative to the Transportation Budget Advisory Committee. One thing about the EPAP that I find rather special about it was I was laid off roughly about six and a half years ago from working for the city. I was a low-level technician, mostly in PBOT, partly in BPS. And it was a wonderful opportunity actually get involved, really get involved in the community by being involved with the East Portland Action Plan. I was able to do the type of planning -- because I have a planning background, a planning degree -- the type of planning I could never do when I was working for the City. I could actually see things happen, get things funded. And that's been a really big plus with working with EPAP, because work as a team. I identify things within the PBOT budgets that can be -- how should I say it -- maneuvered towards helping East Portland. I pass it on to Katie here, who's on the City budget committee, and then we pass it on to various other people on the Budget Advisory Committees or who have influence within the city. And we basically build long-term strategy of trying to convince the staff within the various agencies, yourselves as legislators, to actually make those things happen in a way that you would probably do anyway, but maybe 20 years from now, and try to get it done a little bit sooner so that you're actually building up a certain momentum of improvements so that -- you know, it's like working with Adams, you get sidewalk here, and that builds up to \$8 million for sidewalks in East Portland, another \$8 million in Southwest, and that generally -- as Mark Lear was talking about -- you get into the federal and state moneys for bigger projects, and that kind of builds up a certain momentum. Now that we're into the street fees phase -- which I am a very ardent supporter of -- it has gotten to the point that we are seeing some real progress in East Portland in getting things funded. The real difficulty sometimes, though, is actually getting things implemented. And we're always fearful we will get another Cully Boulevard, you know, in a different district of the city than East Portland, but, you know, where they get the money and they sit on it for 11 years. It's always a concern for us that money will be sat upon. But nevertheless, we are seeing progress, and I want to thank you -- all of you -- for moving that forward. Thank you.

Hales: Thank you. Thank you all. Good afternoon.

Eavan Moore: My name is Eavan Moore, and I am volunteer with both Bus Riders Unite, which is a membership advocacy group for transit users; and the Community Alliance of Tenants. I just joined the board of directors of the Community Alliance of Tenants because I have had positive experiences with its work. EPAP has had a couple of benefits for both of those organizations. One of them is contributing financially to our programming, but the other big part is having such great organizing capacity that we wind up not having to reinvent the wheel when we find that our priorities -- transit and housing -- take us into East Portland for obvious reasons. I wanted to tell you about one of those projects EPAP has funded. It was an initiative to build tenant power among immigrant and refugee communities in East Portland. Together with the Center for Intercultural Organizing, we received two EPAP grants in 2013 and 2014 to hold multi-language workshops for Burmese, Napali, and Karen-speaking tenants. All of this took money. The space that we created for building solidarity among different ethnic groups with the same problems, staff time spent sharing critical information about landlord and tenant rights and responsibilities, translators who make communication possible. And with that money, the tenants who come to the meetings have built on their resources. They tackled their repair issues in apartment complexes, they traveled to Salem to

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advocate for themselves, they've showed up to city hearings. It's been a very successful program, and EPAP made it happen. Obviously, that's not going to solve all of the problems that we're seeing and they're going to continue. We have existing priorities for this year and the next year, and if you vote to ensure that EPAP is funded well, ongoing into the future, then that means we can keep running programs like these that provide the tools that all East Portlanders need to have their say.

Hales: Thank you very much. Good afternoon.

Brian Lockwood: Good afternoon, Mayor, Commissioners. Brian Lockwood. I've been in front of you before, thanks so much for having us again. Appreciate it. I am going to be nice this time. I had a couple things I wanted to say. Because when you ask us questions like, boy, about this funding bit, we get worried. [laughs] Some of us start going, what are we thinking? The East Portland Action Plan is really easy to plug into. It's been wonderful for me to go from the neighborhood level. Was in Sunnyside -- but, Powellhurst-Gilbert, plug in, be able to do what we need to do, advocate for things that we need. I've been out there 20 years. I'm a sixth generation Oregonian, so I see some of the issues really well. But I really appreciate getting sidewalks out there and looking at Powell Boulevard -- yeah. And a lot of things have been said I would love to reiterate, but I won't. One of the things Frieda Christopher wasn't able to make it today, school board chair, East Portland. She sent out a mass mailing -- our middle schools are approaching their capacity, and of course, David Douglas High School is the largest high schools in Oregon with more than 3000 students. We continue to grow. Population growth experts predict that David Douglas School District will add another 3000 students over the next 10 to 20 years, we simply have no place to put these kids. So, looking at a sunset clause for East Portland Action Plan and what that might look like is really hard for me to integrate into my being. I would love to see the East Portland Action Plan become more of the City of Portland, and more of the city being able to advocate for itself like that. I think having another paid advocate -- or five -- but having more advocates in there so that that can work with -- and in the city to be able to leverage your investments and help the city grow because, you know, as one of very few cities in the nation that are growing at such this rate -- and it's mind boggling. We've got \$800,000 houses across from Laurelhurst Park being torn down to build new ones. You know? This isn't Connecticut, I didn't think, but, wow. Thanks so much for having us.

Hales: Thank you. Thanks very much. Welcome.

Adam Kohl: Hi. My name is Adam Kohl, I'm the executive director of Outgrowing Hunger. I've had a few interactions with Commissioner Fritz and Commissioner Fish and we received a Spirit of Portland Award in 2013 for our work at the neighborhood's community garden, which, incidentally, is one of the projects that was funded twice through the East Portland Action Plan. A lot has been said and I want to focus on a couple of things. First of all is the incredible ability of the city to leverage its resources through this group. Both in terms of effective outreach to rank and file community members, everybody on the street. We work with refugee families and immigrant families, about 90 families are involved with the community garden. It's a 80,000 square foot community garden. City gave us over two years \$9000, we leveraged that to over \$60,000 to build the project and staff it over two years. The connections with other community groups, with other organizations that have made that possible -- it just wouldn't have happened without the connections we made through the East Portland Action Plan. So, my ability to connect with many, many people and refer them to a dozen other organizations -- Community Alliance of Tenants and others -- to help them meet their own needs through community-based action just wouldn't be there without this part of the unique thing of East Portland. In terms of structure and ongoing, I think it is really important. The city has shown a lot of support in the past. I feel one of the things the city could add by bringing that in to a permanent budget item is this both accountability and mentoring towards effective outcomes. Saying, we're going to work hard until we get our job done and measurable goals to get there, and asking hard questions maybe on how money is spent, and encouraging discussions at the community-based level of how to be more effective and most

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effective on top of the incredible leveraging of the City's resources that already exist out there. And then, of course, it's the convening role. I was at a meeting with representative Chris Gorsek -- who represents the Gresham, Rockwood area -- earlier this week with all of the hunger organizations that are addressing East Portland -- SnowCap, Oregon Food Bank, Human Solutions, a handful of others -- and the question that permeated the room was, how do you actually get people that we are serving involved with something to affect their own future? And I think the East Portland Action Plan does an incredible job of that and it is truly a model that could be duplicated wherever the right mix of people and so with city willingness exists. Thank you.

Hales: Thank you. Thank you all. Is there anyone else that wants to speak? If not, then let's take a motion please to accept the report.

Fish: So moved.

Fritz: Second.

Hales: Further discussion? Then we'll take a Council roll call vote.

Item 1291 Roll.

Novick: Clearly, there is work we have to do in terms of figuring out how we're going to do that progress tracking, what the tracking would look like, how we pay for it, whether of doing that in-depth assessment of where we are now -- but that's work that we need to do. And again, I would like to reiterate that I think that the list of things that we need to achieve in order for the purpose of the plan to be achieved is a great list, and it should be the basis for a lot of our work for hopefully not too many years to come but for a number of years to come. Aye.

Fritz: I envision a day in which people say, well, you have to go to East Portland because you can't get anything done without East Portland. You know, we may be voting at some point on a transportation funding mechanism, and wouldn't it be great if people knew they had to campaign in East Portland and East Portland carried the day on that? Because that's where much of the need is. So, I really appreciate you being here today, and your ongoing diligence in partnership with the City. I heard the word "partnership" a lot today, and that's exemplified both within many of your diverse communities within East Portland, and then with the other areas of Portland and the city council and your government. So, thank you for being here today, and I'm committed to getting that assessment done, providing that coordinating body, and figuring out how to move East Portland Action Plan into ongoing funding. Aye.

Fish: Every year, I get to say the same thing, which is, this is one of the most successful community planning processes that I've been involved with during my six years. I put it in the same category the Cully Concordia Plan and a couple of other community conversations that actually move the ball and didn't just sort of end up on a shelf. In 2002, I remember that in a couple of local races for City Council, I remember one of the key themes was people refer to East Portland as the forgotten Portland. In fact, that was at the center of one candidate's campaign, and he ended up elected to the council in 2002. I think it will be a stretch today to say East Portland is forgotten, because there's too much work that's been done building relationships, advancing shared values, building partnerships, and doing planning. I think now the challenge is moving forward and honoring the commitments we made and building a stronger foundation. The truth is, there's been just a sea change. You can see it in a new soccer field in Parkrose, you can see it in an early childhood program in David Douglas, you can see it in an expanded footprint at Leach Botanical Garden, you can see it in a new park in Gateway. Anywhere you go, there's something you can point to and say this more robust community partnership has produced a win for people that live there. But the challenges are still so clear to us. Forty percent of families with children live in East Portland, but disproportionate levels of poverty, disproportionate lack of opportunity, disproportionately not the kind of infrastructure people should expect, on and on. The Mayor, Commissioner Fritz, and I were at a lunch today in which a very eloquent pastor got up, and in part of his speech posed the challenge of, what kind of city do we want? I thought it was a very beautiful way of sort of framing the question, what kind of city do we want? I think clearly, we want a city where you get basic

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services and it doesn't depend on your zip code where the quality of your child's education doesn't depend on what school they go to, and everybody has a chance to reach their full potential, among other things. There's a lot of work to be done and it's going to take a lot of time and dedication, but I really believe that this East Portland Action Plan has been responsible for some game changing progress in East Portland. And I would hate to see us prematurely declare victory on any portion of it; I think we need to double down. That's why I will continue to support the EPAP and the good folks in this room who volunteer their time to make it sing and why I believe we need ongoing funding so you can continue this work into the future. Thank you for report and all of your service to our community. Aye.

Hales: I thank all of you and our staff and the council discussion. The word "partnership" got used a lot, and I want to refer to that and be very clear with you as our partner, because that's what partners ought to do. We put in this budget note to ask an open-minded question, which is, is this a short-term phenomenon, is this a project that starts and stops in a couple of years, or is it an ongoing implementation effort? And I think we've asked and answered that question both with what the staff brought forward and with your eloquent testimony not just today but throughout EPAP's work. So I think we've answered that question; this is an ongoing effort, it should be in the budget. One of the prerogatives I get as Mayor is of course to propose the budget. And this discussion has illustrated where the consensus of the council is and mine as well. And that is, during the next one or two budgets, we need to move this funding from one-time to ongoing. The only reason we're hedging our bet about that question is just as Commissioner Fish described. What's happening to our budget is it's gradually getting healthier. That shows up in the short term as one time resources and over time improves the base level of funding in the general fund. So, it might not be in this next budget we are able to accomplish that transition, but both because we've asked and answered the question and because you've made the case, that's what we need to do it as a partner. We also need to do it -- as I mentioned earlier -- as a principle. This Council has been very disciplined about paying off debt and managing your money well, spending the money in the right budgets in the right categories with people like Katie Larsell looking carefully at our budget every step of the way, and then moving things on to the ongoing budget that are ongoing functions. And we're doing that. We're almost there. So, I ask you to just bear with us a little bit. We're not hedging our bets because we're tentative about the partnership. We're just hedging our bets to be financially realistic and spend money we only actually have rather than putting our Visa on our MasterCard. Over the next couple of years, clearly, you've got the council ready to make that transition and you have a solid recommendation from Paul and Amalia and all of you to do that. So, that's going to happen. The other reason it needs to happen is that your activism needs to be focused on a really impressive and scary list of issues that need to be addressed. We're updating our comp plan. Big deal for East Portland and for everywhere else. Division Powell was mentioned. You know, if we don't move fairly quickly, when we open the new light rail line next year, it's going to be the first time in a couple of decades that Portland doesn't have a transit project in the Federal Transit Administration pipeline. And that's a sin, as far as I'm concerned, whenever there's federal money on the table. So, the Division Powell project is in my opinion is a great idea. And we need do -- and I know Commissioner Novick feels this way as well -- focus it, get a proposal on the table, try to move that quickly. We'll need your help. Parks, we're next. How? Where in East Portland is the next target of opportunity that you and Commissioner Fritz and the Parks Bureau want to identify? One issue just got mentioned here, but it's huge -- where is David Douglas School District going to find the parcels they need to build the next couple of schools on in a part of the city that's seeing a bunch of development right now? Big issue. We want you as activists and with this holistic view of East Portland as a community to help the district take that on. And Centennial and Parkrose as well, for that matter. Economic development. Katie quoted that article that I got interviewed about. We're tasking PDC with their next five years as strategic planning now, and I've told them my opinion they have three missions: building the city, creating jobs, and spreading prosperity. Which is very

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much the idea of the neighborhood Prosperity Initiative at some of these specific districts like 122nd and Division where we've tried new tools. We need your help figuring out what's working, what's not working, where should we try it next. There's all this substantive stuff on the table where we really want your activism focused. We appreciate your advocacy for the budget -- it's obviously worked -- and we want you to put that energy into helping get these really critical tasks done. So, I'm glad that the institution of EPAP as a citizen body is as sound as the list of things that you have to work on because you're going to need all that voluntarism to address these really important community questions. So, looking forward to your continued partnership in all that work. There will be times when we agree, there will be times when we disagree. That's the democratic process. That's great. You're really helping make it rich and real in East Portland. So, thank you very much. Aye. Let's take a five-minute recess before we go to the rest of our agenda. Thank very much, everybody.

At 3:39 p.m. Council recessed.

At 3:45 p.m. Council reconvened.

Hales: Let's resume. And we'll need one more member in a minute to take action on an emergency item. In fact, let's take item 1280 first, because it's an emergency item and because the City Attorney may pull me out for a few minutes during this Council meeting. I understand that won't take long. But let's read item 1280, re-acquire Commissioner Novick, and deal with that first, and then move to the other two items.

Item 1280.

Hales: Mr. Hutchison, come on up.

Sam Hutchison, Director, Bureau of Fire and Police Disability and Retirement: Thank you, Mayor and Commissioners. Appreciate you fitting me in on a busy schedule over the last couple of days.

Hales: Appreciate your patience during those last couple days.

Hutchison: I'm here asking the city council to approve the attached ordinance, which is an amendment to Chapter 5 of the City of Portland Charter. This charter chapter pertains to the Fire and Police Disability and Retirement fund. This ordinance is needed so that the fund retains its IRS tax qualification status. The ordinance is prompted by the June 26, 2013 U.S. Supreme Court decision on the case of United States vs. Windsor that found Section 3 of the Defense of Marriage Act to be unconstitutional. Specifically, the Supreme Court found that marriage as defined of legal union between one man and one woman as husband and wife to be unconstitutional. Shortly after the Supreme Court made the decision on Windsor, the IRS amended their revenue rules in order to make sure that those rules complied with the Windsor decision. In September was when those were made, and there was a decision that the rules of the IRS were making would impact retirement plans. In their rule, the IRS defined marriage and spouse to include same-sex marriages if the individuals are lawfully married under a state law with that. Additionally IRS rules and affecting retirement plans were introduced in April of 2014, most important being that all IRS rules would be effective back to June 26, 2013, and that all retirement plans including FPDR must amend their plans retro to June 26, 2013, but those plans must be added by December 31 of this this year. So, Exhibit A outlines needed amendments to Chapter 5 of the City of Portland. Those amendments will again assure that the FPDR fund complies with the IRS changes and will retain its tax-qualified status. The exhibit was drafted by FPDR Attorney [indistinguishable], and Deputy City Attorney Ken McGair. At this point, the amendment will have no financial impact on the plan.

Hales: Thank you. Questions for Sam? Thank you very much. Is there anyone signed up to speak on this item?

Moore-Love: I did not have a signup sheet.

Hales: Anyone want to speak on this item. If not, we will take a roll call vote.

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Item 1280 Roll.

Novick: Aye.

Fritz: Aye.

Fish: Thank you for a very economical presentation. Aye.

Hales: Appreciate the good work here. I think this is probably the only time I have ever seen us actually use in peculiar little Charter provision that allows the City Council to change the charter. Usually voters have to do that, but if we're complying with federal law, we get to do it. And so, we will. Aye. Thank you.

Item 1279.

Hales: Ms. Klinger, welcome.

Nanci Klinger, City Attorney's Office: Good afternoon, I'm Nanci Klinger, Senior Deputy in the City Attorney's Office. I'm here to discuss a proposed resolution to intervene in litigation between the United States Environmental Protection Agency and the Linnton Plywood Association. I'll tell you what the case is and what the City's interests are in intervening in this matter. Linnton Plywood operated a mill from about the 1950's through around 2001. They have closed the mill. They have wrapped up most of their financial dealings, but not all. One of the things that they are doing is trying to settle their liability that may be related to the Portland Harbor superfund site. They approached the U.S. EPA. The EPA entered a complaint against Linnton Plywood Association in November regarding their liabilities, and then with that complaint, they also entered a proposed consent decree to settle those liabilities. The settlement will address Linnton Plywood Association's past and future liabilities for the Portland Harbor federal superfund site and it provides them with protection against the claims of others who may have claims against them for cleanup -- contribution claims. The City supports this settlement, and it's conducted under a process called inability to pay when you have an entity with finite resources. There is a program that EPA that to settle their liabilities as quickly as possible in superfund. It's not a matter that the settlement is inefficient. The issue is that how EPA has structured this settlement -- which is likely to be one of the early settlements of many -- has two that concern the City, and they are disturbing precedents. The first one is that it will extinguish the rights of the parties who have stepped up and paid for the remedial investigation and feasibility study. These will be the Lower Willamette Group, which the City is a member of. This settlement extinguishes those liabilities without even recognizing them. We are not looking to extract additional funds from the Linnton Plywood Association, and don't believe they're there, but also don't want to see a proposal that does not even recognize that those claims exist which extinguishes them. The other concern is the fairness template in how EPA uses the money that it receives in the settlement. EPA is not constrained from using it in a general superfund fund, it is not dedicated to the Portland Harbor superfund site. We would like it dedicated to clean up within Portland Harbor first. And if there were funds left over at the end of the day, they could go to the general fund. So, it's a positive step to have a party like the Linnton Plywood Association achieve a settlement. But our office is recommending we intervene in this suit currently while -- I forgot to mention earlier, they have a public comment period simultaneously when they lodge the proposed settlement in court. And we are within this public comment period. And so, we would like to intervene to resolve these issues with EPA quickly and not cause delay, but also not set a troubling precedent for future settlements that we feel are imminent.

Hales: Great. Thank you very much. Any questions for Nanci? Very good report. Thank you. Anyone want to speak on this item? If not, then it's a resolution, we'll take a roll call vote.

Item 1279 Roll.

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

Item 1287.

Hales: Commissioner Fish.

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Fish: Thank you, Mayor Hales. Before us today is a change order. I believe it's the eighth change order -- ninth, excuse me -- David will clarify that -- for Powell Butte Reservoir 2, which is now currently in service. In fact, you've been drinking water from Powell Butte Reservoir 2.

Hales: Here's to you.

Fish: We will be coming back at some future date to talk more about the project in the context of the overall compliance with LT2. But the good news is we are under budget. And as David explains, this change order addresses a dispute with the contractor which we have resolved, and for which we're seeking council approval to move forward. Because the change order is in excess of a half million dollars, it falls within our new policy that requires it come to Council not on the consent agenda but on a regular agenda for full Council hearing and deliberation. With that, I turn it over to David Shaff.

David Shaff, Director, Water Bureau: Good afternoon, Mayor and the rest of the city council. I'm David Shaff, the Director of the Portland Water Bureau. With me is Chief Engineer Mike Stuhr. Powell Butte Reservoir 2 is one of several projects that are associated with the City's compliance with the unfunded federal LT2 drinking water mandate. You'll recall that we're the only system in the country that's achieved a variance on the treatment side of the rule related to cryptosporidium. Our variance saved us a cost of building a very expensive treatment plant up in the Bull Run watershed. The open reservoir portion of the rule is what we're talking about today. The Powell Butte project includes the reservoir, site excavation, on and off site piping, other facilities associated with the reservoir, as well as the maintenance building, caretaker residence, visitor center, and other minor park improvements. Although we have about a year's worth of work to go, the reservoir was indeed put into service last August, and it's been performing as it should. As a matter of fact, Powell Butte Reservoir 1 has been offline, has been off for some time so we can do some of the piping work. Then, we'll be cleaning it this spring and putting it into service in the summer in time for our increased demand. You -- at least some of you -- will remember that you approved this project in 2009 at an estimated budget of \$138 million. We expect to complete this project at about just over \$117 million, so more than 20 million less than we originally told you in 2009, or about 15% under that original budget.

Novick: Could you just repeat that for the record for all of our many viewers?

Shaff: Sure. We expect to complete the project for just over \$117 million. That's 20 million less, or about 15% under the original budget that Council approved in 2009. In accordance with City Code and state statute, we contracted with SSE Construction Inc. through a low bid procurement process to construct this portion of the project. The original contract was for 80.2 million. There have been eight change orders that have been approved, representing a net increase 2.2 million in the contract. The total cost of this proposed change order number nine is 1.6 million. It will increase the contract amount to just over 84 million, 4.7% over the original contract amount. Now, you know OMF now provides oversight of active construction contracts with something called the City of Portland Open Construction Contract Status Report. It's a quarterly snapshot that uses a stop light system to rank projects in terms of contract amendments. This project remains green at below 5% in cost changes. Now, because we're still working on the project -- we'll be for close to another year -- we can expect additional change orders. There might be as many as three before the contract is complete, the contractor has been demobilized and the site is turned over for day-to-day operations. As an example, I'm told that we're actually negotiating payment for change order number 10 for additional field work that we have assigned to the contract. As Commissioner Fish alluded to, City Code requires us to obtain your approval when amending contracts if the value of the contract is over \$500,000 and the amendment pushes the contract over 25% of the original amount. We're not there. This change order only increases the total contract amount to 4.7% above the original contract amount, but we're here today because Commissioner Fish requires that all change orders over \$500,000 come before the council as a nonemergency regular agenda ordinance. So, the reason Mike is here is he's going to do the specifics. The change order resolves the settlement of several

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claims as we near the end of the project. And I've asked Mike to go over them and outline them for you.

Mike Stuhr, Water Bureau: I'm Mike Stuhr, chief engineer of the Water Bureau. This settlement settles six claims together. The first claim had to do with something called a plunger valve actuator. Sounds tricky, doesn't it? If you imagine your toilet plunger and shoving it into the bottom of the toilet and it plugs it up -- that's how this works.

Hales: A little bigger, I'd suspect.

Stuhr: I was going to say that. It's bigger, it takes a big crane to use it. But it functions exactly that way and it allows us to throttle the water that comes in and out of the big conduits. They're all custom designed. You don't buy valves like this off the shelf. And we had to modify the design some. The second one is design change due to moving the location of one of our big vaults on 147th and Powell. Several years ago -- I can hardly remember that far back -- we agreed to let Lucid put in electrical turbine in the piping system and we needed to pay the contractor for moving the vaults around. The third one is what we call the Kelley Butte reservoir die-in allowance. We're doing two huge projects at once. We run off three conduits at a time: Conduit 2, 3, and 4. We had to juggle the conduits. And because of various advances and delays in the project, we had to stop the Powell Butte contractor while we did some work that we needed to do for the Kelley Butte job. The fourth one is maintenance shutdown due to valve work due to repairs on Conduit 2. When we opened up this big vault in the street -- it's a two or three stories vault -- and started taking it apart, we found that in the old days we used the big valves in these vaults to throttle water. That causes turbulence and it chewed up the concrete lining that's inside these valves, and we had to fix that. We won't have this problem in the future, because we've put these big plunger valves -- which are designed to throttle -- in place. Then we had settlement of the environmental quality charge for the discharge at Powell Butte. You'll all recall that. And the last one is greater than expected cracking and repairs in the reservoir. Maybe this is kind of funny, maybe it isn't, but almost 103 years ago today -- nine days shy of 103 years ago -- one of my predecessors, D.D. Clark, who was chief engineer of the bureau at the time, had to explain to the newspaper then which I think was called the Portland Journal, that, yes, Reservoir 5 -- which they just turned on -- was leaking 3 million gallons a day but everything would be all right in the end. I think our contractor has done an excellent job fixing the cracks in Powell Butte 2. They are expected, that's why we have the provisions in the contract. And right now -- since engineers were kind of picky about how we say these things -- it leaks between zero and 375 gallons a day. It's the tightest reservoir in the city. So, that's the summary --

Fish: And the most resilient.

Stuhr: And the most resilient. We'll all be very glad if we have an earthquake that that reservoir is there, because it will survive the earthquake.

Fish: Thank you.

Hales: Questions for David or Mike? Thank you both.

Fritz: I wish I had some, because this is really interesting. But you just explained it all to my satisfaction. I know we have a couple folks here who may have questions, but thank you for that good explanation.

Stuhr: We try. Thank you.

Hales: Anyone like to speak? Come on up, Linda.

Linda Bauer: I object to paying the Water Bureau contractor \$40,000 to break the law. They were fined by the Department of Environmental Quality \$40,000 and apparently, we are paying for that. Thank you.

Fish: We'll have David come up. David, you have exactly 30 seconds to answer that question, because we have another panel waiting to be heard.

Shaff: Actually, I'm going to let Mike respond.

Stuhr: So, when we were issued the fine, being the good citizens we are --

Fritz: Some of us don't know what the fine was for, so could you just --

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Stuhr: We had an inadvertent discharge when we were draining the reservoir to look at its performance of excess chlorine into Johnson Creek, and we weren't supposed to do that. We thought we had our bases covered, but obviously, we didn't. We weren't supposed to do that. I would thank Linda Bower for being aware. She's the one who caught it. If she hadn't been there and called us up, this could have been worse than it was. But we fixed that. And the fine was \$40,800. We wrote a check right a way to DEQ, because we don't delay and hassle the contractor. In the process of negotiating this settlement, we reduced their payment by \$40,800 because the contract required them to suffer that cost. So yes, we paid the initial cost because we promptly paid DEQ, and we have recovered that cost in the settlement.

Fritz: So it's us getting the 40,000 back?

Stuhr: Right. Absolutely.

Hales: Not paying them 40,000 as much as would have.

Stuhr: Exactly.

Fritz: How does a person who's not -- how did Linda even know that the chlorinated water was getting in there?

Stuhr: Linda is very smart, and she's been watching this a long time, and you can smell it.

Hales: She has special powers.

Stuhr: Maybe she does have special powers, too. I don't know. But she could smell it, and she was right.

Fritz: That's wonderful, both that we have an astute citizen and that you then responded. You don't get to come back, Linda, but could you nod or shake your head as to whether the explanation is satisfactory to you? Thank you very much.

Fish: And by the way, Commissioner Fish, we decided for a variety of reasons not to contest the fine. The Bureau -- even though we were working with a contractor and subcontractor -- we felt that it was not an issue that we should use ratepayer dollars to litigate or to pursue other remedies, so we paid the fine appeared made sure it didn't happen again.

Stuhr: So, thank you, Linda.

Fish: Thank you both.

Hales: Thank you. OK, anyone else? Then let's set that over for second reading next week, thanking the bureau for good management, successful project management, and thanking Linda for being vigilant in more ways than one. Alright. Let's move to item 1292.

Item 1292.

Hales: Want to welcome this panel, and I appreciate your patience. This is a review process that's been underway since 2011 to make sure that the funds that were authorized by voters have been properly expended. So, we're looking forward to your report.

Kirk Hall: Thank you, Mayor Hales, members of the City Council. I'm Kirk Hall, I'm the chair of the General Obligation Bond Independent Citizens Committee. With me today are two fellow committee members, Nicolette Johnson and Mick Seidl. We will try to keep this brief. In June 2010, the council decided to proceed with a bond resolution for four projects we'll discuss in a minute. Your resolution had the following language. Portland's taxpayers expect transparency and accountability in the use of these funds, and this will be achieved in part through the appointment of a five-member independent citizen committee comprised of each City Council member's appointee that would report annually to the city council and quarterly to the City Chief Administrative Officer. The bond amount of \$78.4 million has been authorized. That was June 2010, it was approved by voters in November 2010, and the measure also contains the following language that's relevant to the meeting today. Council shall appoint a five-member citizen committee with relevant expertise to review bond expenditures and provide annual reports to the councils on whether such expenditures adhere to voter-approved uses. Each Council member shall recommend one member to serve on the citizen committee. We have two vacancies right now. The four projects --

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Fritz: Just need to interrupt and apologize for my ongoing vacancy. I know that puts more pressure on you as volunteers, and I'm working on it.

Kirk: OK, thank you. There's four projects funded by this bond. New fire apparatus, Fire Station 21 along the river, radio replacement, and the emergency coordinating center. We have very good news for you today. The way we're planning to handle this is that we the three current members of the committee will give you our conclusion about the events over the last year. We had a meeting like this a years ago. Then we're going to call up with your permission five city staff members to talk about finance and then to talk about the four projects. And everyone knows to keep it short. I can just summarize -- our conclusion is in your written report. And if you don't mind -- it's five paragraphs -- I would like to read it because this is the conclusion for the work for the last year.

Hales: Please do.

Hall: As previously noted, the ICC held quarterly public meetings with city staff for each project related to the Public Safety GO bond to review the progress of each project. In addition, each project received guidance and input from project oversight committees. The members of the ICC found the information provided by the city staff to be comprehensive, timely, and informative. Staff members have been responsive to ICC questions and have supplemented their regular presentations with additional information upon request. ICC members also provided city staff with various ideas and suggestions concerning the projects, to which city staff were always responsive. The relationship between ICC and staff has been collaborative and productive. The ICC does not provide only a financial or performance auditing function, and can only proceed with information presented to it as its quarterly meetings. With this observation, ICC members believe they have been kept fully informed by city staff and are satisfied with the quality and presentation of information presented regarding the projects. Based on the information presented to the ICC, it appears that the projects funded by Public Safety GO bond are consistent with the purposes of the GO bond, and expenditures to date have also been appropriate. It also appears that execution of the projects to date has been professional and appropriate and was designed to meet purposes of the GO bond in an economical fashion. It appears to the ICC that the projects are generally on track to meet their projected budgets and timelines. In fact, as you'll hear, we have had some very good progress. Overall, the ICC members have been impressed with focus and professionalism of the city staff responsible for executing these projects, and we appreciate the courtesy and responsiveness the ICC has received to date. That is our overall report, our overall conclusion. Again, we're going to -- this year we decided it would be best if you heard from a short report from city staff members about the status of each project. At this point I will ask either Nicolette, if you have anything to offer --

Nicolette Johnston: I would like to, thank you. Nicolette Johnston. And as a member of the Independent Citizens Committee and the project oversight committee chairperson for Fire Station 21 for the fire apparatus replacement project, I have three comments. Regarding Fire Station 21, this project has kept on track through the diligence of Connie Johnson, the project manager from the Bureau of Internal Business Services. She stayed glued -- and I do mean glued -- to the details despite several broken bones. The Station 21 team is expected to complete the project within budget and gosh, I hope there's money in the budget there.

Fritz: Please tell me she didn't break her bones actually on the project. [laughter]

Johnston: No, she didn't. Fortunately, it wasn't work related.

Hales: Nor at our meetings.

Johnston: Nor at our meetings, yes. I especially appreciate her stewardship of the taxpayers' money throughout the project timeframe. Regarding the fire apparatus replacement project -- this started with a very story timeline to project the cost of the 25 apparatus to be purchased under the GO bond measure. You can imagine all of the details that goes into even one fire truck, much less 25. To Deputy Chief Marco Benetti's credit, he sought creative solutions, such as cooperative agreements with other cities like Houston and Seattle which provided substantial savings in time and staff resources. Further, the Fire Bureau looked into such equipment as the Quints to do double

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duty. I'm sure you've heard about those. With regard to financial reports, Aaron Beck, the finance manager in business operations, handled the grilling and endless questions at the project oversight committee meetings with aplomb and just wonderful humor. Financial status reports are often reviewed as boring, even annoying. And Mr. Beck's thoroughness was particularly appreciated. His explanations left us with a sense of trust throughout the past three and a half years, and I want to thank them all for being such great employees.

Hales: Agree with that. Mick?

Mick Seidl: I will be real quick, there's not much more I can add. From a personal standpoint, I was appointed by Commissioner Fish couple of years ago to fill a vacancy. I had not been involved in this type of process before, so I didn't know what to expect. I think in general, it's been a bit of a love fest. I think the committee has -- as the summary we have read indicates -- had very productive meetings with city staff. They've been nothing but courteous, informative, competent, and I think all three of us share that opinion that it's been a very productive process for us individually. So, I think that the main charge that we have as a committee is to make sure the city is being a good steward of some money that was approved by the citizens to be used to buy certain things and do certain things, and we're here to tell you that we feel the city has been a good steward of that money.

Hall: And I'll add one point -- the timing was terrific for this, because the amount -- the interest rate you're paying on the bonds -- you'll never see that again in your lifetime. And many of the bids came in lower than anticipated at the time the bond measure went out there. With that, with your permission, I would like to present Aaron Beck to talk about finances, Marco Benetti for fire apparatus, Connie Johnson for Fire Station 21, Carl Larson for radio replacement, and Jim Coker for ECC. They each will make a very short report. Thank you.

Hales: OK, thank you.

Aaron Beck, Office of Management and Finance: Good afternoon, I'm Aaron Beck with the Office of Management and Finance Business Operations, and we provide financial services to the GO bond program. I'm going to give a quick update on the finances of the program. This is in your report just after page three. The original budget for the program was just a little bit over \$100 million, and that's after factoring in all of the project costs for projects like the emergency coordination center and the radio replacement project that had other resources beyond just the GO bond. The original budget shows the \$72.4 million in GO bond authority that we have, plus the other resources that were available for the ECC project and the radio project. The current budget for the program is around \$105 million, and that increase is due to recognizing some grant revenue that we received associated with the Station 21 project and the apparatus project. And then also some additional resources that we have appropriated for Station 21 project. Through June, we've had two of our three planned debt sales for a total of 51.6 million. And all of the other planned resources have been received, so we've received a total of \$85.2 million. Through June, we've spent \$59.5 million with the ECC project completed and Station 21 project and other projects well under way. We're now working on a third debt sale -- planning that out -- and we'll be updating project cost estimates and when expenses would be incurred so that we can determine when that sale will need to take place and the amount of that sale. This will factor in the interest earnings that we've received on the program so far -- which is \$440,000 -- and any projected project savings that the project managers forecast. At this point, we are projecting that we'll have that debt sale in the spring, and prior to that sale, we'll be reviewing that amount with first the Independent Citizens Committee then you all.

Hales: Aaron, does that mean -- are we projecting that there will be unexpended funds under the cap of this allowed for that?

Beck: That's correct.

Hales: Thank you. Who's next, Marco?

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Marco Benetti, Portland Fire and Rescue: Yes, I can speak about the apparatuses. This is Marco Benetti, Portland Fire. To date, we've purchased and put into service four rapid response vehicles that are in service around the city. We've got one tow truck at truck three in Northwest Portland; one heavy rescue squad 12, which is the heavy rescue serving Southeast Portland now in conjunction with our downtown heavy rescue teams; we have a one Quint that we've purchased that is a used Quint that we have put into play at a significant savings, about half of what a new one would cost; we have ordered and nearly completed two fire boats, they should hopefully be delivered sometime in the next couple of months. We got a few things to work out there, but they're on schedule for near completion. We have one Quint that's been ordered, a brand new one that we have spec'd out based on information received from using the used one as well as the current one that's still in service at Truck 8. That will replace Truck 8 in North Portland on N Interstate. That's scheduled to be delivered some time in April or May this spring. We had an order placed for three tiller trucks, which will replace Truck 7 in East Portland, Truck 22 in North Portland, and Truck 25 in Southeast Portland. And we have two air rehab light units, they're a combination unit that's going to replace four of our apparatus with these two combination units, So, it will buy space on our apparatus floors as well as make them a combination efficiency. Those are going to be going to pre-construction probably next month. The remaining apparatus we have to order are eight fire pumpers; two or possibly three brush units, but we're looking more at two than three due to a needs assessment currently with operations; and one water tender. So, the water tender will replace kind of an antiquated old four-wheel-drive fire engine we have there that has a thousand gallon tank on it that is serving East Portland. That's going to be replaced with a new one that will cover the needs of the eastside. The current one we have is down in the central area by Lloyd Center. So, we're trying to cover both sides of the city. As Nicolette mentioned, each one of these apparatus is kind of an instrumental project unto themselves, so each one has specific specifications we have to design and build to the operational standpoint. So, we're working hard on that. We're doing the best we can to keep the costs as low as possible and still meet the needs and functionality that we require for the city. And I think to keep it brief, that's all we have right now.

Hales: Thank you.

Connie Johnson, Office of Management and Finance: My name is Connie Johnson, I'm a Capital Improvement Project manager with OMF facilities. Of the 2010 bond, 7.9 million was dedicated for replacement of Station 21, formerly called Station 7. At that time, the need for emergency water rescue in the downtown core had been identified, but all necessary components had not been. We did have a preliminary geotechnical and structural engineering assessment detailing the structural inadequacy of the existing station, and revealing the need for significant soil stabilization effort to mitigate the effects of soil liquefaction in a seismic event, an issue we would have faced at almost any location along the riverbank. October 2011, Whelton Architecture began preliminary design work. During design development, the most significant program elements added to the project were a boathouse for two rescue craft, and 16 additional pilings and a community room available to the public. The added scope increased the construction budget from the low-confidence initial estimate of just under \$5 million to just over \$6 million. Additional funds were identified to close the gap, including a balance from the 1998 bond, sales of surplus properties financed by the '98 bond, and a federal grant for the boathouse secured by Portland Fire and Rescue. September 2012, prior to beginning contract documentation, Skanska USA joined the project team as a Construction Manager General Contractor, or CMGC, and provided pre-construction services such as constructability reviews, concurrent cost estimating, value engineering, and identification of significant project cost risk also known as unknown conditions so that sufficient contingency could be identified in the budget. The final guaranteed maximum price of \$6,010,828 was approved by Council August 2013. City-required additional work added three weeks to the additional 14 month project schedule, but otherwise, the project achieved substantial completion on time November 21. The esplanade was reopened in the following week, and the staging area was cleaned, re-stripped, and available for public

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parking soon thereafter. Emergency responders were able to move from their temporary facility into the new station in time for Thanksgiving dinner. Change orders represent 4.5% of the original contract price and were covered by the project contingency. Skanska anticipates a final change order crediting the city with their portion of the construction savings -- or, with our portion. The construction savings are 75%, lowering that number to 3% over the original contract for a final contract amount estimated at about \$6,186,000. Skanska's final accounting should happen at the end of this month, and then I can run a project report and see what we have left in terms of the contingency and that sort of thing. The 2% for art contribution was a collaborative effort between design team artist and contractor. The screen facing the river and mounted on the catwalk is called the Rippling Wall. A 10-foot long wood carving mounted on the wall in the community room is called Ripples in Elm. You all probably have the opportunity to see that soon. The station opening is preliminarily scheduled for January 2015. Although the documentation has not been fully submitted, we anticipate the project achieving LEED Gold certification. I would just like to thank the ICC and the project oversight committee for their interest in the project. They always brought a lot of attention and candor to the discussion.

Fish: Thank you. Just two comments. One is I had a chance as the Arts Commissioner to look at the art recently, actually, it was photographs of it, but I think it's a homerun. And the wood sculpture inside the building is also very beautiful. So, congrats on that. If the opening is scheduled for January, is it the intention of the bureau to do an opening and a dedication together?

Benetti: Yeah, Chief Janssens would like to -- we're trying to give the fire station personnel a chance to move in, get settled in, identify pickup work, things that need to be cleaned up and brushed up for livability and presentation to the public, allowing the station captain to get those things dialed in. But it will be open to the public, and the scope is going to be unlimited, I think.

Fish: But the event will both be an opening and a dedication? So the former commissioner will be there at that event?

Benetti: That I'm not sure. I can't speak for the Chief, but I would assume that, yes.

Hales: OK, who's next?

Carl Larson, Office of Management and Finance: Mayor, Commissioners, I'm Carl Larson, public safety systems revitalization program, PSSRP. I'm two project managers for the radio project. My co-project manager Mark Tanner is also with us here in the audience. I'll be very brief to let you know where we are in the project. We're about midway through the radio project. We have 14 sites. Originally, we had 15 that we were doing. One site is being decommissioned. So, out of the 14 sites, we have seven sites now installed -- what we call cold install or ready for power up. Between September of this year and March of next year, we'll have all 14 sites with the equipment installed and with the antennas going on those sites as well. We've made very good progress on the infrastructure itself. On the portable and mobile side, we have distributed all of the portables and all of the mobiles for the Police Bureau. We have started on distributing of the Fire Bureau's radios, and that will be accomplished over the next few months. Of that, that really takes in the bulk of the portables and mobiles that we have. We believe that the system will be up as designed in the middle of 2015. We'll be able to start testing on that system, we'll be able to start moving units over both inside and outside the city. And that process will take us all the way through June of 2016 when the process will be completed on time and to you, Commissioner Novick, under budget. So, we appreciate that very much. Just -- you know, Mark and I have the privilege of being the face of the radio project. A lot of people participate, we've had a lot of help and continue to do so. I want to make mention BTS staff, Ben Berry and his staff making sure we have adequate resources within the city to do what we need to do. Scott Howes and his staff as the radio administrator and his engineers making sure they can do what they need to do and working with our contractors for that. And it's a monumental task. The sponsors that we have. Lisa Turley, Director of BOEC; Chief Janssens, who's a sponsor; Chief Reese and shortly Chief O'Dea. Those folks are very busy folks. And we don't see them all the time -- we try to keep them up to date as to what's going on. But they

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make sure that the resources within their bureaus are available to us to accomplish this and to keep us on track and on budget. We appreciate that very much. My manager Jeff Baer. He wanted to make sure I understood this was short and sweet, so I'll just mention him. [laughter] And all the citizens that help us. We have our own radio project oversight committee that we work with, the ICC committee that we work with, the consultants that continue to watch us for QA and independent verification and validation, and all the vendors that are participating in this. We have a very good team process. We look forward to having a very successful project and we know all you do, too.

Hales: Carl, can you give us a quick update on the status of our negotiation and relationship with the City of Gresham?

Larson: Yeah. Gresham Butte, or what we know as Walter's Hill -- as you may have read in the papers, when we originally put in that project, we had some disagreements with the City of Gresham as to what was necessary at Walter's Hill. We have since spent a lot of time negotiating, talking to, commiserating with -- if you will -- the mayor of Gresham, along with your direction, Mayor, as to make sure that that gets resolved. I think as cooler heads got involved and we looked at what we could do there, we resubmitted that application. That application is due to be responded from back from Gresham December 16th. From all indications we've gotten, it's still a very positive outlook. So, we're very hopeful that that will come in a positive way.

Fish: You mentioned cooler heads prevailing. From your point of view, was this mayor the hot head or -- [laughter]

Hales: That's a good question to not answer -- [laughter]

Larson: My mayor always gives the appropriate response. [laughter]

Hales: Boy, is he smooth. Thank you.

Jim Coker, Office of Management and Finance: Mayor Hales, Commissioners, my name is Jim Coker, I'm with OMF facilities services, and I'm here to report on the emergency coordination center project, which as you all know, is pretty well complete. We have had technical delay in actually closing out the construction project, which is the main reason for my report today. The construction contract was substantially complete in October of last year, and both PBEM and the Water Bureau moved into the building last year and there was a dedication ceremony in January. In late winter of this year, final punch list was being completed and emmert construction was on track for final completion of the final construction contract when a when a large mechanical unit was found to have experienced significant freeze damage over the winter. Because of the size and cost and technical challenges associated with replacing that unit, it took until this summer to replace that due to those technical issues we had to delay the final building commissioning process, which is on-going right now. The unit has been replaced. Final building commissioning is under way right now, and we are looking at doing final completion some time next month, which will allow us to come back to you with final closeout of the construction contract. The budget information submitted to the ICC that you have earlier this year remains the same with the project under budget. That completes my report.

Hales: Thank you. Any questions for our panel of great project managers? Thank you all very much. Anyone else that wants to speak on this item?

Moore-Love: No one else signed up.

Hales: If not, then I could use a motion to adopt the report.

Fish: So moved.

Fritz: Second.

Hales: Any further discussion? Roll call.

Item 1292 Roll.

Novick: Thank you all very, very much. Aye.

Fritz: Well, this is a very efficient and also effective report. And thanks particularly to the citizen oversight committee for their diligence. It's important when we ask voters for money and the

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taxpayers have paid for these bonds that folks know that we spent it wisely and efficiently. And indeed, that's what we're hearing today and the lack of anybody being -- you know, it's really annoying when we have something that's gone well how there's nobody here, there's no reporters, there's no cheering in the galleries or marching band. We need to probably fix something around that -- although it would seem like that's an unusual thing, right? So, maybe we can't have the marching band to celebrate you because this is what we're supposed to do. But thank you for doing what you're supposed to do and also reporting to us and to the people of Portland that their money has been spent well. Thank you for what Portland Fire and Rescue does in order to keep people safe and to save lives. Aye.

Fish: I just want to remember that Measure 26 117 was spearheaded by former City Councilor Randy Leonard. And we joked the day after the election that he was landslide Leonard, because I think it passed with 50.0-something percent of the vote. But it was vitally important, and I want to echo what Commissioner Fritz said. This is a terrific report. And the checks and balances are just right. In fact, the cover memo to Council is signed by the Chief Administrative Officer and concludes with the following. The program is on track to meet its objective, I recommend that Council accept this report. So, we have lots of eyes doing the work to make sure funds are spent wisely and consistent with the referral. I want to thank everybody for an excellent presentation. I just want to acknowledge my appointee, Mick Seidl. And Commissioner Novick, I met Mick about 10 years ago, and I met him the way lawyers often meet other lawyers -- he sued one of my clients. And in the course of that, I learned that Mick Seidl was from one of the top trial lawyers in the state of Oregon. So, we probably settled the case and then we ended up tag teaming on some work and I got to know him. And I was frankly delighted when he agreed to take on this assignment, because one thing about a trial lawyer is you don't have a lot of free time or your time is episodic. And I think it's delight. When I saw him today, I was a little sheepish because I expected him to take me aside and admonish me for all the time he's been spending. And what he told me is what he said at Council, which is he's learned a lot and it's really been a great experience. I'm just so grateful to Mick and all the citizens who have given up their time to be on this oversight committee. It's important work. Thank you. Aye.

Hales: There's just way too much good news, competent management, and clear-eyed oversight in this room this afternoon. There must be something wrong somewhere. [laughter] Thank you all very much, well done. Aye.

Novick: The windstorm is tearing the city apart.

Hales: There is a windstorm outside, yeah, so go outside for the bad news -- it's all good news in here. Thank you very much.

Item 1293.

Hales: That's rescheduled to December 18.

Moore-Love: At 3:30 p.m. time certain.

Hales: At 3:30 p.m. And we're adjourned at last.

At 4:36 p.m., Council adjourned.