



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **8th DAY OF APRIL, 2015** AT 9:30 A.M.

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

Mayor Hales arrived at 9:33 a.m.
Commissioner Fritz left at 11:30 a.m.

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

Item No. 361 was pulled for discussion and on a Y-4 roll call, the balance of the Consent Agenda was adopted.

COMMUNICATIONS		Disposition:
346	Request of Ken Thrasher to address Council regarding College Possible Portland (Communication)	PLACED ON FILE
347	Request of Gary Withers to address Council regarding 3 to PhD (Communication)	PLACED ON FILE
348	Request of Carl Talton to address Council regarding 3 to PhD (Communication)	PLACED ON FILE
349	Request of Trish Reed to address Council regarding houseless issues (Communication)	PLACED ON FILE
350	Request of Katherine Smith to address Council regarding Portland and Tigard Police (Communication)	PLACED ON FILE
TIMES CERTAIN		
351	TIME CERTAIN: 9:30 AM – Accept the Portland Design Commission 2015 State of the City Design Report (Report introduced by Commissioner Fritz) 45 minutes requested Motion to accept the report: Moved by Fish and seconded by Fritz. (Y-4)	ACCEPTED
CONSENT AGENDA – NO DISCUSSION		

April 8, 2015

352	Appoint community member Dyanna Garcia to the Technology Oversight Committee for a term to expire August 1, 2017 (Report introduced by Mayor Hales and Commissioner Fritz) (Y-4)	CONFIRMED
Mayor Charlie Hales		
353	Reappoint David Spitzer and appoint Jennifer Alger and Jennifer Nye to the Building Code Board of Appeal for 3-year terms (Report) (Y-4)	CONFIRMED
Bureau of Planning & Sustainability		
354	Consent to the transfer of Weisenfluh Sanitary Services LLC residential solid waste, recycling and composting collection franchise to Portland Disposal and Recycling, Inc. (Ordinance)	PASSED TO SECOND READING APRIL 15, 2015 AT 9:30 AM
355	Consent to transfer of residential solid waste, recycling and composting franchise from Hoodview Disposal and Recycling, Inc. to City Sanitary Service, Inc. (Ordinance)	PASSED TO SECOND READING APRIL 15, 2015 AT 9:30 AM
Office of Management and Finance		
*356	Authorize a competitive solicitation for the purchase of implementation services for the Bureau of Human Resources existing SAP Human Capital Management Processes and Forms functionality at an estimated amount of \$300,000 (Ordinance) (Y-4)	187079
*357	Authorize a competitive solicitation for the purchase of network infrastructure products and services for the Network Refresh Project for an estimated amount of \$505,108 (Ordinance) (Y-4)	187080
*358	Authorize purchase of two used emergency response vehicles for use by the Fire Bureau at \$20,000 (Ordinance) (Y-4)	187081
*359	Authorize Airport Way urban renewal and redevelopment refunding bonds (Ordinance) (Y-4)	187082
*360	Authorize limited tax revenue refunding bonds (Ordinance) (Y-4)	187083
Commissioner Nick Fish Position No. 2 Water Bureau		
361	Accept contracts with Advanced American Construction, Inc. and Black & Veatch Corporation for the design and construction of the Bull Run Dam 2 Towers Improvement project as complete and authorize final payment (Report; Contract No. 30003237 and Contract No. 37587) (Y-3; Fritz absent)	ACCEPTED

April 8, 2015

Commissioner Dan Saltzman Position No. 3		
362	Extend real property lease for Portland Children's Levy staff offices in the Spalding Building, 319 SW Washington St (Ordinance)	PASSED TO SECOND READING APRIL 15, 2015 AT 9:30 AM
REGULAR AGENDA		
363	Appoint Jonath Colón, Don Grotting, Dion Jordan, Karen Loper and Zari Santner to the Portland Parks & Recreation Bond Oversight Committee for terms starting July 1, 2015 and ending June 30, 2017 or June 30, 2018 (Report introduced by Mayor Hales and Commissioner Fritz) 15 minutes requested Motion to accept the report: Moved by Fish and seconded by Novick. (Y-3; Fritz absent)	CONFIRMED
Mayor Charlie Hales		
364	Proclaim April 7, 2015 to be National Service Recognition Day in Portland (Proclamation introduced by Mayor Hales)	PLACED ON FILE
Office of Management and Finance		
365	Authorize the first sale of general obligation bonds for Portland Parks and Recreation repairs and improvements as approved by voters on November 4, 2014 (Second Reading Agenda 325) (Y-3; Fritz absent)	187084
Commissioner Nick Fish Position No. 2 Bureau of Environmental Services		
366	Authorize a contract with the lowest responsive bidder for construction of the Hollywood-Grant Park Sewer Rehabilitation Project No. E10384 for \$9,000,000 (Ordinance) 15 minutes requested	PASSED TO SECOND READING APRIL 15, 2015 AT 9:30 AM
Commissioner Dan Saltzman Position No. 3 Portland Fire & Rescue		

April 8, 2015

***367**

Authorize application to the Department of Homeland Security, through its Federal Emergency Management Agency for a grant in the amount of \$100,000 for a smoke alarm/carbon monoxide detector awareness campaign and the purchase of smoke alarm/carbon monoxide detectors for the hearing impaired community (Ordinance)

Rescheduled to April 8, 2015 at 2:00 p.m.

(Y-4)

187085

At 12:20 p.m., Council recessed.

April 8, 2015

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **8th DAY OF APRIL, 2015** AT 2:00 P.M.

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

Commissioner Novick left at 2:25 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Lisa Gramp, Deputy City Attorney; at 3:14 p.m. Linly Rees, Deputy City Attorney; and John Paolazzi, Sergeant at Arms.

<p>368 TIME CERTAIN: 2:00 PM – Accept report from Matrix Consulting Group on the Portland Police Bureau Staffing Study (Report introduced by Mayor Hales) 1 hour requested Motion to accept the report: Moved by Fish and seconded by Fritz. (Y-3; Novick absent)</p>	<p>Disposition:</p> <p>ACCEPTED</p>
<p>369 TIME CERTAIN: 3:00 PM – Appeal of Preserve the Pearl LLC against Design Commission’s decision to approve a new full-block mixed-use project in the Central City Plan District’s River sub-District at 1241 NW Johnson St (Hearing; LU 14-230014 DZM) 2 hours requested</p>	<p>CONTINUED TO APRIL 23, 2015 AT 2:00 PM TIME CERTAIN</p>

At 5:01 p.m., Council recessed.

April 9, 2015

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **9th DAY OF APRIL, 2015** AT 2:00 P.M.

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

Commissioner Fritz arrived at 2:03 p.m.

Commissioner Saltzman left at 6:58 p.m. and returned at 7:46 p.m.

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

<p>370 TIME CERTAIN: 2:00 PM – Accept Private For-Hire Transportation Innovation Task Force Preliminary Report (Report introduced by Commissioner Novick) 2 hours requested Motion to accept the report: Moved by Fish and seconded by Novick. (Y-5)</p>	<p>Disposition:</p> <p>ACCEPTED</p>
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At 8:16 p.m., Council adjourned.

MARY HULL CABALLERO
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.

April 8, 2015
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.

APRIL 8, 2015 9:30 AM

Novick: Portland City Council is now in session. Karla, please call the roll.

Fish: Here. **Novick:** Here. **Fritz:** Here.

Novick: Karla, could you please read the first item, please? Oh, we have a -- I didn't know we had a proclamation, sorry. Oh, the Mayor is right here -- just in time for the proclamation.

Fritz: I don't know if we have the pre-gavel proclamation.

Hales: I thought you had it. Give us a moment for procedure here, folks. I'll make sure that Rachael brings it down and we return to it after communications. How about that -- wanna do that?

Fritz: Yes.

Hales: OK. Thank you, Commissioner Novick, for getting us started. Excuse my delay, folks. We have a delegation from Okayama, Japan visiting us this morning, so had to welcome them here to Portland. So, let's move to the communication items.

Item 346.

Hales: Mr. Thrasher, good morning.

Ken Thrasher: Good morning. Good morning, Mayor and Commissioners. Thank you for having myself -- Ken Thrasher -- here this morning, along with my friend Ashley Ehlers, who is a College Possible coach in the Gresham High School, and also was previously a student of College Possible, so you get the benefit of a two-for. She's done both, both been a student and now a coach of students.

We want to talk to you about College Possible today and consideration of having College Possible part of the City's budget for \$500,000 next year. We think it's a wonderful way to invest in strategic programs that really make a difference in the college transition years between high school and four-year colleges.

This program is geared toward having low income students graduate from a four-year college. And I've got to tell you, of the research we've done in looking at what we could bring to East County to really improve college graduation rates for low income students, College Possible was by far the most successful program we've looked at nationally, and is evidenced-based by a Harvard study that looked at it as the top program of this type in the nation both from a cost per student and the outcomes. And let me tell you what those look like.

In College Possible, nationally, the program picks up these low income students in the junior and senior year, puts them through intensive two-hours twice a week after school with an AmeriCorps coach. They then get up to six years of coaching while they're in a four-year college. It allows us to show these low income students will graduate from college at a 60% graduation rate, which is the same rate as the average student body nationally. So, if you think about it and you look at a peer group of low income students that don't get through a program as intensive like this, what you'll find is the outcome from college graduation is a 10-to-1 ratio versus peers that do not go through the same program.

April 8, 2015

We started this program a year ago in Portland. We have been at a number of schools in East County -- David Douglas, Parkrose, Gresham-Barlow, and Reynolds. We are going to expand into the Portland Public Schools this next year with Madison, and Centennial will be coming on the following year. We really believe a public partnership where we privately funded this today would really increase the capacity both in having more schools in the Portland area served, but also going deeper into the schools that we're in to serve more students.

We currently have 300 students directly in the program. Our students their junior year increased their college ACT scores an average of 23%, which was the highest increase in the history of College Possible nationally. So, what we've done is built a very powerful program with 300 students served now. We want to increase that to over 1000 students in the next five years. I've given you a summary chart that shows the demographics and the impact that we're having out in East County. As you notice, we have 63% students of color, 86% of our students are first generation, and I said these low income students are really doing a great job.

I want to just tell you really quick story, one of our students named Joss in David Douglas is a senior this year and was the first student to ever get a full ride to Harvard. This was a young man that was not going to college.

So, we believe this request will allow us to really leverage the program, grow it faster -- and with your support, I think that we can really change the curve, reduce the cycle of poverty for the low income students in East County, better repair the workforce for the future, and one really important thing is we reduced our social costs in the state significantly by this kind of an investment. So with that, I would open it up for questions. And actually, I brought -- because I thought you might want to student. Because we only have three minutes, I thought I would do the formal. If you have questions, we would love to answer them.

Fish: I have a question. My daughter graduated from college in May but four years ago, we went through all the trials and tribulations of applying for college. I remember that the financial aid maze was very hard to figure out. I remember that the application process was complicated. I remember that the essays were very demanding, and it turned out that the parents were the least likely helpful people in that process because my daughter did not want to share her personal reflections. There was some career coaching stuff about, you know, "why go to college, what do you want to accomplish" that was needed. There were the test scores, and sometimes coaching and how to take tests and encouraging people to take them again, and then there was all the hand-holding throughout. And it was sort of overwhelming, actually. So I'm just curious -- of all those things and the other kinds of considerations, what do you find is the area -- so to our coach, what are the areas where you find the greatest need in help?

Ashley Ehlers: That's a great question. I think surprisingly, all those things. I know it seems like I shouldn't say all of them, but for my students, their parents might not speak English, so they have no ability to have their parents edit their essays. So, I come every day and edit each of their essays multiple times before they send it in. Also, the process -- the fact that they don't know the process of applying -- so they don't even know that you have to fill out a FAFSA. A lot of low income students will go to FAFSA.com instead of FAFSA.gov and pay an extra \$75 to file their free application for student aid. So, I think those types of things -- walking them through that whole process of applying to each school is really important.

Fish: The FAFSA process required a computer and access to the internet. Unfortunately, it's not structured so that it tells you, don't apply at the front end. So, I put my marriage at

April 8, 2015

risks for the weeks we spent doing it only to find out at the back end that we were out of luck. And I kinda wish it had been a little more user-friendly.

Ehlers: Yep.

Thrasher: But we also have seven partner colleges in Oregon, so we are partnering with colleges to get access to those and start to break some of those barriers down.

In addition, a couple other things that I think are really important -- we have a community service component to the program and we also have a financial literacy component, so we don't just -- it's not just academic. It works on all the skills that the students need to be successful in life.

Ehlers: I also think students might not even consider college as an option for them and I think that's the biggest thing I've learned, is that students come into the program saying, "I never thought that I would be able to go to college. Nobody ever told me that I would go to college." So, it sounds like your daughter grew up assuming that she was going to go to school, but for some of these kids, this is the first time that anyone has ever told them it's a possibility for them, so it really opens the doors for all the opportunities that they have available after high school.

Fish: My daughter's mother, my wife, is the first woman on her mother's side of the family to go to high school. So you know, I love the data on first generation college students because that's the charm here -- creating a pattern of expectations for kids that maybe didn't have someone at home that had that opportunity.

Novick: I'm just curious, how does the initial contact work? Who calls or visits a student to say, "we hope to interest you in this program"?

Ehlers: So, we go into classrooms with sophomores and we give them what's called a college prep talk. We tell them not only for recruitment purposes, but what it takes to get into college, what -- that you can't get Ds in your classes, that colleges only accept Cs or better. So, those kinds of things -- making sure that they understand the financial aid process, applying for the FAFSA, all of that. At the end of that talk, we tell students if you're interested in a program that would help you through this whole process, we are available to help. So, we start doing that the sophomore year, but hopefully the longer that you're in school, the students know about the program beforehand. We walk around with our shirts on all the time, finding students during lunch, making sure that they are coming to the session, that kind of stuff.

Fritz: Thank you. It sounds like a great program. Mr. Thrasher, as you know, the City funds the Future Connect scholarship program in partnership with Portland Community College, and we started that and expecting a two-to-one private fundraising match for the City's investment. I think it's now almost four-to-one that the PCC Foundation is able to get additional donations. Is there a component -- in your request to the City, is there an expectation that there will be a private match?

Thrasher: Yes, absolutely. We are increasing our fundraising at a really significant clip. We started out preliminarily with foundations to launch the program, because you have to go for some dollars, they can scale you quickly. Following doing that, we have an individual campaign we'll be launching. We think that there are a lot of individual donors that like to give scholarships, for example, to a low income student, first generation students, and diverse students, and that -- with programs like we have equal access at Portland State University -- which I was involved to help in starting -- as a scholarship program. We are going to start to connect those donors in the strategic way that I think will allow us to have very similar ratios of funding that you're talking about. We absolutely are going to match and exceed the amount of funds you would invest here.

Fish: Charlie, what's the elementary school we visited that has the banners of all the colleges along the corridor, so that from the earliest possible --

April 8, 2015

Hales: Parkrose.

Fish: Parkrose. So, the message from the beginning days of elementary school is you're going to go to college, and we're going to start educating you about college options.

Hales: Yes.

Thrasher: It's high expectations is what we're setting for the students that -- many of them never had high expectations. If you talked to Don Grotting and you walked into David Douglas today, he would tell you that College Possible has changed the culture of going to college in David Douglas High School. More kids are now thinking about it because they see their peers being successful who never thought that they could go.

Hales: Great. Other questions?

Fritz: I guess then the question would be, why are the school districts not funding it?

Thrasher: Interestingly, we are the only College Possible site nationally -- there are five other sites -- that have school funding. The schools actually do put an investment in the program. We ask them to do that. We have asked them to do that in the second year as a follow under the first-year funding, and we're now going back and asking schools to now continue to do that funding. So, they have given a contribution towards the program. We believe that investment is important to commit the school and the staff towards the program. But we work very well with them on that, and Don and the other superintendents have been great in supporting that.

Fritz: Could you please send us the breakdown of the funding for the program?

Thrasher: We can, we can do that.

Fish: And I apologize -- where are you a coach again?

Ehlers: I'm a coach at Gresham High School.

Fish: Fantastic. Thank you for joining us this morning.

Hales: Thanks for being here. Great presentation.

Thrasher: Thank you, all.

Hales: OK, while we're on the subject of education, number 347 -- and maybe 348 together.

Item 347.

Item 348.

Hales: Good morning.

Gary Withers: Good morning, Mayor and Commissioners. Always a pleasure to follow Ken Thrasher. We want to start with a big thank you, and really the thank you is from Ken and myself and others who are affiliated with the Children's Institute for of the support that you've given to David Douglas School District and the wonderful initiative at the Earl Boyles school. And in fact, that's a great starting point for a conversation about 3 to PhD.

3 to PhD is both a capital program and it's also an initiative with many, many program elements related to social services and education. The best way to view it is really through an equity lens. It's an eastside -- Northeast Portland -- educational initiative that strikes at the heart of closing the opportunity gap and creating this culture of college -- and really beyond creating the culture of college, it's creating the culture of possibility. What's possible after you graduate from high school? Whether it's college or onto a trade school or some other vocation.

So, we have to look at the demographics of Faubion School, the largest catchment area in Portland Public Schools. And today, there are 520 students at Faubion and there will be 800 when the new Faubion Concordia campus is built in September of 2017. Among those 500 students -- in fact, the sheet that you have is now incorrect, it says that 81% of eligible for free and reduced lunch. The actual number Portland Public Schools tells us is 91%. And in fact, the principal and assistant principal estimate that about 20% of

April 8, 2015

those students are technically homeless and about 25% live in trailer parks or in public housing.

The diversity is rich. A third African American Black, a third Latino, and a third everyone else -- including about 20% for whom English is a second language.

Now, there are four corners to the 3 to PhD initiative. We start with wrap-around services, services that will provide mental, physical, dental, and nutrition services. We have wonderful partners there. The Tooth Taxi is just getting onboard with us. Whole Foods and Pacific Foods are going to help us to open an actual food club, making high-nutrition organic foods available at cost -- about a third of what we pay for Pacific Foods at Fred Meyer -- at the food club right there in the school itself.

From the wrap-around services, we move to early childhood. We are all very much aware of the tremendous returns on investment for the social, emotional, and psychological development of young children, and preparing them to learn through an intense early childhood program. This program will have slots for 120 students. From there, we move to STEAM -- science, technology, engineering, art, and math. Carl Talton, civic leader, Concordia board member will talk about the STEAM initiative here in just a minute.

Then, the fourth corner is unlike any other of a program like this in the country. The Concordia University College of Education will be fully embedded within this new facility. So, we will have the largest college of ed in the state serving students at this facility.

We're here today to request \$500,000 and your support for the capital initiative. We're grateful for the 100,000 that has been passed so far, I appreciate that very, very much. I'll pass it to Carl Talton with the notion that this is a scalable model for Portland, for the city, for the country, and that your support most likely will be matched in its entirety. Carl?

Carl Talton: Thank you. Good morning, Mayor Hales and City Council members. My name is Carl Talton. I'm a member of the board of trustees for Concordia University and an active participant in the rollout of the 3 to PhD program. I'm also a part of a leadership of the coalition of community-based educational service providers who work primarily with communities of color. Some of these community-based organizations are only a few years old, but most have been around for a good 40 or 50 years, giving them tremendous history and credibility with the communities of inner North and Northeast Portland.

The coalition was formed to ensure that children of color -- and in particular, Black children -- are not farther educationally distanced from not only their white counterparts but from future economic opportunities made possible by a strong STEAM program. The goal of this STEAM coalition of color is to ensure that these community-based organizations have the necessary resources at their disposal to deliver and prepare STEAM-related curriculum to communities of color. To that end, we -- that is, the coalition -- have formed a close working relationship with Concordia University and its 3 to PhD program. This relationship greatly increases the coalition's capacity to deliver STEAM-related curriculum, expertise, resources, and program to its respective communities.

Along with this -- the community-based partners who have similar goals and long-standing relationships with these communities -- this relationship will serve Concordia, the coalition, and most importantly, the community itself. Thank you. We appreciate the time. If you have questions, Gary and I are available to answer.

Fish: Gary, I have a question. If you're successful in this model of bringing a distinguished institution of higher learning into the public school system and creating a campus that is mutually reinforcing, is it replicable with other institutions in the city?

Withers: Absolutely. In fact, as we speak, I know Portland Public Schools is considering the next site for replication. We have already had folks from as far away as India visit

April 8, 2015

Faubion, and I've had a number of inquiries from architects -- after I had a chance to speak at a public forum of Portland State -- architects involved with school initiatives.

Hales: I have a related -- it's not so much a question, it's just something for you to ponder, and for us as well. We have a system of community centers in the city. We have partnerships with school districts and universities. And I think we have a question to ponder over time, which is, how many community centers should the City ultimately own and operate? We have some. There are places where people want more. To what extent are we fully utilizing the facilities of school districts and universities to serve kids -- not just college kids, in your case, but kids of a wide spectrum of ages -- and what unused capacity is there? So, you're sort of a model in that sense, too, of what you're envisioning for Faubion is not just a laboratory school for teaching teachers. It's also a community center, at least in some versions of what those words mean.

And I think that it's just an interesting question and also an important question -- it's a big financial question on both operating side for the Parks Bureau and all the partners and for the number of kids that we're not yet serving very well in the city with recreational opportunities. So, something for us to ponder in this budget, yes, in terms of what we might do in terms of enhancing those opportunities ourselves and with partners, but there's also a facilities question there. How many schools are there gonna be that are like this one? How many partnerships are there going to be that get outside of the traditional boundaries, as you are doing here? I think that has the potential to pay a lot of dividends to people in terms of what's available to them in their neighborhoods, particularly if we're not able to build -- and we're not -- a community center within easy walking distance of every kid.

So, not so much a question but a set of issues for us to ponder. Any thoughts about that? I know Commissioner Fritz and I have been talking about this and we all think about it, and at a time when we're trying to invest more on both the program side and on the facilities, it's something that we want to spend more time in conversation with you about and other leaders of various educational institutions in the city.

Withers: We'd love to have the conversation. 53% of the time on our soccer and baseball field is devoted to the community, and the new Faubion Concordia facility will actually have a gym that's large enough for our NCA division two basketball teams to be able to practice. And the idea was that we will be able to demonstrate college kids in action, as we already do with 200 to 300 students at Faubion every year.

You mentioned the idea of it as a lab school. We think of it as a collaboration where we're really learning from each other. In fact, the principal's office and the dean's office will be right next to each other, and a lot of our faculty will be embedded right next to the great school classrooms.

But Mayor and Commissioners, as you think about recreation centers, this is a conversation -- and I'm speaking on behalf of the president now -- that we would love to have with you, because we want to develop a new fitness center and a new arena. In fact, we had a master planning session with the campus yesterday and I've shared with a number of individuals. The only way that that's going to happen on a Concordia campus -- and I'm speaking on behalf of the president -- is going to be community-based. And we would love to have that conversation.

We'd love to see -- we think of this as one campus, the Concordia Faubion, Faubion Concordia campus. We would love to see this part of Northeast Portland be as rich, open, and accessible as possible to the entire community. It supports our mission preparing leaders to go out and change the world, and just to make great economic sense in terms of the economic multiplier.

Hales: Great, thank you. Thank you both. Thanks very much.

Fish: Thank you.

April 8, 2015

Item 349.

Hales: Ms. Reed, are you here? OK, let's move onto the next one, please.

Item 350.

Hales: Good morning.

Katherine Smith: Good morning. My name is Katherine Smith. Dear Mayor Hales and City Commissioners, I have to return here again to testify because those Tigard cops -- who I've mentioned before -- are still shooting me 20 to 24 hours a day remotely with microwave weapons, ultrasound weapons, voice-to-skull command weapons, sleep deprivation, etc., and they say they're still shooting my son with these when he's sleeping to give him cancer.

Mayor Hales, you are the Police Commissioner with authority to make Portland police do their duty to protect people. Could you tell me -- why haven't you talked to them about this issue as they torture and mutilate me daily with these weapons?

Hales: We have talked to them -- keep going, Katherine.

Smith: OK. They have hundreds of other targets in Portland, including kids. Many people they use voice to school weapons on to make them commit suicide, or they incriminate them because voice-to-skull weapons are mind control weapons. Cops have legally had them since 1994.

Sergeant McCormick, previous Police Chief Reese, and it appears Commander Day and others cover up for these assaults and attempted murder, doing nothing to stop them.

Mayor Hales, I know that you are smart enough to do all the tasks you have to do to be the Mayor of Portland, and I think that you are smart enough to listen to and look at the evidence and to know that these assaults are happening. You can and should talk again -- since you said that you already did -- to those Portland cops and Larry O'Dea, the new Police Chief, about this. Sergeant McCormick is taking -- or you could say, stealing -- some or all of my reports addressed to Police Chief Larry O'Dea, thereby doing a facilitation of murder to me and my son.

Remember the motive of the cover-up I told you all before. Many of the cops don't want the public to know that they have these kinds of weapons, so they don't want court cases about them. Many of them threaten, slander, intimidate, and do false arrests on us so we will shut up about this. That sure doesn't sound like they are complying with the Department of Justice by improving their training, policies, and actions to not do excessive force to people, or to not allow other cops to do that to us in Portland.

Internal police review -- that's IPR -- has no authority to order Portland police to protect us. Project Respond has no authority to make Portland police protect us. Tigard police department is very corrupt and many of their cops told me if I ever go there again to report them, they'll kill me.

Your office assistant keeps repeating the same useless advice that she got from another employee there, telling me to report those assaults to Tigard police. And finally, Mayor Hales, when you don't do anything, that resolves this, it makes you look negligent. Thank you.

Hales: You take care. Stop up at my office and talk to Cindy, and she will get you some help, OK?

Smith: Ok, but do you know the last time I went up there, she said your office can't do anything to help.

Hales: She'll try, OK, so go on up.

Fish: Katherine, is this your current address? The Tigard address?

Smith: That Tigard address is my mailing address.

Fish: Is that where you live?

April 8, 2015

Smith: No, where I live right now is the Fairfield, but they burn me there every night -- I'm not going to be staying there, I'll be going back to SAFES any day now.

Hales: OK, take care.

Smith: Thank you.

Hales: OK. Now, before we get into the formal Council calendar, we have a proclamation about a city that loves trees. Commissioner Fritz?

Fritz: Thank you, Mayor Hales. Is anybody here for the Arbor Day presentation? I don't think so, so I'm going to just read it.

Whereas, April 10th, 1872 was declared the first Arbor Day in the United States; and whereas, Arbor Day is celebrated in all 50 states and around the world with an estimated total of more than 18 million trees planted on that one day; and whereas, J. Sterling Morton, the founder of Arbor Day, believed that other holidays repose on the past, Arbor Day proposes for the future; and whereas, this day's theme in Portland in 2015 "trees are for everyone" invites everyone in the city to get to know and enjoy the urban forest and to expand that forest to include all of the city and its residents; and whereas, for the 38th consecutive year, Portland will be recognized by the National Arbor Day Foundation with a Tree City USA award -- [cheering] -- thank you. And whereas, the Portland Farmers Market has been bringing the best of the country to the heart of the city since 1992 and is hosting the Arbor Day festival at the PSU South Park Blocks farmers market this April 11th; and whereas, the community, volunteers, staff, and partner organizations work year-round to preserve and enhance the urban forest for everyone in the city that everyone may benefit from our 240,000 street trees, 1.1 million park trees, and countless private trees; now -- protected by the tree code, I might add -- therefore, Charlie Hales, the Mayor of the City of Portland, Oregon, the City of Roses, does hereby proclaim April 11th, 2015 to be Arbor Day in Portland and encourages all citizens to observe this day.

Hales: Thank you very much. Let's hear it for Arbor Day. [applause]

Fish: Mayor, since we're celebrating trees, can we also just take a moment to celebrate Amanda's leadership, and I understand that the Friends of Trees will be presenting her with one of their highest awards on -- I believe, it's May 14th.

Hales: I think that's right.

Fish: Congratulations, Amanda.

Hales: Hear, hear. OK, let's take care of our consent calendar, and then we'll move to the regular calendar. I believe that there's a request to take one item off, which is 361.

Anything else? OK, then a roll call on the balance of the consent calendar.

Roll on consent agenda.

Fish: Aye.

Novick: Aye.

Fritz: I will just note that amongst the consent agenda item is some re-financing of urban renewal bonds which saves the City a boatload of money. I don't have the exact number, but it's interesting that we get harangued for some of the borrowing and spending that we do, and that we need to celebrate also in our City Debt Manager Jonas Biery and others do good work that saves the taxpayers money. Aye.

Hales: Aye. Now, we'll move to the regular calendar. I want to welcome everyone who is here to speak on the calendar items. If you are here to do that, when you sign up with our Council Clerk, we'll call you. If you are here to testify, please state your name for the record. You don't need to give us your address. If you're a lobbyist, please do disclose that information at the start of the testimony. If you're here representing an organization, please disclose that, as well. We typically allow three minutes to speak in front of the Council, and we ask that you respect the time limit and that we also respect each other in the chamber

April 8, 2015

and allow people to have their say, even if we don't agree with it. If you agree, feel free to give a wave or a thumbs up, but again, we'd like to ask people to make vocal demonstrations in favor or against their fellow citizens' opinions in this room. Therefore, disruptive behavior is not tolerated, and if you do that, you'll be asked to leave. If you have handouts, please give them to the Council Clerk and she'll distribute them to all of us. So again, welcome, and let's move to the time certain item 351.

Item 351.

Hales: Commissioner Fritz?

Fritz: Thank you, Mayor Hales. If I could invite those who will be presenting to come forward. It is a pleasure to introduce the Portland Design Commission's State of the City design report.

First, I want to thank the dedicated volunteers who serve on the commission. This commission meets a minimum of twice a month and sometimes three, often for many hours as they review the land use cases and is provide design advice -- and indeed, decisions. They are a dedicated, hardworking group. They are: David Wark, the chair; Ben Kaiser, the vice chair; Guenevere Millius, the previous chair; Jeff Simpson; David Keltner; and Tad Savinar. If any of those are you, could you stand so we could recognize you or indicate that you are here? [applause]

Hales: Thank you.

Fritz: Thank you for your service, and again, I'm going to stress these are volunteers. They give an enormous amount of their time for the citizens of Portland.

The commission is presenting their fourth report before Council. They have been operating in the City of Portland since about 1980, providing leadership and expertise on urban design and architecture, and maintaining and enhancing Portland's historical and architectural heritage.

This report obviously comes to Council at a very important time for all of us, as development and construction is exceeding the historic 2008 levels. Our neighborhoods deserve appropriate protection and predictability of quality infill that meets our density goals and inevitable growth, and I think that we all are very proud of the way that Portland is developing.

So, I'm looking forward to hearing more from the commission members and from the public. I am very much committed to supporting the commission in all of its efforts. Senior planner Tim Heron will start us off, and then Commission Chair David Wark will take the helm.

Tim Heron, Bureau of Development Services: Thank you, Commissioner. Thank you, Mayor and City Council. On behalf of Director Paul Scarlett, I have a couple of brief points before I hand it over to the chair and vice chair.

The Design Commission -- as you've acknowledged, Commissioner Fritz -- provides leadership and expertise on the urban design and architecture and maintaining and enhancing Portland's historic and architectural heritage. In 2014, the Design Commission did this 27 times -- that's 27 different hearings. We've been very busy. We've seen as many as -- on the report that you received -- that many design advice requests, as many as 10 different briefings on different scale proposals such as street seats or from the Oregon Convention Center hotel. So, this commission is looking at the small and the large in all these hearings throughout the year.

The commission also meets quarterly in retreat sessions with the design and historic review staff. These are typically before a hearing -- a couple hours, lunch sessions where we review timeliness of our hearings, we review how to sharpen our message and delivery of the concerns, and also consider best practices in how to communicate that out

April 8, 2015

to the public so that these hearings can move smoothly, and we provide that heads up customer service on the front end.

Last but not least, I just want to acknowledge the design [indistinguishable] staff. Thankfully, we've been able to hire more people, and all of them are most humbly sitting all the way in the back, so I would ask for those of you here, such as Kim Tallant, Kara Fioravanti, Ben Nielsen, Grace Jeffreys, Puja Bhutani, Art Graves, Hilary Adam, Chris Caruso, and Staci Monroe to stand up, please. [applause] With that, I will step away.

David Wark: Thank you, Tim. Good morning, Mayor and Commissioners. Thank you for your time and dedicating a bit of time today to hear the State of Design Report Portland Design Commission April 8th, 2015. I'm David Wark, chair of the commission. Joining me today is Ben Kaiser, vice chair, and we thought that we would change it up a bit and have more of a graphic and pictorial presentation that touches on the who, where, why, when, how, and what of Design Commission.

We've touched on Design Commissioners, and this is the who. I just want to give you a little bit more background. Myself, I'm RACC's representative, the Regional Art and Culture Council, and I'm principal with Hennebery Eddy Architects. Ben Kaiser is president of the Kaiser Group, a development company focusing on housing and office projects. David Keltner, our architecture appointee is principal with THA architecture. Gwen Millius is our design appointee, president of Parachute Strategies, a marketing and strategic planning firm. And of note, we're very grateful for Gwen to stay on the commission. We are a little light-handed these days, and her continued service to the City and the applicants is much appreciated. Tad Savinar is an urban design appointee, and he is an urban designer and artist and a general man about town; and Jeff Simpson, public at large appointee. He's a landscape architect and principal with simp.L, a landscape architecture and urban planning firm.

As I mentioned, we are a little shorthanded in these busy times. That combination has called for also additional meetings per month. We usually have two meetings that last - or supposed to last -- from 1:30 to 5:30, we're having three meetings per month that last from 1:30 to 7:30. So, that'll be an issue that we cover later in the presentation.

The where of design review -- this map of the city outlines basically where Design Commission's domain lies within the city, and that is in the blue areas on this map: Central City, Lloyd Center and the Central Eastside, and the Gateway. So you can see our domain is very limited within the city. The green represents the historic landmark -- or historic districts; the more red, purple is a two-track design review with Type II or neighborhood design guidelines. The white, which is the bulk of the city, falls under the Title 33 planning and zoning code. So, you can see just how much influence -- or limited influence that we have within the overall context of the city, which is also a subject that we'll touch on later.

The why of Design Commission starts basically post-war, where, typical of cities throughout America -- '50s, '60s, '70s -- the pioneer development was where buildings reduced the pedestrian to basically an endangered species having to navigate an urban environment -- given it over to the automobile. These are all projects in Portland, by the way, which are applicable. In many cases, buildings ignored their context, sealing themselves off from the street and creating an anti-pedestrian environment for the entire blocks at a time.

Fish: By the way, I was walking from Burnside to work this morning, and I noticed that some of the biggest offenders are also some of our most historic hotels. And where some of the renovations -- there's literally a blank wall facing a main street.

Wark: Right.

Fish: It's unfortunate.

April 8, 2015

Wark: And what happened after the war is just the sheer amount of development. And so, these dead walls, all these projects then contributed to kind of lifeless intersections, and then what that brought was a group of far-sighted Portlandians that joined together to create the design review process with the goal of producing a livable, urban environment. I think it's one of the few lasting things of value that came out of the '80s. [laughter]

So with that, the how comes into play. Over the past 30 years, Design Commission has been the city's advocate for a new urban environment, a pedestrian-rich environment with open storefronts and vibrant streetscapes, buildings of quality and permanence, and a wide variety of architectural expressions. As you can see, this is kind of post-establishment of Design Commission versus the kind of poster children of the pre-Design Commission, and the difference is obvious and influential.

With that, I wanted to kind of illustrate -- people often ask, "so, what do you really do in Design Commission? How do you impact the design process and the actual built work that is finally approved?" So, we've brought together three illustrations or three cases that kind of illustrate the point.

This first case is a mixed use project, five floors of housing over a single commercial floor, and it's a key site bounded by East Grand, East MLK, and East Burnside. At the first DAR, this was the rendering that was presented to the commission. Many of the issues centered around coherency, quality, and permanence. There were some parking issues, but the number one issue was that it really didn't respond to the character of the arcade district, that distinct section of East Burnside that is just after the Burnside bridgehead to 11th. So, Design Commission encouraged the applicant to look at the arcade precedence and incorporate that concept into their design proposal. To their credit, they came back with a very detailed study of the arcade district. We were all probably very familiar with this.

And in the research -- you can see in the bottom left corner -- the site that they are proposing to build their project actually had a very significant arcade structure. So, with that --

Fish: When you use the term "arcade district" and "arcade structure," what does it mean?

Wark: In this case, along that stretch of East Burnside, there are about eight projects that have an arcade -- that the building comes out past the sidewalk and is over the sidewalk, and there's a series of columns that creates a colonnade or an arcade under which people can -- if you know this district, it's very distinct from any other kind of set of buildings in the city.

Actually, the background is kind of interesting because they were not originally built like this. This was the result of an expansion of the street, of the widening of Burnside. And so once they widened the actual lanes for traffic, the sidewalks then were incorporated below the buildings, thereby creating the arcade. So, it's an outgrowth of transportation projects that created this distinct district. So, we felt that district should be -- and it is in the code -- that it should kind of be continued.

So, it was great that we suggested this. The applicant embraced that idea. The result is this project that was approved -- the Burnside elevation is on the left. They repeated that entire arcade along the entire frontage of the project fronting Burnside. And a little more detailed shot of south-facing arcade where in our weather -- you know, there's a great cover for year-round activity, and the commercial storefronts that line the exterior elevation then spill out and activate the streetscape. We thought this was a very successful project and felt very good about approving it at that point.

The second project is the Burnside Fred Meyer that is near 20th Place on Burnside near the stadium. At the first DAR -- this is the rendering that was presented. Design Commission felt it was a very, very closed off from the street. Its character was more alien

April 8, 2015

to the neighborhood, more suburban in nature versus an urban building, and there were also issues of quality and permanence.

Design Commission's comments were centered around maximizing the transparency and thereby activating the Burnside elevation considering the pedestrian experience of the canopies in this case might be helpful; and then also, look at the adjacent older buildings for the materials in form, which were masonry and character for the most part. After another DAR and some more input, a completely different type of building evolved from the process, one that is extremely very urban and uniquely Portland. And it's a uniquely Portland Fred Meyer at this point.

We went by and took a photograph of it and I have to say, with the addition of these upper balconies that extend their eating and dining areas and meeting place, it's a really successful Fred Meyer at this point. We feel it's very, very good about approving this project.

The final example is the Pearl Marriott. And sometimes, there's the focus on buildings and sometimes a focus on the site. In this particular case, it had a courtyard that was basically auto-filled [indistinguishable] drop off at the center of the site surrounding the building.

Design Commission feedback was the project basically had an urban skin and a suburban heart, and this was basically not acceptable. It was a non-starter. So, the advice from Design Commission at that point was to remove the cars from the center of the site and just make a great open space that all could enjoy.

They came back with that advice in hand, revised the proposal to create an urban oasis, a really wonderful courtyard, and this is the final built courtyard and garden, which is an amenity for -- actually I have to say, part of that -- there is a public court that was a part of this proposal, so it is actually a public park, a public open space that then transitions back into a more private one. We felt extremely good about this project and the impact that we had on this.

To kind of reiterate just how busy it is and what's going on out there, there are 24 Type III cases we looked at. In the height of the 2007 building boom, there were about 22. So, we're up from that. I would say we're in full development mode, full building mode with 26 DARs -- like Tim said -- seven briefings from staff and other entities, and very rarely do we get these but we have two Type II appeals that we reviewed.

I think that the unique part about the development that's going on now is how much we're seeing cranes on the eastside these days. The eastside has come of age, and we just wanted to share really quickly the impact of 12 projects that had been approved and/or are under construction or are in the approval process. Those are entered around the Lloyd District and then the Convention Center hotel all the way down to the Buckman. Those 12 projects range from -- the upper left is the Convention Center hotel, the upper right are improvements to the Lloyd Center Mall, the lower left image is the Burnside bridgehead tower, and the lower right are the goat blocks which is a two-block mixed development.

These projects range in scale from quarter-block infill to the creation of completely new neighborhoods, as the seven blocks -- we've approved the first phase of Lloyd blocks, which is the three entire city blocks. The second phase is underway with the complete four blocks. So, seven blocks of new development. And the numbers are impressive -- if not staggering -- at this point, where this represents over 4.5 million square feet of space, 196,000 square feet of retail, 3300 living units and/or hotel units, and 3400 parking spaces. What's interesting about this is there are more parking spaces than units, which is -- we don't often see that. Of course, that's spread over 12 projects, but.

So with that, the Design Commission powers and duties include -- this is kind of the continuation of "what" -- recommend the establishment, amendment, or removal of design

April 8, 2015

district, develop design guidelines, review major developments, review other land use requests, and provide advice on design matters. We actually focused on the last, which is to provide design advice at this point. And these are all -- or some of them are more -- have had more attention to date and some are kind of new.

But the first one has been bandied about for several months if not a year or two to expand the overlay zone. The issue with this is -- it probably could be overcome with some smart thinking -- but it's a dynamic system out there of development that has its highs and lows and fluctuations that is dependent on staff -- which is somewhat limited -- and even more so on the Design Commission, which is a static number of seven commissioners meeting on a limited basis on a limited basis every month. So, those two are at odds with each other -- a static system and a dynamic system. So, the issue is how to resolve that. There are several ideas on the table. Nothing has been, has reached any kind of level of consensus at this point.

Second is reconsider the housing bonus. We're seeing a lot of projects that actually go after the housing bonus, and that results in increased height and density which oftentimes overburdens a particular site. And so, some of the thinking is should that focus on the housing bonus actually shift to the specific types of housing that are other than market rate? If there's a bonus, then how can it help the city in different ways to attain a wide variety of housing goals?

Update the community design standards. These are woefully out of date, and I think that everyone would agree from the development community to City staff to the Design Commissioners to neighborhood associations. So, that's something that is worth discussing.

And then a final one that we're really concerned about and want to talk about is reconsider the housing as a ground floor active use. And the reason for that is we're seeing counter to what we're after, which is the ground floor active use relative to transparency and commercial businesses that actually invite people in, have a strong connection between sidewalk and their activities within, and even spill out onto the sidewalk when weather allows. And this is an integral part of the healthy urban environment. What our thought is -- we're seeing within these red zones, which are commercial zones in central city -- that's not always happening. And the reason is because there is an allowance for housing to be considered active ground floor use, and so the result of that are often projects that do the opposite of what our real goals are. And we're seeing more and more of this housing type that are located on the first floor in the midst of thriving commercial areas, and the result is anything but an active streetscape.

This one is on Burnside; this project is on Hawthorne, very close to the Safeway and the activity of Hawthorne commercial district; and this one is newly-completed project on MLK, which is anything like we said but what we want. So the question is, why should we settle for this type of urban condition at the first floor commercial streets and in our central city when this alternative is infinitely better and easily attained? So with that, we have a couple of suggestions.

Fritz: Before you move to a suggestion, let me -- is there a particular zoning that's allowing -- where you're seeing the projects?

Wark: It can happen in any zone that allows commercial -- at this point, I believe that's correct. With that, because housing is lumped in with this active ground floor use designation, then it can go anywhere. It can go in downtown. It can go in the Pearl District, as we've seen. And in some places, it's absolutely appropriate. Not every street in the Pearl needs to be a retail commercially active street, and so we have approved many projects feeling good about that. There are key sites along commercial corridors and in the central city, some that -- actually, we've had a review of some that are coming forward that

April 8, 2015

will occupy critical components, critical sites in the city with this type of development which we do not feel it meets the goals, the City goals.

Fritz: And the regulations don't currently allow the Design Commission to say "no, actually, you have to have commercial"?

Wark: Right. All we can do is influence the outside kind of elevation and how that meets the street, but the function within -- behind that elevation, that façade -- is not of our purview.

Fritz: Thank you.

Wark: With that, there are potentially a couple of actions. And I'm sure that you can come up with others, but the three that we feel are on the table -- you can wait until the spring or summer of 2016 to adopt the 2035 comprehensive plan. At the current rate of development, we that feel dozens of sites could be lost to this type of housing on the first floor, and so we're nervous about that.

We know that the comprehensive plan needs to be methodical -- and comprehensive, obviously -- but there is a component of this comprehensive plan that does warrant our attention. You could accelerate the schedule for completion and approval of the 2035 comprehensive plan, which we're not really sure how feasible that is. And then for something a bit more assertive, consider a moratorium on first floor housing in commercial zones and within the central city. Exceptions could be approved by staff and/or Design Commission where it warrants it. So with that, I'd like to open it up for additional discussion and questions.

Hales: Well, let me start because I really appreciate the presentation. This is always a really good, important opportunity for the Council to check in with the commission and our great staff on this important work, and you're doing a huge volume of it right now. So, some of my questions relate to how do we manage the volume. Others relate to the proposals that you've just made.

It seems to me that we have got some -- as you know -- we've got some very large planning projects underway, like updating the comp plan, and some things take a lot of time. Updating our design standards will take some time. There are other issues, sort of exigent issues that are coming out of this development boom like demolition, and this issue of housing is a ground floor use that are relatively discreet issues that, in my opinion, should not wait for that ponderous process to be completed -- and apparently not your opinion, either.

Wark: Yes.

Hales: So, I really appreciate you raising this ground floor issue. That seems to me -- just impression here -- the kind of thing that we ought to be able to move quickly on rather than wait for the long, very expensive, very large legislative process that we're in right now to be completed. So, I appreciate you being focused on that issue as well as raising some larger ones like expanding the D overlay or updating the design standards.

Let me bear down on some issues of process, and that is we're hearing a lot of concerns about the volume of application and you pointed that out -- you're dealing with a large number of applications. It takes a long time to get design advice. It takes a long time to get a hearing scheduled. The hearings are long. Not only commission members are being heavily taxed in terms of the time commitment, but so are applicants and citizens there to testify.

In looking at the data that we've been supplied, there are a lot of cases that have multiple hearings both at the DAR stage and at the design review stage. So, what are your thoughts about how can we improve or streamline that process? Should we clone the commission and have two panels instead of one -- you know, a north and south or

April 8, 2015

something like that in order to give you and other volunteers a break and a reasonable expectation of how much of your time goes into this?

I don't think that this development boom that we're in right now is a one-year affair. I don't think this is a quick little bubble, I think that it's a trend that we're in for at least the next few years. So, it's not like everything is going to ease up for next year. So, it seems to me that we ought to be considering some of these options about process. Again, what can we do with the process we have to maybe reduce the number of hearings? Should we have more than one panel? What else can we do?

I think that one thing that we've already done by and large is that we have a development community and a design community that understands the higher expectations and a lot of the time comes to you with a good proposal to start with, but the process is still working to raise the bar. In fact, the developer of that hotel that you used in your presentation is somebody who has been through that process dozens of times and who nevertheless told me on the day that it opened that the design review process forced them to design a better project, and he really appreciated it.

Wark: Oh, great -- hopefully without busting the budget.

Hales: [laughs] He was really grateful -- and again, this is somebody who has been through the process more than once who said, "you know, they forced us to reconsider that turnaround and this plaza is great. People love it and we're glad that process work the way that it did." So, you know, you're adding a huge amount of value, but it also is taking a lot of time.

Wark: Right.

Hales: So anyway, a bunch of things to throw at you there. What do you think that we can do about the process?

Wark: Let me break it down -- hearing time, case schedule, and D zone expansion perhaps. So, the hearing time -- well, we have made a positive, definite, huge move by getting a timer. So now, we limit -- [laughter] -- so now, presentations of a typical project -- single block, partial block -- are limited to 20 minutes. It was very obnoxious at first, but people have now been trained on how to react to the green button, the yellow button, and the red button.

For projects like the Lloyd blocks, which are basically four times the size of a normal project, we have worked with staff and the applicant to divide that into a set of DARs -- Design Advice Reviews -- that focus on one particular aspect of that four block project at a time. So, the first DAR focused on open space, site planning, urban design. The second DAR focused on more of -- what was the second one? The third was buildings, the second was the massing. The third one was more of the architecture. So, with those three DARs, now the applicant feels comfortable moving forward with that massive of a project, but it had to be scheduled on its own particular date separate from other cases.

The hearing times are really a balance of having applicants aware of their time limits now and being more succinct. Also, we've eliminated the overlap between staff presentation and applicant presentation, so that absolutely allows the applicant to have more time to get into the heart of their case.

As far as case schedule and repeat DARs and repeat hearings, those sometimes are a product of -- like I just mentioned -- three DARs for a very large case. Some of it has to do with a DAR coming in -- like the three cases we showed previously today of you know, you're really not close to being a project that's approvable. So, you need to come back in your best interests and show us a project that is approvable, that does address some of those issues that we've outlined in the first case. So there, you might have two DARs.

April 8, 2015

A reason case came with three DARs because it was in the Pearl District, they were asking for a height bonus relative to the housing -- so, there was the housing bonus and there was not real clarity on why that was worthy. And then they did prove the case of why it was worthy in terms of the public benefit, so they needed to come back and prove their case to move forward in a comfortable manner with the height and the bonus would be approved.

Sometimes, it's the developer or a major tenant that's reticent to maybe conform or put into the Portland model, much like the Fred Meyer case. So sometimes, it's just knocking heads and the kind of recalcitrant reluctance to -- or it might be that it won't work otherwise for their pro forma, and we're sensitive to that.

I would point out that there are two things here. The City -- with all of the previous projects in the 30-plus year history of the Design Commission -- are now have formed a contract with the City. And their expectation is that people that go before Design Commission now are expected to go through that same rigor, the same design guidelines are applied in the same way. And with that, I would also point out that we I don't think in my seven and a half years on the commission have actually denied a project that wasn't on appeal. And so when we've been working with applicants, every one of those projects have been approved at some point.

So, we are not -- I mean, Ben is a developer, I'm an architect, we're all involved in the development of our city as professionals and that's one of the reasons that we're on the commission, because we understand that process. And we're all involved in that process through Design Commission and our own businesses. So, it would not make any sense for us to be anti-development or anti-growth for the city. We just want it to be in a way that is in alignment with the City's goals.

Ben Kaiser: Let me add on that one for a second, Mayor. It's interesting -- and I can't believe I'm going to say this as a developer -- but I think we all need to be more patient in the process. It takes a long time to build a great city, and I think that everybody is getting anxious about schedules and pace. I think that for all of us to collectively slow down and have a project move through the process -- I mean, these are enormous projects coming through. And I don't think that there is anything wrong with the enormous project -- or a smaller project -- when it's within the City's core within the design overlays to go a bit slower.

So, I think that it's the expectation of the community that it may be a little out of whack with what we're all trying to achieve as a city, which is a great city, and that takes time. I think that may be where some of the friction is happening. So, with the timer to speed things up and with the expectation that things take a long time to do in the city, that's OK.

Hales: I appreciate that sensibility. We keep these shades down, but it may be today we should have rolled them up because all you have to do is look across the street at the god-awful stone wall that led to the creation of the Design Commission in the first place to remember that buildings last a long time, whether they're good ones or bad ones. And so, I appreciate -- particularly coming from you, Ben -- that sensibility that we should take our time to get it right. But if we need to have -- you know, again, I think that we'd lose something in having two review bodies instead of one. I'm concerned about that. So, I would rather make it work with one.

Kaiser: We've even spoken about that, and I agree with you, Mayor, that it would be -- I think there may be a divergent views if there's two bodies, I could see them separating and deviating from the collective goal. But I think a larger pool from the same body maybe, so that we -- because we're now, as Commissioner Wark said, we're short staffed right now.

April 8, 2015

But if we had a larger pool to pull from, I think we could accomplish the same -- same board, same mission --

Hales: We overfill police officer and firefighter positions in order to maintain the workforce - - maybe we should overfill the Design Commission and the Historic Landmarks Commission for the same reasons. [laughs]

Kaiser: And I think then we could have four hearings a month if need be, and be able to not overtax those of us --

Wark: We might need a more attractive compensation package -- [laughter]

Hales: Other questions or comments?

Novick: Yeah -- on page two, you say, we're supportive of more design oversight around the city either through the expansion of design districts and/or considering some sort of a threshold that would trigger discretionary design review anywhere in the city for the projects. But before expanding this tool to more situations, the City must first assess the current issues of the D overlay zone. Understanding you think that this is a second step, do you have some ideas as to where we might add design overlay or what kind of criteria you might add -- thresholds you might add to trigger discretionary design review?

Wark: I believe in the comprehensive plan there are some areas in southeast near OMSI that are being considered to be included in the D overlay zone. I think maybe some -- either commercial corridors or commercial nodes that become centers. I know when we did the master plan approval of the Interstate corridor, there were designated nodes at Killingsworth, Interstate, and other intersections that would warrant additional design scrutiny because they actually were given more height and density.

So, whenever height and density match up -- with that benefit, then the carrot and the stick, so to speak -- and that was one of the things that helped Design Commission be created, was there was a benefit relative to the process that you would have to go through. I think those two things could be considered in the partnership.

Kaiser: And potentially also community-led efforts. I think if the neighborhood associations knew of the benefits of having the design overlay, they would maybe even ask for it. And we've heard murmurings of communities wanting a design overlay to kind of limit the design opportunities and the decisions at the street level. So, I think if we -- even as a City -- educated as to what I think design review means for communities, I think there might be a path there as well.

Wark: And to augment that -- obviously, the D zone can't be expanded to all the white zone that was in that map we showed, that would just be untenable. So, the kind of other leg of the stool is for the community design standards to be updated. And as you said, Mayor, that does take time.

But what we're seeing and hearing is the pressures of the development on the neighborhoods is becoming more and more intense, and neighborhoods are less and less satisfied with it in some ways. So, how do we strike a balance between growth as a city, and retaining the sense of neighborhood that we so embrace in our city?

Fish: I have a comment and question. The comment is on the Marriott slide that you showed -- I mean, bravo for the outcome in terms of that little plaza. It really is stunning. But I know that there are people that either love or hate the canary yellow color scheme. And in light of the emphasis you placed earlier on context, what was the thinking of the Design Commission on the canary yellow color scheme, particularly in the context of the buildings that are around the Marriott?

Wark: Right. That's a very good question, because that was discussed at length. And I think what the Design Commission strives for is to not be too limiting, not to be a repressive regime so to speak in terms of creativity for design applicants. And colors can

April 8, 2015

change over time. And so, if the Marriott tired of yellow, they could go to bright orange or bright green at some point in the future.

Fish: Dear god, let's not encourage that.

Wark: So colors are maybe more ephemeral, let's say, whereas brick and stone and things like that are more permanent.

Fish: Good point. So, the question is really -- I'm going to address to Ben -- so, you've raised a concern about ground floor residential in a commercial district. And assuming developers are rational people, why would a developer put ground floor residential? What is it in either the financing of the project, pro forma, or the return on investment that makes ground floor residential attractive? And to the extent that we were to prescribe you couldn't do that, does that have any unintended consequences on financing or long-term operations, including does it require a developer to consider sort of long-term stewardship around the commercial space that's different than what they would normally do around residential?

Kaiser: Great question, Commissioner. First, the developers aren't rational. [laughter] And we've spoken a lot about this, and I think that one opportunity is -- and we've spoken with a lot of applicants about this option -- is to design and construct them so that they can be -- in the future -- adapted to accommodate the commercial ground floor. In other words, have the ceilings a little bit higher and having ADA access. Because we all acknowledge that in long strips where there is no adjoining commercial, we would be hard pressed to demand that they have empty commercial for five, 10 years -- who knows the window there. But if we have buildings that can accommodate the change in the future, we think that's pretty palatable to both the Design Commission and the development world. So, I think that that would work well on many strips that we see.

Wark: And a project type that has been successful -- there are very few of them -- Streetcar Lofts is an example of this where it's a live and work unit in its true sense, and where it's a business that operates on the first level and then there's loft that is where the resident sleeps and lives, and so you get the -- best of both worlds. As a compromise, we would probably very much support that idea, where you could have housing and commercial space in one -- and/or commercial space. So, the issue with what we've seen with a lot of the proposals of housing on the first floor is they're not -- it's not realistic to expect someone to tear out 10 units to create some commercial space with all the restrooms and kitchens and infrastructure unless something really magnificent happened to the retail rates versus housing rates. So, that's an unknown as to whether that would ever happen.

Fish: I like your idea about adaptable space, that makes a lot of sense. And I'm reminded that in some affordable housing development the City has funded, with the best of intentions, we've built in the commercial space on the ground floor but it's very slow to lease up. So at some point it's a laudable goal, but someone is picking up the tab on underutilized space where perhaps we were somewhat ahead of the market, even though it was at the right location and the right concept. So, I think that's the balancing part.

Hales: And again, I'm glad that we're having this discussion now -- obviously, we need to continue it. We may need to -- we will, most likely, change in the comp plan which pieces of ground in the City of Portland are zoned for housing strictly and for commercial or mixed use. And I think that your point is we need to get that right. So, don't zone for mixed use where we don't mean it but where we do zone for mixed use, get it.

Wark: Right.

Hales: And so, we've got two jobs to do. One, sort of stop the bleeding in terms of the underutilization of mixed use zones now, and then get real about "come on, it's not going

April 8, 2015

to be reasonably feasible any time soon to get ground floor retail there so do we really mean it when we say that this is CM or EXD?"

Fish: Right. One of the things, by the way -- and you know, I don't understand your business, I guess -- but one thing I wondered is, if we were intentional and we created, say, condominium spaces in a lot of the ground floor commercial space, in some cases, it's ahead of the marketed and in some cases it's in developing areas. My guess is that an enterprising financial person might look at that and say, I'm going to buy a package of these things and retain them because at some point, they're going to be --

Wark: Sure, plan for the future. Yeah.

Fish: And you get them at a beating down price. But you know, as the neighborhood gets built out, these spaces become attractive. Think about Gray's Landing. Once upon a time, you would think well, that commercial space in South Waterfront may be slightly on the edge. Well, now it's in the thick of things.

Wark: Right. And that's the part about how the city grows and allowing for that to be active once it all fills in.

Kaiser: And beyond Commissioner Wark's examples, I think in my opinion MLK is one of the most critical stretches. It has many projects coming along it with ground floor residential, and if you drive from north of Fremont, you can see four or five, six examples where the city -- where the streetscape is just being stalled. And that will be for 50 years. And there's nothing that we can -- particularly along MLK, where we've been struggling to reinvigorate that stretch and get it to be a commercial zone. There's many examples of residential on the ground floor. There are venetian blinds pulled permanently and even to the extent of bushes right at the streetscape. So, that I think is probably our most critical things to speak about in the coming months is to how to resolve that going forward for the city.

Novick: One question on the concept of requiring that the ground floor space be convertible to commercial later on. Are you envisioning that at some point in the future we might say, "OK, time's up, now you have to convert it to commercial" and kick people out or just the fact that it would be convertible would be enough?

Kaiser: Great question. I think that that would be market-driven, actually, Commissioner. I think that as things fill in around it -- as Commissioner Wark says, as the rental rates match or exceed that of the residential rates above, I think it would be beholden on the development team to take it on themselves regardless of pressure. I think the opportunity there would give -- and it's flexibility for any building going forward -- it would be a great thing to have as a city as it inhales and exhales over the next decades how to accommodate these commercial strips.

Hales: Thank you for a great presentation. This is always -- it's not hard to get us started on this subject, as you can tell. We do need to take testimony, and we have a bunch of people coming here for a day of service proclamation here shortly, so we'll move on into public testimony and look forward to continuing the discussion with you as the volunteer leaders. Thank you very much. And Commissioner members, thank you.

Kaiser: Thank you.

Wark: Thank you all.

Hales: OK, let's take folks that are here to speak on this item, Karla.

Moore-Love: I have 10 people signed up. The first three, please come on up.

Hales: Good morning.

Paddy Tillett: I'm Melinda this morning -- she had to leave early, so I'm Melinda.

Hales: Oh, alright, Melinda. [laughter] You can proceed, Melinda Tillett, or whoever you are.

Tilley: We are here on --

April 8, 2015

Hales: Put your name in the record, Paddy.

Tillett: Paddy Tillett, the Urban Design Panel.

Hales: Thank you.

Tillett: The Urban Design Panel -- many of you will remember the AIA urban design committee which advised the City staff on planning and design for many years, and we recognized it was much more valuable to the City if the design profession spoke with the combined voice. So, now we've formed a panel between the American Institute of Architects, the American Planning Association, and the American Landscape Association local chapters. And all of the advice and letters and so forth are approved by the boards of those so that we really do speak for the design professions.

We recognize many of the problems that David outlined with the design review process and the difficulties encountered. We met with the Design Commission last May to lay out our concerns and some proposals to how we might improve things, and subsequently, we co-sponsored a City Club Friday Forum on that subject followed up by a meeting of the Center for Architecture, which was attended by over 30 City staff, Design Commission members, and other professionals to further this understanding. And so, we have arrived to a point today with a letter -- which I think we've submitted to you -- which covers some of the key issues, which my colleagues will cover.

John Spencer: My name is John Spencer, I'm a member of the Urban Design Panel representing the American Planning Association. And I think we're here to say and to support the design review process itself in the City -- and we're all professionals here, we believe in the process. I served on the Design Commission for 11 years myself. But we're also here, I think, to reinforce and restate some of the issues that you already have been talking about, and we have some ideas about how we can proceed as a community and with -- and offer the assistance of the Urban Design Panel to help in that whole process.

Some of the key issues you've already touched on, like the lengthening time it takes to get through the design review process. A lot of that is due to just the sheer volume of work. There's a lot of pressure on the Design Commission, there's a lot of pressure staff, and when these meetings go on for a long period of time, there's pressure on applicants and pressure on the public that has to sit there and wait for their time to testify. So, there needs to be I think some work done on figuring out how to streamline that process.

We think part of that could be perhaps some refinement about the clarity of the three kind of steps in an approval process. There's the step, which is the pre-application conference, which is kind of getting the whole thing started. There is the design advice request process, and kind of the level of detail that's needed there, and then there is the actual design review hearing. We think that there could be maybe more specificity or more elaboration on the expectations of what's happening in each one of those processes, and we think that that would approve things as well.

We're concerned about the community design standards -- as was discussed -- both the need for them to be updated, but we hear a lot of cases where if the developers are in a certain place where you have the choice of the community design standards and going through a Type II process, the choice is community design standards because the bar is not as high. So, there's a real need, I think, to address the community design standards in that way. All of these issues kind of result in being consistent quality of the development.

Two other final things. The idea of the expansion of the design review is something that we think is really important to discuss, and it's really the capacity of our system to handle the issue. And finally, we think that it's probably a good time to review and perhaps update and revise not only the community design standards, but the design guidelines. They are 20 years old. The last time that they were fundamentally reviewed was when I

April 8, 2015

was on the commission. Probably needed to be simplified and made more up to date. We think that that's another exercise that is very important.

Hales: I hope that we can call on you as leaders to help with that.

Spencer: We are offering our assistance.

Hales: Thank you.

Stefanie Becker: I'm Stefanie Becker, I'm also on the Urban Design Panel, and I'm a member of the American Institute of Architects and former AIA president in Portland. So, I'm going to be very succinct and reiterate the things John said and David stated earlier.

We're very much in alignment with the work that the Design Commission already is starting to do. They've been aware of these problems and they're on top of those, but we want to support that and we want to commend them for the work that they and the staff have done to date. Getting a timer is incredibly important. Keeping people on those limits and being able to help projects get through the process is critical.

Our first recommendation is to rewrite the purpose and requirement of the design review. The Lloyd blocks example that they gave was a wonderful model, but it's not very clear for applicants what the subject of each design review will be. So, starting at the large scale, looking at the urban design scale, and refining as you go through the DAR process and then really talking about the finer details of the design in the final design review and not going back to large scale issues -- like where loading docks are and entry to buildings are -- is really critical to the way that we work.

Our second recommendation is to hold the bureau, Design Commission applicants, and the public to specific time limits -- and you've talked about that, Mayor Hales, and the Commissioners talked about that, so I think that's clear and we applaud them for the efforts to date.

Updating the design guidelines is something that we think is really crucial to the process and to increasing the efficiency of the reviews so that the applicants are clearly aware of what the guidelines are, and that the guidelines are serving the city the way that they should.

And then laying out the process for expanding the design review. While this adds work to the Design Commission, it's clear that there are communities in the city that need to benefit from the work of the Design Commission. Thank you.

Hales: Great, thank you all very much. Appreciate your help. Next three, please. OK, Mr. Walsh, I think you're first.

Joe Walsh: My name is Joe Walsh, I represent the individuals for justice. Just from a citizen's point of view, there's an elephant in the room that nobody has talked about, and that's the Portland Building. What happened with that? Since we're talking about the design. It's going to cost this Council -- it's our understanding -- either \$100 million to fix it or tear it down. And you have to do one of the two soon, or it's going to fall down. Or somebody is going to get killed on the eighth floor. Or an elevator is going to go through the roof.

If the design -- and this report is a really good report, and it sounds like things are going really well, except I'm reminded of the Portland Building. I'm also reminded that we have a housing shortage in Portland. A terrible housing shortage. And affordable housing and low income housing. And I don't like the term "affordable housing" because it's a misnomer. So, let's talk about the low income housing.

So, if you exclude housing from the lower levels of your construction, you're making a decision that it looks good, and it kind of fits in with the environment, but those people that are waiting to get into housing -- too bad. We want it to look nice. And that's my fear, that this city is on a path to look nice. It's not Portland, Portland doesn't look nice. Portland looks interesting. Exciting. Progressive. It doesn't look nice and neat. And I don't want that.

April 8, 2015

And I get the feeling that this commission -- just from the citizen's point of view, looking at it from a distance -- that this is the way the process works. A developer comes in and says, "this is what I want to do." The commission says, "maybe you shouldn't paint that canary yellow because it wouldn't look so good" and the developer says, "but we want to do it" and the commission says, "OK." Because in the testimony -- if I understood it -- no request from the developers has ever been denied. That makes me very, very pissed, when people are not denying anything. Thank you.

Hales: Welcome, good morning. Go ahead, whoever would like to go first. Good morning.

Susan Steward: I am Susan Steward from BOMA Oregon. I represent over 43 million square feet of commercial office space. My board has asked me to come and talk to you, and it's going to be a little different than what you have heard this morning. In my perfect world, my board would be sitting here sharing concerns with you, but overwhelmingly the concern is if they express concerns to the Design Commission, they may face retribution in the future. So, I'm the lucky one who gets to come here and share a few of their concerns this morning.

There were a lot of them, I pulled six. You have it in front of you, but briefly, design review needs to only be if the design meets code. Apparently, there are two clauses -- C2 and C5 -- that gives the commission broad judgment. The group feels that these should be removed from the code.

Oftentimes, commissioners push for higher design quality. It's not always practical and certainly is not financially feasible. Commission members should be more specific in their feedback, and I quote, "just make it some place that I would want to go." End quote. Commissioners often ask for things not in their purview. One of them -- in discussing the art and projects -- talks a lot about the cost and the comparison with the amount of art in the public buildings, entitlements, zoning, FAR, height -- these need to be non-negotiable. Developers need to know what to expect before they plan their project.

And finally -- this was discussed a lot -- some meetings have lasted over eight hours. In Seattle, their meetings are one to two hours, and overwhelmingly the group thought that if staff had your input, this would probably not be an issue. Thank you.

Hales: Thank you very much.

Fish: Susan, can I just ask you -- I've been looking at your testimony, and these are not -- most of your comments are not particularly radical. You're on behalf of your industry, you're raising concerns, statutory interpretation, which is within your purview. But you began by saying that some of your members felt that there was a risk of retribution. Is there a history of that, or is that just an abstract concern?

Steward: My understanding from conversations is that there is a history of that, and I mean, they sent the messenger.

Hales: We won't shoot the messenger.

Steward: I appreciate that. [laughs]

Hales: Thank you. Good morning.

Dave Otte: Thank you, Commissioners. My name is Dave Otte, AIA, and I apologize -- I'm going to read this, because this is too important to just wing it.

I am speaking to you today on behalf of the Portland chapter of the American Institute of Architects. Serving as their president for 2015, I'm honored to represent the local membership of 1100 advocates for a better-built world. Our job as architects is to design great spaces manifested through a delicate balance of context, program, budget, schedule, taste, and code. The code and its relationship to the design review is what I would like to address today.

Commissioner Fritz recently released a memo about the design review and the relationship to the code. They got a lot of people talking. I won't go over the details of the

April 8, 2015

memo here, but in essence, she urges a hard line be drawn between design review staff and applicants -- mostly architects -- applying for design review. Commissioner Fritz advocates for quality design, compatibility, and the preservation of natural and historic resources over the idea of density at all costs. We couldn't agree more. However, the issue is not design review whether it comes to the perceived battle between compatibility and density or the perceived battle between neighbors and applicants, it is the zoning code.

We are concerned that this memo creates confusion with what is allowed by right versus what is discretionary. Despite the clear distinction between the letter of the law and more subjective parts of the code, we take issue that Commissioner Fritz's apparent solution to better design is making it OK to say no. The end result of a public agency that's encouraged to say no is a dynamic that assumes few common goals between applicants and the neighbors and in effect, encourages the applicants to skip the discretionary design review process all together in favor of the prescriptive part of the code known as the community design standards.

The standards result in predictability, they result in efficiency, and they result in clarity, but rarely if ever do they result in great design. More fundamentally, the standards do not reconcile the perceived disconnect between compatibility and density. Creative and discretionary design is precisely how we can provide compatible density.

Rather than trying to draw a line between density and compatibility, the AIA urges you to promote great design and compatible density by providing more resources to design review so we can encourage a collaborative approach between applicants, staff, and the community. Specifically, more qualified staff are needed under Tim and Kara to provide the support needed for them to guide their heavy workload and ease their backlog in a meaningful way. They need more resources to get to yes with better design as the end result.

We need our leaders to value great design. We need you to be ambassadors for a quality built environment, and we need you to want more than the lowest common denominator, known as the community design standards. We need you to support architects as we raise the bar through a discretionary design review process to achieve compatible density. Finally, we need you to see Portland's architects the same way as you see the others -- as local experts who want nothing more than the best for our city. Thank you.

Hales: Thank you very much. If you haven't already done so, could you provide us a copy of that testimony? Not necessarily now, but sometime soon.

Otte: You bet.

Hales: Thank you.

Fritz: Mr. Otte, thanks for giving me the opportunity to clarify. My memo was about land divisions, it wasn't about design review. I have since sent out another memo to clarify that. I do, however, agree that occasionally the answer can be "no" in discretionary reviews. So, there is -- as you've heard, the Design Commission always tries to get to yes, and sometimes that takes many iterations. I appreciate the partnership of the AIA and the Urban Design Panel for helping design projects that can get to yes, but I do think it's important that when we have a discretionary land use review, it's not an entitlement. There should be an opportunity for Design Commission or a City Council to say, "actually, no, this does not on balance meet approval criteria." But thank you for letting me clarify my memo was not about design review.

Otte: May I respond?

Hales: Please.

April 8, 2015

Otte: What I would like to urge you to consider is -- as we move forward with 2035 and the comp plan and the community design standards -- if those community design standards aren't brought up to a better level of where they need to be, that is going to be the default. So, when you create a culture of no, developers are going to go to the standards and it's going to be a losing situation for all of us.

Fritz: I totally agree. And let's be clear, I'm not creating culture of no.

Otte: OK.

Fritz: I'm just saying that the public interest is what's at stake in discretionary reviews.

Otte: Thank you, Commissioner.

Hales: Thank you. We appreciate your partnership with us on this.

Otte: Thank you.

Hales: Good morning. Mr. Jansky, go ahead.

Andrew Jansky: Thank you, Commissioners, Mayor. I'm Andrew Jansky. I served on the Design Commission for eight years. It was an enjoyable term of service. We started with the boom cycle and had eight hour meetings and ended with the bust cycle where meetings were canceled. So, I kind of experienced everything. I was a member at large for a while, and I was looking out for the neighborhood interests.

From my experience, the Design Commission and review system typically works well and projects come out better after they've gone through it, and the examples that you saw earlier were excellent examples. How long it takes to get through the system? I was one of the ones on the commission when the Burnside Fred Meyers was first presented and I remember people saying that it's a suburban design put in the city. It takes a long time to get through the system, but the project is a lot better.

One pillar of our system is the neighborhood association and how it fits into all this. They're good intentions and it's worked well in the past for the community to express their voice. But there are some recent examples where it's really not the case. You know, I just feel like neighborhood associations are small groups of people that are talking about things and they can typically grow in size around an anti-cause -- anti-density, anti-dogs, anti-parking, anti-bikes, anti-laughing kids -- you pick it and they're going to try to get together to block something.

The best examples at Design Commission were when we told them to go back and work with the neighborhood association and try to come up with a solution. When they came back, the project was a lot better. But what I've seen lately is the polarization of some of the neighborhoods really starts really low and then they get together and they form an opposition that sometimes doesn't work with the development team. And I think we've seen several examples recently.

So, what I'm suggesting is that the City staff in these smaller forums encourage the neighborhood associations to be more accommodating, to actually work with the things that are coming down the pipeline instead of just opposing it. The solutions will be better instead of saying "no" at the lowest, lowest level. And it's usually just a couple people that catalyze this opposition. If we had have staff say, "no, no, we need to be accommodating for other people's opinions, let's work this out" from really like the grassroots level -- that's my point.

Hales: Thanks very much.

Novick: Just a comment. I mean, I agree, it seems to be a lot easier for people to coalesce against anything than for anything, but I do have to say that laughing children have posed a huge problem in the city recently and I understand the opposition to it.

[laughter]

Hales: We've got to deal with that! Mr. Waxman, good morning.

April 8, 2015

Loren Waxman: Good morning. My name is Loren Waxman, I was on the Design Commission from 2000 to 2008 for eight years, and I've been a developer in Portland with my own company, Waxman and Associates, for almost 25 years now. Portland is a great place. I'm going to talk about three things. A little bit about the recommendations that are in front of you, and I want to talk about some of the issues in the R25 zone and I talk about our comp plan and just boxcar on a few things I heard here today.

I liked the recommendations that were presented by the Design Commission today, although I just wanted to chime in that I'm not sure about ground flow residential citywide. I'm a little bit worried about that in the areas that are further outlying -- I think you're going to have some dead commercial retail space. I think that hurts. So, I think there needs to be a mechanism for those to convert over time. I'm not sure what it is but you've got a lot of people who can help with that.

The R25 zone. I live near the Clinton neighborhood. We've heard a lot about demolitions, we've heard a lot about land divisions, but what I see in going on in my neighborhood is a good thing. I walk a lot. The houses that I feel are disappearing are the kind -- it's like a wildfire. We're in a really hot business cycle. And what's getting cleared out in my neighborhood are the old and the sick and the weak.

When I walk through, do I love every home that I see coming in? I don't. Could the design be better? Yes. But what I see are families and young professionals with dogs instead of drug houses. That's a big deal to me. I think we're getting better.

But that leads to do we extend D into these neighborhoods? And I think we could but I think we need to be really, really careful from a staffing point of view. I think we should do it with much consideration which sort of brings me to the comp plan.

I think Portland's best planning on what's made Portland great over the years is our comprehensive planning. I think that the design tool kit -- as John Spencer was saying -- needs to be updated, not just the community design standards but the design guidelines, but I think it should be taken like the comp plan with seriousness and with the whole future in mind and thinking how we want to make it better because they are a little bit outdated. I think that's a much better way to look at our planning rather than looking at these demolitions, looking at some of these LUR decisions, looking at some of the developer fees. I think those aren't planning in a comprehensive way, I think our best planning is in a comprehensive way. Lastly, I appreciated Dave Otte's comments -- the AIA president. I would endorse those and add my same sentiments to those. I thought they were very good.

Hales: Thanks very much. Good morning.

Mitch Nickolds, Bureau of Development Services: Good morning. Thank you. I'm Mitch Nickolds, Mr. Mayor, Councilors. I'm the inspection services manager for the City and BDS, and I'm here to voice our support the processes and moving forward with the Design Commission's recommendations.

As with every process in the City that involves development, there is a great deal of mindfulness when it comes to how the building code, how the design code, and how the zoning codes work together. Very complimentary of the DRAC committee for their work and the recommendations they bring forward in this process to help with the development of our community, but at the same time, being mindful of the concerns with interaction with the public and pedestrians on the sidewalks and so forth. Very, very critical to get it right. I think a great deal of work and effort has gone into doing that here, and I would like you to know we fully support the effort.

Hales: Thanks very much.

Nickolds: Thank you.

Hales: We're keeping you busy out there.

April 8, 2015

Nickolds: You definitely are.

Hales: Good morning. Last word from Ladd's Addition.

Linda Nettekoven: Hosford-Abernethy.

Hales: OK, that too.

Nettekoven: For the record, I'm Linda Nettekoven. I wasn't planning to speak this morning, but I feel compelled. I agree with a lot of the suggestions that have been made and I'm really appreciative of all the hard work that the Design Commission puts into its mission. I'm really here to plead with you to see if there isn't something we can do on an interim basis to improve perhaps the worst of the worst of the design guidelines and the design standards.

I'm a person who tends to attack problems from the perspective of comprehensive, big picture, all the important people at the table -- that's my way of doing things. But I also have been working on Division Street since 2000 and have watched the change. And we've had 300 and some new units go in within two years and the pace continues. We hear from our BPS staff -- folks who are very supportive and very helpful -- that we're looking at 2017 before the comprehensive plan is adopted by the state and zoning changes can go into effect, and we're looking at 2019 if we do at a minimum some kind of comprehensive look at those design standards.

Our corridors will be gone. We'll have missed the opportunities to really make them the best that they can be. In some cases, we're going to be losing historic treasures because we don't have the transfer of development rights or the historic incentives at an optimum. We're losing our affordable housing. We're losing -- Loren is in my neighborhood. He's coming to us in a couple of weeks with a development -- we'll be nice to him.

We're losing affordable housing as we're tearing down, you know, the weak and the sick and everything in the wildfire, and we're not replacing it in kind and we're not replacing more. I mean, we have, what, 36% of our population is at a standard where they don't have enough income to support themselves in an adequate way, and it's going too fast as someone else said. Somehow, we need to be able to pause this a little bit and we need to be able to be more thoughtful about some of what's being built.

The depiction of neighborhood response certainly is accurate in some instances and maybe in too many instances, but we're setting this up right now. We're polarizing things in a way. We don't have this kinds of grand narrative of the growth in our city that people can sign on to and say, "oh, I see, we're taking our share of growth here and we're doing it in a way that is compatible with the history of who we are and who we want to become." That isn't happening. People feel like things are being thrust on them. They have no good way to respond.

At a minimum, we need to change the notification requirements. We could do that fairly quickly as we did with the demolition code so that there's more of an early conversation with the neighborhood before plans are finalized and then a more final conversation when things are close to ready to go for permit -- a chance to see things in scale, to understand how a building's going to fit on the street.

There are some little things we could tweak more quickly. I'm just asking that we please find things we can do more immediately than just for the long term are, which again, we want to do in a good way.

Fish: I can ask you a question?

Nettekoven: Yeah.

Fish: You're the last speaker, I want to take advantage of this opportunity. I took a walk around my neighborhood recently, and I notice -- I live in the Grant Park area. Lots of bungalows, craftsman style. We've got some modern houses that have come in. We have

April 8, 2015

small houses, big houses. Used to be you could buy a house for 200. Now, people are selling their bungalows for 400 and they're being demolished and replaced with \$800,000 homes.

We hear all the concerns in neighborhoods about the lack of affordable housing, about the impact on neighborhoods -- on and on and on. How much do you think -- in this debate, how much would you value the question of the design and the context for these houses? My sense is a lot of these big houses that are coming into areas that have a traditional stock of housing just look like they have been transplanted from a suburban development into an inner city neighborhood and in terms of size and scale and design, they look like alien creatures. How much of the anxiety in the neighborhoods do you think would be addressed through the design component versus all the other underlying issues?

Nettekoven: I think that varies very much from neighborhood to neighborhood very much. I mean, when you think of the folks from Beaumont-Wilshire where there's a lot of demolition within the context of the single family housing -- in a lot of the areas that are facing more kind of corridor development, it's the impact on the neighbors behind the new buildings going in and also the look and feel of the buildings going in on the corridors. There's a challenge of somehow upping the design literacy across the community so that people have an option to say something besides "no." And so in some neighborhoods, that would make a big difference.

I work a lot with the Division Design Initiative, and we've been trying to create design guidelines for Division so at least developers would have a sense of kind of what the values of the community are around design. We also submitted a proposal to the Meyer Trust trying to get funding to create a design tool kit that a lot of other neighborhoods could use and to try to pilot with one of the DCL partners or lower income neighborhood to see what we could do to help a neighborhood that doesn't have architects living down the block who can help at those conversations when doing development.

That makes a big difference in a neighborhood, if you've got folks on your board who speak the language. I mean, how many people on the street know what a FAR is or understand the difference between mass and scale? And suddenly, people are asked to respond to changes that are happening and they don't necessarily have the tools.

Fish: Commissioner Fritz, didn't the Council do that years ago a little bit with the skinny house controversy? [laughter] Where there was an effort to create some design protocols or examples?

Fritz: That example, Commissioner Fish -- that's a really long conversation. I would have to say that was not a particularly successful project.

Fish: OK, so we don't want to avoid those mistakes of the past.

Nettekoven: But that was analogous in terms of the amount of discontent and frustration that was generated in the community, definitely, yes.

Fish: What I remember from some of those conversations was, well, if these kinds of houses are coming into the area, can they at least be consistent with some of the design values of the neighborhood so they fit in architecturally?

Nettekoven: Right.

Fish: Alright, so, a longer conversation.

Nettekoven: Yes.

Fritz: But coincidentally, Commissioner, that was part of what my memo to the staff on the land division was -- to look at the context of the neighborhood when making a discretionary decision.

Hales: Thank you very much.

Nettekoven: Thank you very much.

Fish: Mayor, I move to accept the report.

April 8, 2015

Fritz: Second.

Hales: Further discussion? Roll call on accepting the report.

Item 351 Roll.

Fish: Thank you for an excellent presentation and really a first-rate PowerPoint. I'll say just my guess is every Commissioner up here would say the same thing, that these before and after type pictures where you explain the values, proposition, and you show us what it looked like, then what happened through your intervention and the collaborative process is very helpful to better understand the value added proposition. Thank you. I really appreciated the thoughtful discussion today and testimony. And since a lot of people are here today who serve as volunteers in this really important capacity, thank you for your service. We really appreciate it. Aye.

Novick: I second what Commissioner Fish said. I really appreciated the specific examples of what you actually do, and I think that's very helpful to us and the community. Appreciate your service and the staff and everybody who testified today. These are tough issues, and one point I think it's important to make is that everybody is concerned about government -- not everybody, but there's a lot of concern about government being too big. But if you expand the number of things that you want government to worry about, then government has to be bigger. So, if we're going to talk about expanding the reach of design review or making it more fine-grained, then that means Commissioner Fritz is going to have to have more people. I thought it was important to make that point. Aye.

Fritz: Good citizens truly are the riches of the city, and thank you to the Design Commission for the phenomenal amount of work you do and the high quality of the results. Thank you for helping make it a great city. Thank you to Tim Heron and the team, staff, and to Mitch Nickolds for coming to show that BDS has many divisions and we work really hard to work together and to make it work for the development community as well as the neighbors. Thank you to my colleagues. And yes, we are going to be having quite a significant budget ask. Aye.

Hales: Well, I want to thank the current and former members of the Design Commission who are here today, and representatives of the design community. We do have a high level of understanding in this city between the public sector, the private sector, and the nonprofit sector about what kind of city we want, and we constantly have to bring new citizens into that conversation. I think some of the turmoil we're seeing in our neighborhood network really kind of reflects that.

I want to first thank you for the report; second, pledge that we'll move quickly on the recommendations that you made because I think they're very important; and then third, just want to deal with sort of one of the points that got raised in discussion here and might be the subject of other opining around the city about this. I think it's important to remember -- and these examples showed it -- that good design is not a trade-off between an economically strong city and a pretty one. It's not like we only get to choose one. And the comments that I recited about the developer who said thank you for pushing me to make my project better really illustrate that.

Earl Blumenauer is speaking next door to our managers brown bag this week. Fred Miller has the series, Earl is the speaker. And one of Earl's comments that I love quoting was about a woman nailed Elsa Coleman, who was our parking manager and who was responsible for implementing the draconian idea of limiting parking in the downtown core after the Environmental Protection Agency forced us to do that. And Earl said of Elsa something that kind of applies to the Design Commission. He said, "never has one woman made more men rich over their objections." [laughter]

So, never has one commission made one city better over at least some people's exceptions. Because that's what you've done, that's what this does. Hopefully, most

April 8, 2015

people -- as that developer did -- see the point and see the value that's added by good design, because those buildings are going to be around for 100 years, and one that looks like that building is going to be worth a lot more in the fiftieth or hundredth year than the one across the street that's either going to have to be heavily remodeled or demolished someday to make way for a real urban building. So, there's a real value proposition here and I think it's important to state that.

This is not a tradeoff between an economically strong city and good design. They are one. I think our commission understands that, our development design community by and large understands that, and that's the ideal we need to strive for. There are some things we have to tune, and some of them quickly in order to actually get what we're striving for. I think you've got our attention, as this report always does. Thank you so much. Aye.

Fritz: Mayor, I have an excused absence to go speak on behalf of the City.

Fish: Commissioner Fritz, I'm going to take this personally. This is our first major capital construction project for the Water Bureau. We were looking forward to you of all people to get into the details.

Hales: [laughs] Before we get into those details, I would like to ask the Council's indulgence to move to our National Service Day recognition proclamation because we have folks to talk about that. So, Water Bureau folks, sorry -- if you don't mind we'll make you wait a little bit and take item 364.

Item 364.

Hales: We have some people here to speak about this and to celebrate the good work. Lynn Schemmer-Valleau is here, who works for Multnomah County Aging and Disability. We have Joe Shipley, who's an AmeriCorps member; and Abbey Reinhardt from AmeriCorps VISTA. Come on up. Thank you for coming today.

While they're getting settings, I'll read the proclamation which says: whereas, service to others is a hallmark of the American character; and whereas, the nation's cities are increasingly turning to national service and volunteerism as a cost-effective strategy to meet community needs; and whereas, participants in AmeriCorps and Senior Corps address the most pressing challenges facing our cities and nation, educating students for jobs of the 21st century, and supporting veterans and military families to providing health services and helping communities recover from natural disasters; and whereas, AmeriCorps and Senior Corps participants serve in more than 180 service locations in Portland -- 180 -- bolstering civic, neighborhood, and faith-based organizations; and whereas, more than 790 national service participants of all ages and backgrounds serve in Portland, improving the quality of life in our city; and whereas, national service represents a unique public-private partnership that invests in community solutions and leverages non-federal resources to strengthen community impact, including more than \$3 million in Portland; and whereas the Corporation for National and Community Service shares a priority with mayors nationwide to engage citizens, improve lives, and strengthen communities and is joining with the National League of Cities city of service and mayors across the country to recognize the impact of service; now, therefore, I, Charlie Hales, Mayor of the City of Portland, Oregon do proclaim April 7th, 2015 to be National Service Recognition Day in Portland and all encourage residents to observe this day. So, welcome, and thank you for your service. Who's on first? Lynn?

Lynn Schemmer-Valleau: Sure. My name is Lynn Schemmer-Valleau, I work for Multnomah County Aging, Disability, and Veterans Services. We coordinate one of the Senior Corps programs, the foster grandparent program. I wanted to recognize the great service that our foster grandparent volunteers provide at elementary schools, Head Start programs, after school programs, and other youth-based programs.

April 8, 2015

We have over 70 volunteers in the foster grandparent program. These are folks who are all age 55 plus and who are living on a modest income, about 200% federal poverty. They have contributed over 50,000 hours every fiscal year, spending at least 15 hours a week serving over 700 children in the capacity of mentorship and academic support. This is phenomenal.

We have volunteers who've served in the program -- many of our volunteers have been in the program for more than 10 years. A few of them have been in the program for more than 20 years, and we just had one of our amazing foster grandparent volunteers who retired serving 30 years as a foster grandparent. She focused her time primarily on spending time with children teaching them to read and helping them to become better readers. So, this is quite a contribution.

This program mutually benefits all who are involved. We place volunteers in Head Start programs, preschool programs, the Boys and Girls Clubs, at the Providence center for medically fragile children. They're in SUN schools, they're in summer programs, and they're all focused on enriching the lives of children and increasing their academic success.

Our volunteers provide much-needed support to classrooms. In some cases, they are the only dependable and consistent caring adult in the lives of the children that they serve. They have helped withdrawn children become confident. They have helped struggling children learn to read, find the joy in reading, and they work with kids who do not feel safe and help them to become excited about coming to school.

Our volunteers also gain many benefits themselves from this experience. They not only receive a small stipend, but they enjoy -- have the joy of giving back to their community and with the hope of expanding the potential of these children for the next generation. The volunteering extends their life expectancy, it decreases depression, they're engaged in their community, they're active in their community, and they are contributing significantly. And then, there's the stipend which helps folks who are low income remain independent and it empowers them to provide for themselves.

National service builds community while making significant positive outcomes for all involved, and we appreciate your help in dedication to national service in Oregon and here in Portland.

Hales: Thank you. Zoe, would you like to be next?

Zoe Shipley: Thank you. My name is Zoe Shipley, and I'm a second year AmeriCorps member serving with the SUN program at Clear Creek Middle School in Gresham. SUN -- Schools Uniting Neighborhoods -- is operated by Metropolitan Family Service, which is a nonprofit that focuses on community, schools, transportation, family support, and older age support.

MFS is unique in that it offers support at every stage of life, serving a diverse community of people who often face cultural or economic barriers. The SUN program is an integral part of MFS and helps to further the goal of creating community schools that act as full-service neighborhood hubs where the school and partners from across the community come together to make sure kids and families have what they need to be successful in school and in life.

Most people associate SUN with the after school programs, which is a huge aspect of what we do, but there's also so much more. AmeriCorps members serving with SUN plan school-wide events, lead adult classes, coordinate volunteers, run clothing closets and food pantries, and collaborate with local partners to connect families with invaluable resources. We provide students with positive adult role models and a safe space for them to feel heard and valued. We help parents feel welcome at the school and provide much-needed services to families struggling just to get by. And SUN gives AmeriCorps members

April 8, 2015

a space where we can try new things, explore our passions, sing songs and be silly, fail and learn and grow.

When I started my service with the SUN program in 2013, I didn't really know much about AmeriCorps or about nonprofit work in general. I applied because I'd had a lot of experience being a camp counselor and I thought it would be fun to try teaching in a school where I could spend a year with kids instead of just a week. At that time, I could not have predicted the impact this would have on my life.

Watching my students grow over the last two years and learning about the challenges that they face at home and at school on a daily basis has really opened my eyes to the needs that exist in our community and in many other communities around the world. I'm so grateful that resources like SUN exist, and at the same time have learned how many resources are really lacking for families that live below or just above the poverty line. Support for these programs is essential if we want to create healthy, happy families and communities where people can thrive and succeed rather than just keeping their heads floating above water.

In my two years with AmeriCorps, I've witnessed so much compassion and love both from my co-members and from the students and families that we serve. I've been amazed at the ability of small, thoughtful actions to really have meaningful impacts in the lives of others. I am incredibly grateful for my time in this position, for the lessons I've learned, the skills I've gained, the friends that I've made, all of which will continue to serve me long after my service is done. Thank you.

Hales: Thank you. Welcome.

Abbey Reinhardt: Thank you. My name is Abbey Reinhardt, and I'm an AmeriCorps VISTA member working with the City of Portland's Main Street and Neighborhood Prosperity Initiative Network. I serve at the historic Parkrose in Northeast Portland's Parkrose neighborhood.

First, I'll start by bragging a little about our network of VISTA members who are working in the NPIs and main streets here in Portland. There are six of us in this network working as AmeriCorps VISTA members. Our job is to build the capacity of our organizations, help them sustain and keep working for the neighborhoods we serve. So, for our first -- we reported on our first six months of service term, and together our group of six VISTA members in the Main Street and NPI network are recruited over 300 volunteers and leveraged a total of over \$50,000 in in-kind and cash donations to our organizations. So, that's a pretty big deal for all of us.

I feel lucky and fortunate to be working in the Parkrose neighborhood here. The VISTA experience has been very immersive, and I get to see people's faces and learn their names over a whole year and really, I feel like I've adopted the causes and mission of improving the Parkrose business district, making it a great neighborhood for people who live there, and connecting everyone with the resources that are available to them. I'm also very lucky that AmeriCorps VISTA is such a great fit in my personal career of public service and community work, so it all fits together very nicely.

Hales: Thank you. Questions?

Fish: By the way, I'm delighted that you're out at Parkrose. Last year, the Council put an extra \$100,000 into supporting small businesses east of 82nd, and we've got an event coming up and we'll probably see you there celebrating the next chapter.

Reinhardt: We'll be there.

Fish: Delighted you're involved in that work.

Hales: I have such a strong personal bias on this issue, and I ought to declare it. My wife moved from Vermont to Yakima in order to be a VISTA volunteer. I probably never would have met her if it hadn't been for VISTA, so there's that. And then two of our sons were

April 8, 2015

AmeriCorps volunteers working up in Alaska with Inuit kids building trails and doing that kind of work. The transformative effect on people's lives but also on the volunteers themselves is so profound, and I just so appreciate the work you do. Thank you. We would love to take a photo with you and your colleagues and the Council if we could. So let's gather up here all the great folks. [photograph taken] Let's hear it for volunteers. [applause] Thank you. Good work. We will move back to our -- Nick, would you like to take the pulled item first?

Fish: Please.

Item 361.

Hales: Commissioner Fish.

Fish: So, Mayor, this is a big deal. And as I kidded Amanda as she was leaving, I'm sorry we don't have a full Council. I'm a little chagrined that Council chambers is almost empty. Maybe we should take that as a compliment.

Hales: That's good news. [laughs]

Fish: The reason we moved this from consent to regular agenda is this is the first major capital construction project that's been completed since we changed the ground rules. And we're going to -- Council is going to get a quick report on how we did, and I'm hoping that based on the questions that my colleagues ask that this iterative process begins to shape what kind of future reports we get and how they are presented. You're obviously going to be interested knowing were we over budget, under budget, were we on time? Those kinds of things. What's the benefit to ratepayers? And on and on. Let me try to frame the issue for you.

Today, we're in some ways pulling back the curtain on an aspect of Water Bureau work that few people see, because the work has been occurring in the Bull Run watershed. But it's vitally important to both the quality of our water and compliance with some federal regulations. This specific matter before Council today is we're coming before you to close out contracts with contractors on what's called the Bull Run Dam 2 Tower project.

Now, I have a confession. The first couple times I was in meetings with Director Shaff, he talked about the dam tower project. I said, "David, I understand how passionate you are but there's no cause for swearing in this room." Well, it turns out he was literally talking about the Dam 2 Tower project and that's what it is.

I'm pleased to report to my colleagues that the project has been completed on time and just slightly under the Council approved budget.

To better understand what this particular Dam 2 Tower project does, I'd like you to think of it as a straw, a fairly expensive straw that's been placed into the reservoir for the purpose of being able to capture the colder water that is below the surface.

And why is that important? Well, our team is going to explain under some federal regulations and out of respect for natural habitat and other things why we have to regulate water temperature. But it is literally a straw placed into a part of the reservoir that goes down as far as 150 feet.

The work on this project was very challenging, and also very dangerous. In fact, essentially deep sea diver type of equipment going down where you could only work a limited amount of time then you have to come up and recover.

From an engineering standpoint, this is literally a one-of-a-kind project in the country. I learned just recently that it involved the largest silt curtain ever made at over half a mile long. Unfortunately, we can't recycle this curtain in any of our bathrooms, but it is the largest silt curtain ever done. Why a silt curtain? Because we had to make sure there was no contamination of the surrounding water.

I also want to share a few fun facts before we introduce our panel. Between the two reservoirs in the Bull Run, we have about 19 billion gallons of water that's stored. That's

April 8, 2015

really phenomenal when daily we read stories about the crisis in California, challenges across the country. We have 19 billion gallons in reserve, of which about 10 billion gallons is usable, and that's because if you go down below a certain level or you get to the edges, you create what Director Shaff loves to talk about, which is turbidity events, and that's not good in our work. So, about 10 of the 19 billion is usable.

The project that we have completed is a cornerstone of the Water Bureau's habitat conservation plan, which in turn is part of the City's compliance with the Endangered Species Act.

Here's something else to ponder about this incredible resource that we take for granted at Bull Run. We're using about 85 million gallons a day. Over the course of a year, we're consuming between 33 and 35 billion gallons of water. All of it replenished, thanks to natural phenomena that occur in the watershed -- rain and water percolating through the natural filter system and then ending up in the lake.

On some days, because we have a limited capacity to retain water, we're literally sending hundreds of millions of gallons of water into the rivers and streams and back into the natural ecosystem. That's how plentiful it is.

We have more than we need but will continue to protect what we have and I'd like to introduce Mike Stuhr, who's our chief engineer; and Tim Collins, the senior engineer, to work us through what I think is a significant success story for the bureau. Gentlemen?

Mike Stuhr, Water Bureau: Good morning, Mr. Mayor, Commissioners. My name is Mike Stuhr, I'm the chief engineer of the Portland Water Bureau. I have with me Tim Collins, who's a senior engineer and he's the project manager for Dam 2 Towers. He was also project manager for the Sandy River Crossing tunnel project and will be our project manager for the Willamette River crossing.

Hales: Give him all the easy stuff.

Stuhr: That's what we do. Not only that, we just tortured him through the City's leadership institute and now we feel he's fully qualified to come and talk to Council.

We're very pleased to be able to come and talk to you about this project. I think it went very well. It's a great project. We had great contractors. We had a lot of help on this project from our procurement staff and the City Attorney's Office. It's a CMGC contract, and I think an excellent example of why we use CMGC contracts. Without further ado, I'll let Tim go ahead.

Fish: Welcome, Tim.

Tim Collins, Water Bureau: Good morning, my name is Tim Collins. As well as being senior engineer, I'm program manager for the CIP projects that happen in the watershed. So, I wanted to talk about the main participants in this project.

We had Advanced American Construction and they were the contractors, as Mike mentioned. We had Oregon Iron Works, they the fabricator of the wet well. They are also the people who built the streetcar. They were in fact building the streetcar at the same time they were building our facility. Black and Veatch was our consultant, and there are many, many other people who were involved. This is basically a six-year project and I am quite honored to be here and to be able to talk to you about it. It's probably one of a lifetime career type of project and I just wanted to say there are many people involved who made this a reality.

You mentioned it was part of the habitat conservation plan. It's basically designed to reduce the temperature of the lower Bull Run River below the dams throughout the summer season. I could throw some numbers at you -- that's not my purview, but it's basically designed to approach what would have been historical norms in the Bull Run before we built the dams.

April 8, 2015

I love your straw analogy, it's one that I use myself when I'm talking to people who don't know what this is -- it's very applicable. This straw has three different holes in it, and they have little gates that each hole can pull the water out of.

But before -- I wanted to give you a grounding of what these towers look like. I hope all of you and everybody in here takes a chance to go out and see the dams and see the watershed. It's truly a gift we have and we need to appreciate it. They were built in the '60s. Unfortunately, I can't do the PowerPoint thing. I can't point, but the north tower is the one we worked on. It's by far the largest. If you look down, you'll see the grading at the bottom here. That's where the water leaves the reservoir. There's a tunnel that goes through the dam then into our head works facility.

We're going to focus on those. That's where the straw attaches. We're attaching this straw to this screened area then the front side of the straw has these gates on it. So, I've talked about these.

There are a couple of other things we did. We did quite a few improvements at our head works facility to better separate the water for fish from the water for people. That was a challenge that we had as requirements were coming through that we had to feed water to town and feed water to the river through the same system of piping. It was creating challenges, so now they are completely separate and we have a much easier-to-maintain system.

Here's a schematic. If you look in the side-view, the stuff on the left is the existing tower -- it's round -- you'll see that sloping roof. That's the top of the gates. The straw is this sort of ribbed looked trapezoidal structure. If you look on the front view, you'll see three pairs of gates. Six gates. Each of the gates are about 15 by 13 feet tall, so they would be covering this screen above my head. They're quite humongous.

That's basically the structure. It sits on the existing foundation of the towers. So, you'll see on the picture that kind of low disk shaped thing. The wet well sits on top of the existing foundation of the tower.

The first thing we had to do is we had all this equipment, all this new stuff that we had to implement so that we could operate these gates. The whole tower was open to the elements, so we had to create a new tower. Also, another significant thing was we had to up great the roof so we could put a crane on it because we needed the crane to manipulate the gates when they're -- not in normal service, but if they were to be maintained.

This building was built on the shore. We literally cut the top off of the tower. They had a huge -- it was basically a diamond-encrusted piece of wire. They literally ran this diamond encrusted piece of wire and it cut the top off of the tower. It was quite amazing. Then they rebuilt the roof and we put this new building on top of it.

And then, we want to -- the base of it is with Oregon Iron Works. These are massive pieces of steel. Each one of these webs is one inch thick. It's just amazingly complicated and massive piece of steel because basically, the whole tower has to be supported on this base.

Then the side pieces, these trapezoidal -- there are two pieces. You can kind of see the openings where the gates would fit on them. There's this guy standing in front of it, so they're quite massive.

And then, we had to get it to the site, which was a job all in its own. Out in rural Clackamas County, lots of bridges with low load limits and weight limits.

The one thing I forgot to mention is that the tower was built out of nine different segments, so it's 120 feet tall and each of these segments had to be broken up and then had to be bolted together -- all of this happened under water.

April 8, 2015

So here, we're putting the base into where we have it out sitting on a barge. This 9300 pounds. I looked it up, it's about equivalent to four TriMet buses. These things are not trivial to move around, they're quite heavy and massive.

Then this is showing it down. They had to drop it in 120 feet of water. Very cold. Getting really dark. It was like 37 degrees Fahrenheit down there, so it was quite cold. This is another one. They had to flip these things over. It was not trivial to move these around, drop them into the water, and keep them without any sort of damage to them.

Then as you mentioned, this was literally like deep sea diving. These guys are in some serious gear -- they have these video cameras, if you look -- this is what they had to wear. They could only be under the water for 30 minutes at the maximum depth. The guys are watching them. You can kind of see his hand with the wrenches. Everything had to be bolted together.

Fish: And by the way, my colleagues know that Commissioner Leonard was a very hands on Commissioner-in-Charge -- this is actually Randy Leonard -- [laughter] -- keeping an eye on the work here.

Collins: Exactly. There he is under the mask. Here's some pieces -- it's finally coming out of the water here. You can see it underneath -- the beautiful, clean water of the Bull Run.

This is the final product. We've got a nice product with some new access. You can see the front part of the gates that move the valves around. The big crane I was talking about. You can see the change in the color of the concrete where they cut the top of the roof off. Before this, you had these rickety old stairs that were extremely unsafe. Now we have this very nice, state of the art, safe facility that we're able to monitor the water temperature and manipulate it.

I said there was some work on the downstream revisions. These are other pieces of it. Once again, everything quite large -- 96 diameter outfall. This is where the water that we pump through the towers goes into the Bull Run River. There's quite a large pressure reducing valve because at times, we would have to dump a lot of water through depending on the flow regimen.

I wanted to go through the construction costs. In 2009, we estimated the construction would be \$30 million. In 2012, we negotiated a guaranteed maximum price contract with AAC for \$31.5 million. The final construction cost in 2015 turned out to be just under \$30 million. So, that was the owner savings of about 5%, 1.6 million. The consulting fees were basically about five.

We were also able to negotiate what I felt to be very appropriate and aspirational goals for our MWESB participation, it was over 30% of the subcontracting fees. The total project cost for the entire six years was just shy under \$40 million.

We're not the only ones who think this is a great project. We have received three awards up to this point. Probably the first one is the most prestigious, they call it the Oscars of the construction industry. We won that. We got to go to Vegas -- well, the award ceremony was in Vegas, and so we got that for infrastructure. We've also been honored by the Daily Journal Commerce and the Engineering News Record as first notch projects. Is there any other questions on that?

Hales: Wow, great project. The CMGC method obviously worked in this case.

Stuhr: It was really actually critical to this project. One of the tough things about these one-off projects -- there's maybe five of these on the west coast. There may be more nationwide, but there's not like an inventory of these things. And it's deep water diving. And I think the participation of our contractor in both the deep water diving -- what you can assemble under the water and also their knowledge of how to break this thing down so that we could get it up there. Pretty simple thing to build it out in the river here, but when you have to cart it up to the watershed on trucks and it's got to fit under all these little bridges

April 8, 2015

with load limits, it was critical to have the contractor on board. We got them on board at the 60% design and they worked with us throughout the project.

Fish: One benchmark you didn't mention in your PowerPoint has to do with water quality standards, whether we have any violations. In the course of managing this, getting the equipment up there, working in the water, working on the embankment, getting the equipment in, there's a myriad of opportunities to get dinged. What was the outcome on that?

Stuhr: We didn't have any quarter quality violations. We did scare ourselves a couple of times. One of the things you do when you're working over potable water is you require -- the biggest thing that happens on construction jobs is the hydraulic systems blow. One of the requirements for the hydraulics on all the equipment up there is that you use I forgot -- food grade oil. So if you do blow oil, it's really no problem. But it's still reportable. So, we had no water quality violations. Our water quality group was dogging us the whole time. We put in a bunch of extra monitors between -- had two towers, one we were building on, the other we were using. So, we had an array of monitors between the two towers to make sure we didn't do anything bad, or if something bad happened we were able to respond quickly. But good planning on all points and very successful.

Fish: This is sort of a one-off, I understand, but as you both look back over the last six years, share with us a lesson learned -- something that you as a group learned about managing a complex project that will inform and help us do a better job on the next project.

Collins: I will say that the CMGC process was really critical for this. Not only what Mike just mentioned but because Oregon Iron Works was involved early on. I mean, it's things we couldn't know like, how do you get a hydraulic wrench into this location under 120 feet of water? You know, those things were just critical. How do you build it? How do you fabricate a piece that's the weight of three TriMet buses and move it around? These are things that you needed to know right off the bat. You didn't want to do low bid. You needed to know this stuff. So, alternative procurement in general I think is key in these really complex and long-term projects.

Hales: Mm-hmm, yeah, we've used it a lot in transportation here. You used it for streetcar construction, light-rail to the airport -- same kind of thing. Big, complicated project only a few contractors know how to do it, figure out all kinds of problems you didn't know you had if you get them involved in the design process early.

Collins: It creates a collaborative teamwork environment that you need to work through these problems versus the more conventional low bid that tends to be more confrontational.

Fish: Is there an opportunity to recycle or reuse the silt curtain?

Hales: Cut it up and sell pieces like the airport carpet? [laughter]

Collins: I will say we worked diligently to try to recycle that silt curtain and we were unsuccessful in getting somebody to come and use it.

Hales: How about safety? It was a dangerous project. Were you able to keep safety in hand?

Stuhr: I don't think we had any safety issues. One of the -- I've actually done inspection diving, and one of the pluses of the diving community is it's really, really dangerous and they really, really know it. And we required diving plans and so on. So, I'd say it was a really, really safe project and partly that's the nature of the people who do this. It's so dangerous that you cannot be flip about what you're doing.

Fish: One last thing. I remember a number of years ago, we had some concerns from people about in the nature of a construction project like this, it was the risk of some kind of invasive something or other getting into the water supply. Remember that?

Stuhr: Yes.

April 8, 2015

Hales: Zebra mussels or something.

Stuhr: One of the requirements is we've got a lot of water quality requirements for people going up to the watershed. We had a protocol we worked out with Eddie Campbell's folks from resource protection and our own water quality folks, and all this stuff had to be steam cleaned, the diving stuff had to be steam cleaned, properly disinfected so that we didn't drop anything in there that we shouldn't be.

Hales: Great work. Other questions? Thank you both very much. Does anyone else want to speak on this item? Then we'll take roll call --

Stuhr: I have one last thing I want to tell you. You have two jobs this morning -- to accept our briefing and also to approve the final payment of \$7.63. [laughter] So, we hope you'll do that.

Hales: We don't want to short this contractor, they did a good job. [laughs] Let's take a roll call on that, please.

Item 361 Roll.

Fish: Mike and Tim, thanks for the presentation -- and Tim, congratulations on doing the leadership program. I believe that's the same program --

Collins: I appreciated that.

Fish: That Sonia Schmanski in my office has been going through. And thanks to the professionals at the Water Bureau for managing kind of a one-of-a-kind project that again, Mayor, because of the location and the exotic nature of it it's not really in the public consciousness. But we have an obligation to make sure we're just as diligent in meeting our goals of schedule and cost, even when they're out of sight, out of mind. Turns out, this one is vitally important. I want to thank our team, everyone who worked on this, all of our partners. We're not done with some big capital projects. Actually, we're done with this, we're basically done with the two new reservoirs that are now online, Kelly Butte and Powell Butte, and we're also about to cut the ribbon on the new facility at Interstate. So, the next big one might be somewhere down the road both in Washington Park and then also when we start tackling the resilience questions under the river and thinking about how do we do that under water -- similar kinds of challenges. We're very proud of the people that work in the bureau and do the hard work. I'm grateful for this report and for the fact that they hit their mark across the board. Well done. Aye.

Novick: I really appreciate Commissioner Fish pulling this off consent so we could hear about the project. Thank you, Mike; thank you, Tim. It's just great news to hear that we're able to complete this complex project under budget, winning all these awards. And as Commissioner Fish said, it's a shame that we don't have a full chamber. This is a classic example of good news is no news, but I hope that we've got an unusually large audience on Channel 30 today. Aye.

Hales: This is a great piece of work, so you should be proud. I'm pleased about a couple of things. One, Sonia used to work for an engineering firm -- getting your project recognized like this is a big deal. I particularly appreciate the fact that our professionals accompanied the rest of the team sounds like to the awards presentation -- it's completely appropriate for our managers and leaders to participate in that kind of event and accept the professional recognition that they deserve when they do good work. So, I want to be explicit about that. That's important. I'm glad that it was celebrated by your peers as well as by us. It is an amazing project.

I haven't been up to the watershed in a few years. This may be one more reason for me to take another tour because it's been a while. It's a place that serves man people in Portland that most people don't know how amazing it is both from a natural standpoint and from an engineering standpoint, and you've made it even more amazing.

April 8, 2015

Finally, as somebody who's SCUBA drive qualifying dive to 100 feet was at the bottom of a really cold quarry, I can appreciate what just a little bit of what those divers had to go through to get this work done, and that's an admirable piece of work. Bravo. Well done. Aye. Pay those folks that last seven bucks! [laughs] OK, let's see. We have a few items remaining here this morning.

Item 363.

Hales: Don't believe we have anyone here to speak on this item. These great citizens are willing to do this work and therefore we should take a roll call on their appointment. Or, a motion to adopt the report.

Fish: So moved.

Novick: Second.

Hales: Roll call, please.

Item 363 Roll.

Fish: It really is a great group, Mayor, and it reunites Zari Santner and Karen Loper, who were a dynamic team at the helm of Portland Parks and Rec. Each of us take great pride in nominating someone for this important position and I'm sorry Amanda is not here so we can thank her again for successfully getting the underlying bond measure passed so we could actually appoint people to oversee spending of the money. Aye.

Novick: Yes, I suspect it might have been easier to recruit people to oversee the spending of money to do cool things than it is to recruit people to some of our other citizen volunteer oversight boards, but we appreciate their service nonetheless. Aye.

Hales: Aye. Very good group of people there. Dion Jordan, Karen Loper, Zari Santner, Don Grotting, and Jonath Colón -- all of whom served our city in lots of great ways.

Item 365.

Hales: Second reading and roll call.

Item 365 Roll.

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

Item 366.

Hales: Commissioner Fish.

Fish: Thank you, Mayor. Portland has about 2500 miles of sewer pipes, and over one-third of them are more than 80 years old. So, projects to replace or repair ageing sewers are important for protecting water quality, public health, and the environment.

The Bureau of Environmental Services is in the middle of a large scale sewer repair program to repair more than 34 miles of sewers all around Portland by 2017. The Hollywood Grant Park sewer repair project will repair or replace 36,000 feet of ageing sewer pipes, and I'm pleased to introduce our team. I'll first kick it over to Scott Gibson.

Scott Gibson, Bureau of Environmental Services: Thank you, Mr. Commissioner, Mr. Mayor, Mr. Novick. My name is Scott Gibson, I'm a principal engineer at the Bureau of Environmental Services, and today, I'm here with Jill Hutchinson. She's the project manager for this effort. She's a senior engineer associate in our bureau. We're here asking for authorization to advertise and award contract in the range of \$9 million for the Hollywood Grant Park sewer rehabilitation project. As the Commissioner says, it's part of a large effort throughout the City, and Jill will get into details and we're here to answer questions.

Jill Hutchinson, Bureau of Environmental Services: Good morning, I'm Jill Hutchinson. As Scott mentioned, this project is part of the BES' Phase 2 sewer rehabilitation. On this map, you'll see our project area is outlined in purple with the Hollywood Grant Park project filled in green. The project is in Northeast Portland and it's bounded between 33rd and 57th Avenues from Fremont south to interstate 84.

April 8, 2015

The intent of the project is to replace or rehabilitate highly deteriorated pipes. As you can see, pipes in this area have large holes, missing pieces, broken pipe, and vermin creating nests in and around the pipes. By replacing or rehabilitating mains, service ladders, and manholes, this project will protect public health, property, and the environment; increase sewer system capacity and reliability; and reduce risk of sewage releases to homes, businesses and the streets.

Fish: By the way, I just have to interject. I know my colleagues generally don't like Washington monuments. They also don't like alarmist presentations. But I just want to certify, these are actual photographs. [laughter] It seems like every time we come before you, there's one with a friendly four-legged creature.

Hales: I recognize that guy, I've seen him.

Fish: These are not staged.

Hutchinson: These are real, they're from the project. [laughter] So, in order to determine which pipes should be included in the project, we conducted the robotic inspections you saw on the previous slides of all the sewers in the neighborhood, then we coded the defects and used this information to calculate the likelihood of failure of each pipe. We then ran an algorithm to determine the consequences if a pipe should fail based on social, environmental, and constructability factors such as proximity to hospitals, schools, in major streets, and near other significant utilities.

The total risk for a particular pipe was calculated by multiplying the consequence of failure with the likelihood of failure. We then performed an alternatives analysis to determine if we should invest in replacing the pipe now or wait to fix it in the future. The outcome of this analysis is the assignment of a net benefit cost score for each individual pipe, and those pipes with an NBCR greater than zero were included in the project.

This is a close-up map of the project area with proposed construction methods, including open trenching, pipe bursting, and cured in place pipe which is a trenchless technology that minimizes impacts to nearby residents.

The project scope includes 142 pipes, or almost seven miles of pipes, ranging from six inches to 36 inches in diameter. 75% of the pipes are more than 100 years old. Three-quarters are in residential streets and one quarter are in major streets.

The work will occur near five schools, and the contract requires work in these areas to be done when school is not in session to minimize the impacts to the school areas. There are 13 sites where work will be conducted at night with noise variances, and nine of those are for cured in place lining which is the noninvasive trenchless technique. That usually takes between one and four days. There are four sites where there's open trench work in busy streets.

So, the public outreach for this project was extensive. Our public involvement staff at BES communicated both general product information and specific information about the night work to residents, businesses, neighborhood associations, business associations, schools, TriMet, and Providence facilities. This is a map that was included in one of the public involvement flyers that was sent to all area residences and businesses. We also had a public meeting that was held on March 10th to address any questions and concerns from the neighborhood.

One of the unique features of the Hollywood Grant Park project is that it will use vitrified clay pipe instead of PVC, which is BES' standard material for small diameter applications. The use of VCP is part of a four-project pilot effort, which is a continuation of prior efforts and is the next step in our evaluation of appropriate pipe materials. At this point, we have not made a wholesale change in the materials we use -- this is just a pilot.

The pilot effort is being made in light of the City's various sustainability policies, most notably, the toxics reduction strategy and the healthy purchasing initiative. The toxics

April 8, 2015

reduction strategy was adopted in 2006 with the support of Commissioner Saltzman and it calls on City bureaus to seek products that do not contain, release, or produce polyvinyl chloride or PVC. It also identifies vinyl chloride, the core monomer input for PVC, as a priority chemical of concern. Finally, it calls for the use of third party certified materials where appropriate, and clay pipe has been rated by the sustainable material rating technology -- or SMART -- a third party certifier at the gold level.

Fish: By the way, this slide is the one that really got my attention in the briefing because it sort of feels like back to the future. We've so taken for granted using PVC plastics and we think about some of the benefits, but it actually is a toxin and we want to avoid using it. We're calling it a pilot, though, because there are some things we have to work out. We have to make some sober assessment about cost and other factors. And then one of the things the team shared with me is you know, you have your competing values that we're trying to bring to bear, but what if it turns out you have to ship this product from a long way away? Does that undercut some of the environmental benefits of not having it manufactured or accessible locally? So, we're going to do this as a pilot and ask some tough questions, then come back and share those results with the Council.

Hutchinson: Yes, thank you. Just returning to the healthy purchasing initiative, this is another of Commissioner Saltzman's initiatives that was passed in 2012 and it includes identifying products that are safer and less hazardous by requesting complete disclosure of a product's chemical ingredients and the human health or environmental hazards associated with those chemicals. And clay pipe manufacturers maintain current publically available health product declaration forms, which are material disclosure forms on their products or their website system.

Wrapping things up -- a summary of the budget and schedule. The engineer's estimate is \$9 million with a high level of confidence, and we expect the contract duration to be 18 months, advertising in early May now and notice to proceed in September.

Fish: Steve, we're going to kick this thing off with a coffee -- open house coffee that you'll be invited to in the neighborhood just so before we actually start the work, people have a chance to get additional information. We'll be doing that also at Hawthorne. There's been a lot of outreach, but there still will be people show up and say, "this is the first I've heard of it." So, we want to make sure they get another bite of the apple.

One question I wanted to ask Jill. This is an incredibly complicated project with all these moving pieces. How many of these kinds of things have you quarterbacked?

Hutchinson: How many projects like this?

Fish: Yeah like this, of this scale. Because this is looks quite complicated.

Hutchinson: I've been with the bureau in the large scale or the Phase 2 sewer rehab program for going on five years. So, I've been -- I think I've been involved in probably nine projects in the range of \$3 million to \$10 million.

Fish: Wow, very good.

Gibson: A little bit more about Jill -- at a time in the bureau, we had a rotational program where the engineers when they first started our worked at PBOT and Water and BES, and we used it as a recruiting tool. Jill was one of the first participants in that.

Hales: That's great.

Gibson: So, she's been with us since, and has experience at the other two bureaus as well.

Hales: That helps, yeah.

Fish: I certainly hope that no one at PBOT is trying to recruit you away, Jill. Or at least you would give us notice if some kind of bad behavior like that occurred on my watch.

Hales: Where's the clay pipe made?

Hutchinson: It's made in California.

April 8, 2015

Hales: OK, not that far away.

Gibson: There are two clay pipe manufacturers in California: Gladding, McBean, which is sort of north of Sacramento; and Mission Clay is in the LA area.

Fish: Just one question about that -- because when we had our discussion, the thing that struck me was a plastic pipe just intuitively seems more flexible. And since it's going in an area where there's vibrations and things, it may be less likely to have a brake or something than clay. Is that true or is that the way the clay pipe manufactured make it just as resilient?

Gibson: For resiliency, we can look in the soil properties where it's going to be installed and we can look at permanent ground deflections and movements we might see. Those aren't an issue here. So, we're not expecting the clay to have to move -- or the pipe material, no matter what the material to have to move. It's a matter of good bedding.

Now, with PVC, it's longer length. So, fewer joints. Clay is shorter length and it can move through the joints. So, there's allowable deflections in the joints.

Hutchinson: During the design phase, we also did a review of the soils in the area and the potential for liquefaction and other things that would happen during an earthquake or other natural disaster, and we aren't at risk of those types of things in this area.

Hales: Good. Other questions? Great. Thank you very much. Good project. Let's take a roll call vote.

Fish: This is a --

Gibson: First reading.

Hales: Oh, sorry, it's only first reading. So, that will be back for second reading next week. The fact that we now have the BES bureau digging up two members of the Council's neighborhoods should not stop us from proceeding with the project.

Fish: Actually, Mayor, it turns out they're not doing any work on my particular street, but that's good because I've already got my own sewer problems in my house and we have to connect a pipe that failed. It's like the fire following the flood -- when we got someone in to look at it, they said, "we can't actually do the pipe until you remove all the asbestos." So, now we have to remove everything in the basement of the house to remove the asbestos before we can start the pipe project. So, I'm delighted that my street is not in the scope of work on this one. Although that wasn't my request, I was delighted to be saved of that as well.

Hales: Well, they dug up my street but they did a fine job. Thank you very much. That goes to second reading, and we'll have to delay item 367 until this afternoon. We're recessed until 2 o'clock.

At 12:20 p.m., Council recessed.

April 8, 2015
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.

APRIL 8, 2015 2:00 PM

Hales: We'll return to order as a Council. Will you please call the roll?

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

Hales: OK. We have a couple of time certain items this afternoon, the first is 368.

Moore-Love: Did you want to take care of that item left over from this morning?

Hales: Oh, yes -- sorry. We do have one item left over from the morning agenda, which is 367.

Item 367.

Hales: Good afternoon, welcome.

Kim Kosmas, Portland Fire and Rescue: My name is Kim Kosmas with Portland Fire and Rescue.

Caryn Brooks, Portland Fire and Rescue: Caryn Brooks, Portland Fire and Rescue.

Hales: So, tell us about this grant.

Kosmas: Basically, we have been providing smoke detectors or smoke alarms for the general public since 1990, and it's a concern of ours that the hard of hearing community has never really been approached for helping them with smoke alarms, also -- and carbon monoxide -- but that is one thing we would like to do is be able to have this offer for that community to give them specialized units. Because they're not typical. The thing is that they have to have a bed shaker, which is one portion of it, and then there's a strobe, also -- that's another piece. They are expensive, so that's been one deterrent possibly for people. And the state does offer it currently, but we would also like to be able to offer that to those communities.

Brooks: As a note, if folks who are hard of hearing do call us, we do provide them with one, but we want to do outreach. A lot of people don't know that they need them.

Hales: Sounds great.

Fish: How expensive are they compared to the standard store-bought --

Kosmas: A standard smoke alarm is anywhere from \$20 to \$30 or so, and with both pieces of the unit, it comes to about \$297. So, it is a lot different in cost, definitely.

Hales: Still, if you get this grant, you can buy quite a few of them.

Kosmas: Yes.

Hales: That's great.

Fish: You know, I was curious -- the other day I lost my keys. And I was in a fit about it, and my wife reminded me that I have an app that allows me to locate them. So, I just pushed the app and it told me that I'd left them at work. But I'm wondering, could you conceivably have a system where you have a notification on your phone or something else or your computer in addition to what you currently have?

Kosmas: As far as alerting the individual? Well, the way these work is that they also would need to have a smoke alarm -- a basic smoke alarm wherever they're living -- their residence because it's all keyed off of the alert. The tone of the alert sets off the bed shaker and the strobe. So, an app on your phone -- I honestly don't know if they have something like that.

April 8, 2015

Hales: Other questions? Comments from the Council? Great. Thank you both. Thanks very much. Is there anyone who wants to speak on this item? If not, then it's an emergency ordinance, let's take a roll call vote.

Item 367 Roll.

Fritz: Thank you for your work. Aye.

Fish: Thank you for spending half a day with us. [laughter] You got a lot out of all of the morning proceedings, so. Aye. Thank you.

Novick: Thank you. Aye.

Hales: Yeah, this is good work. There was just a really tragic death in Maryland of a whole family from carbon monoxide poisoning. These detectors save lives, and it's really good work that we make them available to folks who would not be able to hear conventional ones. Thanks for doing this, and I wish you good luck with the grant application. Aye.

Kosmas: Thank you.

Brooks: Thank you.

Hales: Let's move to the time certain item 368.

Item 368.

Hales: Thank you. Well, let me call up Chief O'Dea and Richard Brady from Matrix Consulting to talk about this report. I want to frame this briefly. This is going to be a presentation of the report in what's obviously a busy Council session this week. There will be a little bit of time for public feedback, but this is mainly a presentation.

I just want to thank the team for comprehensive evaluation of both our span of control and our staffing levels in the Police Bureau. This is really in response to a budget note from the Council in our 2013-14 budget. So, the questions they're going to address here in summary -- and of course, of significant document to back it up -- is, are we focusing our resources in the right areas? Do we have the right ratios of management to direct service folks in the bureau? Other feedback on how our management systems operate in the bureau. So, what have we learned from this careful inquiry into the structure and workforce size in the various tiers within the Police Bureau, and how can we make it better? With that, I'll turn it over to the Chief and his team.

Fish: Mayor, let me supplement the record with one thing. Because actually, the original genesis was the span of control report that you asked Steve and me do to. And out of that came some questions about span of control and supervisor to employee ratio. And the next iteration was -- I think it was the Chief, the then-Chief who said, "we want to do an independent study to look at this" and there was some disagreement about methodology. We were pleased to support that. And a lot of good has come out of that original assignment the Mayor made where he asked a number of us to pair up and do things, and the span of control is an example.

Hales: Yeah, it's good work.

Fish: Thank you.

Hales: Thank you. Chief O'Dea?

Larry O'Dea, Chief, Portland Police Bureau: I'll have Richard start first with his presentation and I'll follow him.

Hales: OK, thank you.

Richard Brady: I've gotten the message pretty clearly that you've got a crowded agenda. We have a 200, 300 page report and 92 recommendations -- I'll try not to talk too fast. Let me walk you through this study and some of the more important things we came up with.

First of all, let me remind you what our scope of work was. It was a comprehensive management staffing and operation study to look at answering some important questions. First of all, is the Police Bureau providing the levels of service that this community expects, needs, and has historically received? Do you have the right number of people to do that?

April 8, 2015

Are they managed and organized effectively in order to do that? Most of our analysis was from the ground up, looking very carefully at workload and service levels, but we also compared you to best practices and came up with this report that has a summary of everything that we did in the study.

How we got here was really intensive. We worked for several months just doing fieldwork. We started in the middle of last summer. We started with extensive interviews of staff -- management staff, supervisory staff, many line staff. In all, we had over 200 individual interviews of staff within this, and that input was important enough where we supplemented that with an anonymous employee survey to which about 60% of the employees responded -- 600 plus responses.

The input wasn't everything that we needed to do in a study like this where there's almost as many numbers as words. So, we collected a lot of data as well, quantifying workloads at every function -- service levels, work practices, and things like that. I think the analysis reflects that empirical, that really detailed kind of approach.

Throughout this process, we had a parallel reporting relationship, extensively meeting with the bureau command staff to review facts and issues and alternatives. But we also had a broadly based-project steering committee that we met with, particularly in the second half of the study to review what we were coming up with.

You know, a report like this necessarily focuses on the improvement needs, especially when we're talking about organization and management and operational types of things, and sometimes the more positive things get lost. So, I wanted to take a couple of seconds just to talk about the positive things that we found as we went through this.

First of all, it's important to stress that in a number of indicators that we examined in field operations, investigations, and even in internal operations, there are high levels of service being provided to the community as well as internally. And we can talk about that more as we go through this.

Secondly, there's been a lot of external scrutiny of the bureau in the last couple of years -- most notably, the Department of Justice. And the thing I said about the whole process that I think is true is that unlike a lot of cities in the country -- many of which we work with -- the department isn't just responding to what DOJ tells them to do. They are proactively meeting and exceeding what DOJ is coming up with requirements, and I think that's a really important distinction.

Deployments in general in the operations branch and field services generally balance the proactive and reactive kind of workloads, which is a very important thing in law enforcement. You're not going to be effective as a police agency by responding to calls for service, you're going to be effective by doing something about the root causes of crime. As you'll see as we go through this, they have high levels of proactivity in patrol and they use it.

Investigative clearance rates are high, and that's a positive thing as well.

Not just multi-jurisdictional task force, but other ways of coordinating and cooperating with other justice agencies, schools, other health and human service agencies is really high here. I think that is an effective part of community policing today -- to recognize that you can't do it all and you need to partner with other kinds of agencies in the community.

As I said, support functions generally meet both internal in terms of supporting police officers and external supporting the community and the way they interact.

Some of the key themes that run through this report I wanted to stress, because it runs through all of the recommendations that we made here. Number one is while this is a very community-oriented bureau, more needs to be done to cement that community focus. And I think that is summarized in the use of the word "formal." I think there needs to be

April 8, 2015

more formal approaches of figuring out what the problems are in the community, deploying people -- even managers -- to address those problems and create those ties and to make them accountable for it. That's something that we stress -- even in this staffing study -- an important part of the management processes here.

While the bureau is taking a lot of steps to increase the use of data, creating an intelligence-led policing effort -- and they've always had a strong data orientation -- the demands of the external focus and what we're asking the bureau to do will increase that need, and they need help to do it. It's not as easy as a police officer in the field pushing a function key and finding out everything he or she needs to know about the problems out in the community. That takes help, and that's an important part of several of the recommendations we make.

Thirdly, more flexibility is needed in the bureau wherever we're looking, but especially in operations and investigations. You need to have the performance management plan in place, the way to look at it, and the ability to move people around. Because problems are going to change every year -- they're changing right now. They've changed since we submitted the draft report. You need to be nimble, and that's what a modern department needs to be.

Management consistency is critical. It's something we found in the employee survey -- the message is sometimes not consistently delivered throughout the organization and possibly externally as well. So, the new management team needs to create a consistent message and find some mechanisms to make sure that everyone within the department is on the same page.

Operations. The patrol. Obviously, the largest part of the department and an awful lot of our time and an awful lot of this report is dedicated to that. There are some really important findings associated with this.

First of all, the workload and the proactive abilities in field operations are relatively evenly distributed. The East Precinct has more workload than the other precincts, but at the beat level, beat officers are handling within a fairly narrow range the same amount of workload which means they all have the same amount of ability to be proactive. That's important here. It's important everywhere, but here, you've got more proactive time than we typically see in larger cities -- it's over 50% of your time. Many of our clients for agencies this size are struggling to get their 35% to 40%. So, you've got this luxury.

The good thing is that this proactive time is being used. You're generating a lot of proactive activity and addressing problems in the community. But again, the use of data, supervisory oversight, and making people accountable so that this is not randomly-generated activity, it's directed towards problems in the community is a need that needs to be made and this needs to be an ongoing process review, tracked, etc. so that people are redeployed, redirected as necessary. And the new intelligence-led policing and other efforts are going to enhance that and help support that.

We looked at the three precincts. You used to have more precincts -- four or five precincts in the past -- we think three is appropriate now. We think it's appropriate for span of control reasons. We think it's appropriate for community access that's not jeopardized with three, and the cost of additional command and administrative personnel outweigh the benefits of increasing the number of precincts at this time.

In special operations, there are a couple of recommendations that we make. You need to redeploy some traffic personnel so that coverage is enhanced. You need some additional canine capabilities. School resource officers -- you don't have enough school resource officers for the high schools you have at a minimum. You need to have a school resources officer in each high school, that's I think an important aspect today both from the

April 8, 2015

perspective of working with school administrators, teachers, parents, and students programmatically, but also for calls and other kinds of activity.

We think that the cadets and the reserves in the bureau are an important asset -- a little underutilized, in some respects. We think you need to develop a process in-house to increase their capacity and their use within the department.

Investigations. So, we went through a thorough process of looking at the case management system and how cases were assigned to the different investigative units. And there's a lot of pages in there -- a result of moving people around -- it may seem like we're just moving people around, but it's based on for an effective case management system -- which you generally have, although we make other recommendations to improve it -- what are the effective caseloads so that you're spending enough time in investigations? And overall, you're a little deficient in spite of moving people around.

But more significantly, you've got some major gaps that you typically don't see in larger police departments today. You don't have an auto theft unit. More importantly, I think, you don't have a computer crimes unit. It's not just handling cases that are computer-oriented in general or specifically, but also as a case assistant to other crimes -- child abuse, other types of crimes for which computers are in use today. And you don't really have the capacity you need to do that investigations.

We think you need to return to something like the district investigative efforts, where generalist investigators are centrally managed but decentralized in terms of their responsibility so that relatively minor crimes, especially property crimes, get some sort of follow-up. And that can be neglected now, even though patrol tries to help out.

I think one of the principal recommendations in this report -- and it gets to this issue of proactivity and coordination of services -- is to reorganize what we're calling the proactive investigative units. Right now, you've got gangs, which is a large driver of organized criminal activity in this city as that relates to prostitution, as it relates to drugs, as it relates to other forms of human trafficking, and those are in different parts of the bureau right now -- four different parts of the bureau. We think that they should be in one part of the bureau so that the same suspects can be more regularly worked by common detectives in a single system and that the assignments can switch over time, depending on what the problems are. So, we think that the criminal activity and the criminals need to be better coordinated in terms of how you're working that.

Again, support can't happen without people who can support personnel. So, we're recommending a crime analyst to help with case research, case enhancement, and things like this. Over time, we think there's an opportunity to civilianize the criminalist, the field evidence collection personnel. That's a growing area. It's becoming the norm, even in larger organizations, and it's not just a cost issue, but it's a way of finding employees who this is what they want to do and they want to spend a career in forensics.

Services branch -- the last branch. Several support and management positions should be civilianized relating to fleet and records. Civilianization was something that we looked at throughout the organization. We think that the follow-up through the strategic planning process from all these various directions that it's coming from needs to have some sort of facilitator to help coordinate that and to help develop a message can be post-strategic plan process generated to the whole community, as well as internally within the bureau.

You're going through the regional records management process. It's difficult to tell at this time what your needs are going to be. I don't think they're going to be greater, but they're going to be for different kinds of records management personnel to help you analyze and quality control information coming from the new records management approach that you've got.

April 8, 2015

We've recommended three additional analyst positions, and I think there's been some budget adjustment since we did this reporting today. But we think that because of the intensive demands and support required from the post-DOJ environment, you're going to need two analysts to help support that in terms of reporting. But another analyst is needed to help the transition to an intelligence-led policing effort within the bureau.

Lastly, organization and management. We looked at the overall structure within the department and looked specifically at some span of control issues and allocations of functions. We get back and start out with some of these management kinds of issues, that accountability is critical for the bureau at this point in time -- for all points in time -- but because of the scrutiny and because of the visibility, it's really important now. Because of that, because of the work it takes, your current rank structure is appropriate. And we looked at that pretty thoroughly. In terms of responsiveness to community and making sure that we've got performance plans in place for the department, your current rank structure in terms of span and control, layers of the organization, etc. are effective.

Most spans of control for mid-level managers are effective as well if you assume that a span of control isn't just numbers of reports, it's also responsibilities. So, I'm thinking about positions adjutants that they have for each of the branches and for the chief. They're important functions to have because they've got a lot of responsibilities in terms of administrating what's going on within each of those branches within the organization.

Some spans of control are too low, and we've recommended a couple of positions being eliminated -- traffic being most notably.

At the top, though, the span of control is too wide. We think that you should consider a fourth branch to split off the operational support side from operations. If you don't do that, we recommended that the operational support things go to patrol to increase the coordination between patrol and operational support things, like patrol, SWAT, things like that. We think that that would make it way too wide, so we recommended splitting that off.

The system of rotations -- that's something that we looked at toward the end of the study because the more we heard about transfers and reassignments within the department, the bigger an issue it was. Right now, quite often, personnel management personnel can be rotated too frequently to be effective. Sometimes, it's weeks or months. And it's going to take a couple of years -- especially in many of the specialty positions -- to get good at what you're doing and to be effective as a supervisor and manager. So, we think that except in exceptional circumstances, that rotation should be a two-year minimum within the bureau.

Lastly, with a new chief, a new command staff, and all of these other things that are going on, some team-building process that makes sure that the results of these directions that you're implementing through this process and for other processes that you've gone through in the last year is coordinated and transmitted consistently internally and to the community. I don't think I can talk any faster than that, but that is the report. [laughter]

Hales: That was both clear and swift. Let me ask you a couple of questions before I turn it over to the Chief and Captain Scruggs -- and maybe they can respond, too.

One thing I haven't spotted yet -- it may be in the body of the report and I didn't spot it -- and that is the assignment of responsibilities to top managers, not just whether we should have a fourth branch or not. But are we rightly configured in terms of what they do? This got distorted for a while in Portland because for a while we had this artifact of having managers represented by a union. We went to the employee relations board and got that clarified, that lieutenants and below are represented and captains and above aren't.

Brady: Right.

April 8, 2015

Hales: So, now that that's cleared up, are we assigning the right responsibilities to those captains and commanders and assistant chiefs, in your opinion?

Brady: Yeah, I think that falls on a number of different ways. I mentioned the adjutant structure that you have here. Departments this size tend to have that position because otherwise, top managers within the organization are too bogged down with administrative things related to scheduling and transfers and other kinds of administrative things -- even down to insurance and things like that -- and are not being able to function effectively at that level to figure out whether you're achieving your goals, your service priorities, etc.

Lower down in the organization, there were a number of one over one kind of reporting relationships, which is a red flag for us. And we looked at several of those. In traffic, we recommended not. We looked at -- in each of the precincts, there's one over one reporting relationships between commanders and captains, which we thought very seriously about until we understood better what they're trying to achieve here, and that we're trying to get operations management effectively covered at one level and making sure that we've freed someone to make sure it's working and to effectively work with the community.

So, we think the allocations of responsibilities are generally where you should be in a department this size and this complex, although we made recommendations to change both roles as well as allocation of manager staff.

Hales: OK, I'll look at those. Thank you.

Fish: I just have one question, Mayor. In one of the early slides you had, you talked a little bit about the way the bureau interacts with the community and that relationship. Of course, one of the questions that comes up is, how do you measure that? You know, despite our best efforts, we don't hear from whatever 90-something percent of the people that the Chief serves. So, how do comparable bureaus measure that and what are the key factors that you look to?

Brady: So, again, I get back to the word of formality. So, it's not just reaching out and going to meetings. Because as important as that is for the contact, it doesn't result in something that can be a plan for how you use your resources to meet whatever problems are identified out there.

The strategic planning process we talked about needs to incorporate and create a process such as that, so that you're working with the community to come up with specific programs and deployments and strategies to address problems that are raised. In no community you're going to get 90% or 80% or even 9% to be active participants in that, but you need to maximize that through public information and for involvement in use, leveraging community groups to get as much information as possible. But the important part is from -- because you've got such a relatively large and very diverse city -- is the converting what you're hearing into plans to address the concerns that people have in the community, whether they're deployment things, visibility things, whether they're addressing specific problems that may occur in one part of the city and not many others -- things such as that.

Hales: Great. Questions?

Fritz: Did you look at the mounted patrol, and is that reflected in the report as to whether the staffing of that is appropriate?

Brady: We did look at it. It is in the report -- a very brief mention of it. We're supporting it for the roles that it has here right now.

Fritz: What kind of factors did you look at?

Brady: We looked at what their roles are and what they're being used for -- mostly for special kinds of circumstances. We looked at the cost and we looked at how they interrelate and how they coordinate with other units.

April 8, 2015

Fritz: And did you look at the size, the number of officers assigned?

Brady: Yeah, we did.

Fritz: And that's appropriate?

Brady: It is. It's appropriate comparatively, first of all, but I think more importantly it's appropriate for the size and use that they have here.

Fritz: Thank you.

Brady: And we did look at that seriously because we've recommended elimination in many cities where you don't have the need as great as you do here.

Hales: Thank you. Chief?

O'Dea: Thank you, Mayor and Commissioners. I'll not go line by line on these recommendations, I'll be pretty brief. I know your time is very precious right now.

I do want to start off by thanking the Matrix Group for their extensive work on this project. I really appreciate the significant time that they spent with people within the bureau and learning what we do and why we do some of the things we do. We do some things different, and I appreciate them taking the time to learn why we do that. And I also want to thank Captain John Scruggs for being our project manager on this, and the members of the advisory group -- that included Commissioner Novick -- for their time commitment to this project.

As you know, this project was directed out of the budget process last year and also as part of the follow-on to the City span of control review. For us in general, the staffing study supports kind of what most of us have felt since the loss of 55 positions in the budget before last. You know, with the loss of those positions that year -- and that followed on after several other years of cuts -- we had become really lean, and it really limited our ability to start addressing new issues or continuing support for some of our needed specialized functions to the degree that we think that we needed to.

One of our coping strategies has been to have some of our positions that historically have been non-sworn to be sworn. By having some sworn members in some of those positions, it allows us to use them double duty for other things when they're not doing their day job, such as supporting our overtime staffing, major mission support, and also the staffing of detached assignments. Of course, the real answer is to have the adequate staffing level and have non-sworn personnel working in non-sworn compatible jobs.

We've become very practiced at moving resources around temporarily and being as nimble as possible, however, we still have gaps in our service even with that. And some of our gaps in service can't be addressed by moving resources. Emerging and significant issues like computer crime require specialized training in positions to really effectively address.

We have a strong need for analysts. This includes both crime analysts and investigative analysts. These positions allow us to work more efficiently and effectively, and it's especially important in times of limited resources. Analysts are also a significant component for us in meeting the reporting needs of the Department of Justice settlement agreement and the reporting desires of the public.

This year, we've seen a significant increase in gang gun violence. I've asked the tactical division operation leadership and the assistant chiefs to work with their partners and to review what we may need to do differently regarding gang gun violence. I'm not sure as a community that we have the right amount of outreach, community engagement, the holistic approach or bureau resources invested in this problem that we may need. We've had almost three times the number of gang violence reduction team call-outs this year compared to last.

April 8, 2015

Another crime that is increasing rapidly is thefts from vehicles. We're up pretty significantly -- about 30% from last year -- and auto theft is also continuing to trend upward.

We continue to try to be innovative within our existing resources whenever possible. This year, we are piloting the concept of sector policing versus having individual district policing. This is in an attempt to be able to maximize our problem solving and community engagement capacity. Instead of having 20 or 25 individual districts being managed by single officers, we have divided the precinct into four separate sectors where teams of officers work. The hope is that this will maximize our efficiency, allow us to take all of our calls, and still allow for proactive and follow-up efforts like the walking beat that was so successful last year downtown and in the Hawthorne area, and do it all on a cost-neutral basis with existing resources.

Looking ahead, the bureau is facing the possibility of significant retirements in the next three years. This will require more background investigators and recruiting positions, which we forfeited in years past when we stopped hiring. We knew we would need those positions back when we started hiring again, and that time and need is upon us.

I think that the staffing study offers the opportunity to help us continue the conversation about right-sizing the Police Bureau. I think right-sizing the Police Bureau needs to be done by incorporating community expectations, the Department of Justice settlement agreement, and the Mayor and Commissioners' priorities.

I thank you all for your time. I know this is a very busy time of year for you. I appreciate your thoughtful consideration around such an important issue, and know that I understand the tremendous challenges you face in balancing the competing needs of the city. Also know that we will continue to try to do the best that we can regardless of staffing levels, and we will try to never let a lack of resources limit our problem-solving creativity. Thank you.

Hales: Thank you. Captain Scruggs, anything else to add?

John Scruggs, Portland Police Bureau: Mayor, no, I was just here to answer any questions.

Fish: Mayor, we've gotten like the Cliff Notes version of this presentation but truth is, our time certain isn't until 3:00.

Hales: We've got some time. We do have some folks who want to speak to us, but we have some time to have some dialogue.

Fish: Couple of questions. Chief, big picture. There are a lot of very specific recommendations and they are coded high, medium, and low priority in terms of suggested sequencing and implementation. Is it your intention, Chief, to prepare a brief report to Council specifically identifying those recommendations that you think we ought to be focused on earlier in the process and a rationale for that? Or how do you intend to take these recommendations and translate them into a priority list, bucket list for the City?

O'Dea: Knowing we weren't going to be able to do that today, my hope was this could be a start of the conversation -- taking a look at here is what the outside recommendations are and just me giving a brief overall "here's where we're definitely short at." That format you suggested I would be very happy to do. There's certainly some things that I think are important sooner rather than later. The analyst needs are something that are just critical for us, especially around our Department of Justice needs there. And I feel very lacking around things like computer crime.

Fish: Why are we seeing an uptick in vehicle theft and break-ins?

O'Dea: That's a good question. We're looking -- and it's also one of the reasons why we want and feel the need for more analyst work to help us. There's two kinds of analysts that we're looking for. One that can tell us on a much more real-time basis "you're getting car

April 8, 2015

break-ins” say, up in the Pearl and be able to react better to that. And the other looking at an investigative analyst. For instance, this tremendous uptick in shootings we’ve had on the gang team. We know we’re having a whole bunch, but we don’t know why. An investigative analyst can help us connect those dots and maybe start being able to pin that down to say, “here’s what you have going on, you have this family fighting with this family.”

Fish: And Chief, I was thinking -- when you were talking about break-ins and cars and things, I was also thinking about where I live, we’ve also had an uptick in people breaking into homes and stealing stuff. My assumption is some of this driven by drugs -- people are breaking in, stealing things, raising cash, whatever. How do we -- can we -- is there some tool that we have where we can do a better job alerting people by neighborhood about the specific challenges they’re facing and also get useful information upstream about the things you need to be more vigilant about?

I’ll give you an example. In my neighborhood, I think a lot of people -- because it’s pretty cohesive -- they probably don’t lock their front doors at night. A lot of people on my street don’t lock their cars. You know, they’re just rolling the dice. All kinds of things. And I wonder, are there technologies or other things we can use to get advice and recommendations out to folks based on what the data you are seeing by neighborhood -- common sense things about dos and don’ts to deal whatever uptick you’re showing?

O’Dea: Oh, absolutely. When you look at -- there’s great ways of combining analyst work with public information work and even with the technologies. We have crime mapping, and to be able to get that information accurately and get it out to folks.

Fish: Yeah, I wonder -- I mean, today if I wanted to, can I go to a website, put in my zip code, and could I access that kind of information?

O’Dea: Right now for us, you’d be really limited. Because our analyst capability right now is shifted from a lot of our crime analysis work to our Department of Justice analyst work. But we’ve had times in the past where we have been able to be much more real time about that.

Fish: For example, if I could punch in my zip code and find out that a lot of bikes had been stolen, cars broken into, those kind of things -- I mean, there is some common sense stuff that neighbors could do like making sure of the lock on their garage and locking doors. It seems like every time we don’t lock the car, someone takes advantage of that. And that’s part of community policing, right? Getting out the information so that we help you upstream.

O’Dea: Absolutely. When you really start putting together a whole system, you can look at things like big increase in heroin use driving a lot of property crime -- being able to gather that information, being able to tie your social service partners into that as well.

Hales: A number of things here -- I won’t take a lot of time now because I want to be sure we hear from folks who want to speak -- but I’m particularly intrigued by this recommendation about the organized crime division. To sort of say, wait a minute, we’re not just dealing with human trafficking, we’re not just dealing with drugs, we’re dealing with organized criminal enterprises that happen to have different commodities or specialties -- if you will -- that they’re focused on. Just some quick reactions to that?

O’Dea: That’s a great one, and that’s probably the one that I have thought about the most both potentially for and against. And I’ll tell you why. At first blush, that seems like a good logical connection to me -- that we can put one unit addressing on this. But here’s my fear: that we put all of this work together and right now, we have this huge spike in gang violence. So, I fear our focus would shift the bulk of those resources towards that and in particular, with things like human sex trafficking, then you’re going to drop off at that and that will suffer as a priority over the gang gun violence. And I go back to our time when we

April 8, 2015

had all of our investigations in detectives. What suffered? The family violence crime suffered until we were able to build that stand-alone unit that can prioritize those crimes.

So, I haven't said no to that, but it's one that I'm putting thought into. I want to have a lot of internal conversation because you know, the pro side is maybe you have a lot more resources that can nimbly shift there, but I think particularly things like sex trafficking are really hard crimes to stop investigating, then restart investigating, stop. I worry that that would suffer out of that.

Hales: That will be an interesting discussion to continue because I can see it both ways, just as you have articulated. But I understand why -- I think I understand why the recommendation was made. It makes sense.

Brady: And it's not just a shifting of resources, it's also the information. We recognize that a lot of those activities like human trafficking are very complex, time intensive, and you don't want to harm that.

Hales: And also interrelated.

Brady: Absolutely.

Hales: Gang violence and human trafficking are closely tied together.

Brady: Right, that's how they're making their money.

Hales: Yeah, exactly. Thank you. Any questions for the team?

Fritz: I'm struck by the recommendations on the special emergency response team and particularly, the finding that the members of the SERT team require 500 hours of training annually. Is that normal?

Brady: Mm-hmm. Yeah, it is. That is one of the reasons we're saying that it should be a staffed unit, because we're impacting other operations for the members that are involved in it.

Fritz: Is it normal in police -- if there were an emergency -- a standing team, would they still need a -- [speaking simultaneously]

Brady: Of course.

Fritz: -- time to be spent in training?

Brady: Yes.

Hales: It's not because they have other duties that they have to spend that many hours, it's because of the particular specialties and challenges of that work.

Brady: Right.

Fritz: I don't understand why you would have to keep doing a quarter of your time on training.

Brady: It's situational and it's also changes in tactics.

O'Dea: I think part of that conversation came out of -- the SERT team does a lot of search warrants for us. Those require pulling people to pre-plan those. You don't need the whole team to plan them, but you pull a small contingent. Except for the two sergeants, the entire SERT team works in a detached capacity. That means they're all patrol officers or detectives or doing some other job full-time. When they have a warning order to do a search warrant planning, they'll pull four or five people to come in and plan that mission. So, I think part of that justification -- when I remember the conversation before was you're pulling these resources already from here and there, and then having to backfill those assignments on overtime to get this function done.

Fritz: Right. So, that does seem to make sense to me. I still -- if they're working four 10-hour days, having the whole of one of those days be training every week -- am I understanding -- are you talking about training or planning the actual --

Brady: It's both.

Hales: Both specific skills training and pre-planning for this or that scenario.

Brady: Right.

April 8, 2015

Hales: OK.

Fritz: It would seem like having a specialized team that are going to do the search warrants, for example would be --

Hales: Eventually, some of the training would be on-the-job training.

Fritz: Right. Or if there's a standard protocol.

Hales: Right. That's worth exploring.

Fish: One more question, if I could, to our friend from Matrix. You've been looking -- there is a session here about best practices where you're comparing us to some of our peer groups. Who are the key peer group comparators that you used for Portland, Oregon?

Brady: We were very careful not to do that. We're comparing you to best practices, we're comparing you to what is the best that you can be in law enforcement services, whether we are looking at deployment, management of operations, etc. You know, Portland is a pretty unique place. We could compare you -- we could come up with a list of communities -- Seattle, others -- but it's just not going to be Portland. So, we are very careful in this bottom-up kind of approach not to give you too much top-down that results from what others do. We've worked with a lot of other communities. So, some things work and we test them out. But whether it's staffing comparisons or things like that, we just don't like to do that. I'd rather use the good ideas that agencies have.

Fish: So I get that best practices is the north star, but wouldn't it be relevant to us as decision-makers -- especially in terms of resource allocation -- to know whether anyone else is getting close to that best practice or whether the national standard is a B and not an A?

Brady: That's what we did in the study. What we didn't do, though, is give you a table that shows "here's where you stands with other communities." Because I think that's really misleading and I don't want that to generate the recommendation. I want the recommendation for something like that to be based on what level of service you've targeted here, how highly utilized people are at delivering, and whether they're managing and coordinating well.

Hales: Great, thank you all. Let's take testimony and I'm sure we'll have some other comments towards the end. Thank you. How many people do you have signed up, please?

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

Hales: Good afternoon, welcome.

Suzanne Hayden: Good afternoon. I'm Suzanne Hayden, Executive Director of the Citizens Crime Commission. I'm also a Portland resident. I want to thank you for commissioning this report to evaluate the Portland Police Bureau staffing, their business practices, and service levels to the community. I think this report is a good start to determine the right size for a police agency doing the type of work against what the community wants a city of our size using these objective benchmarking against other agencies and national best practices where they're available.

I served on the citizen advisory committee formed and met with the consultants, Matrix, and Police Bureau to review the findings that the consultants had and to also offer feedback throughout. I want to provide a couple of comments on key provisions in the 200-plus page report.

I think the report accurately recognizes the many strengths that the men and women who serve as police officers in our community and their commitment to our community, with really high levels of service given the lead staffing levels that they have and the size and diversity of our community -- the population that they serve. Many of the recommendations from the report have already been really evaluated strongly by the leadership and implemented. So, that's a positive.

April 8, 2015

One area where policing is different than other City bureaus and other careers is the time it takes to hire police officers, and I really want to point this out because the report indicates there should be a net increase of personnel in the bureau -- both officers and civilian positions. Well, what's not maybe widely understood by the community is how long it takes to hire an officer, which includes recruitment, background checks, the mandatory state basic academy training, and just to make sure that it is a right fit, they are on a 18-month probationary period as well. So, that process takes over two years.

What I want to point out to City Council is that throughout that period, police officers are retiring or leaving the bureau. So, when the Police Bureau suspends hiring or fails to fill positions that are vacant due to budget cuts, there's drastic staffing implications for up to three years following that decision. And I believe that we really need to have a more stable and sustainable way to modulate the staffing of the Police Bureau, whether that's addressed by over-hiring or rolling hiring, we just need to get ahead of that curve.

Just a couple of other issues. Computer crimes unit -- that's a significant gap, and we don't have any personnel attributed to that. And another area is the high school school resource officer positions. I think that is really an important upstream connection for our community.

So again, thank you for the leadership in commissioning this report. O think it gives a lot of really complex information to review and helps with strategic planning for the bureau and I really appreciate it.

Hales: Thank you very much. Thank you. Mr. Walsh?

Joe Walsh: My name is Joe Walsh, I represent individuals for justice. Kind of interesting sitting here and wondering why we're under indictment from the Department of Justice -- everything sounds so wonderful. All we have to do is hire some more police officers and we can fix all problems.

The major problem in Portland right now is you have large sections of the community that does not trust your police department, and all the PR in the world is not going to work. There's got to be some heavy-duty lifting here. We attended a COAB meeting the other night and for an hour and a half, we sat through a PR stunt that was put on, and the people were furious.

So, after all of this, after the Department of Justice came down, after the judge came down, after the appeal, after the wringing of hands and everybody tried to figure out what's going on -- a couple of days ago, they did the same thing after years of this stuff.

You have a major problem. Keep the cops out of your schools, period. Keep them out. Figure out how you can make the schools safe without having police in there. The police image is very special. If you have a security guard, it's totally different. They don't have guns.

And by the way, you know, when we talk about the police department, would you ask them to check their guns outside? It makes me very nervous having my backs towards them and they have their guns on. Why do you allow them to wear their guns in here?

So, here's the problem, folks. You can play this game over and over. You can have studies done. But the bottom line -- and this is not rocket science -- is the community does not trust your police department. And the police department has to work on it and it's going to take years -- not months, years -- to get that trust back. And it's not going to be by PR and it's not going to be on you telling us how wonderful they are or some study telling us how wonderful they are, it's going to be when the child looks at a policeman and is not afraid. That's when you have community policing, and we don't have that now. We have children that are terrified of our police force.

Hales: Thank you. I think I'll let you go to Wilson High School and propose that they get rid of their school resource officer.

April 8, 2015

Walsh: That was uncalled for! That was uncalled for! That was uncalled for!

Hales: Mr. Walsh --

Walsh: I want an apology.

Hales: No, you're done.

Walsh: Apology right now! Apology right now!

Hales: No, sir.

Walsh: That was uncalled for. Who the hell do you think you are?

Hales: I'm the Police Commissioner, thank you. Go ahead, please.

Walsh: Yes, and you are doing a lousy job.

Hales: Your opinion. Go ahead, Mr. Entwisle.

Steven Entwisle: My name is Steven Entwisle, lifelong resident of Portland, Oregon for 55 years. I'm a member of individuals for justice and I agree with Joe that that was an uncalled-for statement. And also, we've got to understand where policing was born out of. Policing was born out of chasing run-away slaves. That's where policing -- modern-day policing -- started.

We're ramping up a drug war. That's not a good idea. Chasing after people smoking marijuana, cannabis, pot, reefer is not a good idea either. We tried that years ago here in Portland and guess what we found out? We found out that it increases crime, which means you have to hire more police -- oh, wow. That's what we are here for, right, today?

We've got 900 officers on the streets -- or in the bureau. I see it as the crime rate is down. I think you've exaggerated a lot of this crime. I think we've got a lot of scared little men trying to build up this police force that doesn't need to be built up. It needs to be taken down. We need to take a smarter approach, and that's not the case. We're just going the same ol' same ol' here with this, with every other city doing the same thing. Portland's no different than any other city in this nation.

And my question to the president of the Police Bureau is, what's it going to take for him to come out in public and say, "hey, this officer is out of here." What's it going to take? What's it going to take? Shooting in the back doesn't work. Shooting them seven times doesn't work. You know, what's it going to take? We just have a good ole buddy system of prosecutors, City attorneys, Police Bureau, and the union all together watching each other's back, saving each other's jobs. To me, that's disgusting. And I think the public -- informed public agrees with me on this. That's all I have to say. Thank you.

Hales: Thanks. Next. Come on up, please. Welcome.

Myrlaviana Rivier: Thank you, good to see you. Thank you again for your service. I appreciate it, as many of the people that I spoke to over the last six, seven, eight, nine days.

As a member of the COAB committee, I appreciate being able to serve fellow Portlanders, and I take it very seriously. I don't really enjoy coming in these sorts of forums but given the service, it's what I have to do. I hope you can appreciate my position.

While the Portland Police Bureau announces its demonstration to proactively conduct community outreach in the planning and in the delivery of its services -- and this may certainly be the case in the instance of the Z-Man Foundation -- as I heard over the four or five days that I was in the streets and talking to well over 150 families. That was the name I heard the most, and in fact, Commander Uehara -- his name came up with a warmth in people's hearts. And I'm inspired by that, and I hope the COAB can move forward with that relationship being built between the PPB and the COAB.

However, the COAB CEOS -- which is the Community Engagement Outreach Subcommittee -- was patently shut out, ignored, and dismissed, not only by the PPB but as well the COCL during the six-day planning phase of the PPB-sponsored -- as announced

April 8, 2015

by the PPB -- public hearing. Evidently, the PPB is incapable or at least unwilling to collaboratively work harmoniously with the CEOS of the COAB.

This continued pattern of saying one thing and wholly doing another while targeting and shooting blame and shame at others serves no good to the public, the process, or any real effective sense of procedural justice.

I implore you as our collective representatives to begin to make, implement, and maintain standards which reflect the willingness to change, a commitment to not only to the settlement and the responsibilities in the settlement agreement alone, but those which foster the full and thriving development and expression of each of us.

When I learned the City Council has habitually ignored at Auditor's reports, and that somehow since the City has ignored and devalued the important work that they -- the auditors -- perform on behalf of Portlanders, I can only wonder about the operational functionality of the City. The question and focus becomes for me -- because certainly I will not even begin to imagine the City won't accept responsibility -- but rather, not only what can I do as an individual COAB member but simply as a Portlander.

I think a lot of the stories that get lost -- or the element of the story that gets lost in all of the spectrums that we hear is the trauma and the tragedy. One of the key elements of the design that the CEOS came up with was designed to address that and to bring everybody involved together in a way that we could begin to move forward, looking towards outcomes and not looking towards the past. I appreciate your time.

Hales: Thank you.

Fish: Can I just make one observation?

Hales: Please.

Fish: I really appreciate you taking the time to come and share your thoughts. You got my attention when you said that we've quote "habitually ignored" auditors' recommendations. This is not the right setting, but I think all of us would be very interested in knowing what specific recommendations from which auditor you believe we either gave short shrift to or you think we should take up. Again, this is not the right place for that, but I hope you'll share and go a little deeper on that and give us the full benefit of your thoughts on that question.

Rivier: Of course. I appreciate you asking me, and I will attend to that. I and we will attend to that.

Hales: Good, that would be helpful.

Fritz: Could you give me your name again, please?

Rivier: It's Myrlaviana Rivier.

Fritz: Thank you very much. I was going to echo Commissioner Fish's question on the audits, because he and I both participated in insisting on the Auditor's report being heard and acted on in 2010. We then had another hearing in 2012, and my understanding is we are waiting for the new Auditor -- the previous Auditor had some -- wanted more time to do some more work. So, I am certainly very open to our new Auditor who seems very proactive and who has highlighted some of the issues with Independent Police Review and others bringing those to our attention.

If you'd be willing to make an appointment to talk with myself and Dora Perry, who's helping me with our -- with my office's responsibility with the Department of Justice settlement and the fact that all five members of the Council are responsible for making sure that it's implemented, I would be very grateful to listen to your wisdom and hear some of the work that the COAB has been doing and how I might be helpful in furthering that. I know it's been really challenging with the speed that the settlement having set such an aggressive timeline at a time when you're still trying to get to know each other, understand what the responsibilities -- I don't think you've even had the formal training yet. So, I

April 8, 2015

appreciate all of the work that you and your fellow Community Oversight Advisory Board members have been taking and I pledge to you that I'm going to do more to further the work that you do.

Rivier: Thank you. I welcome the invitation. I will get in touch with you.

Fritz: If you could just stop by my office and make an appointment, that would be really great.

Rivier: Thank you.

Hales: Thank you very much.

Rivier: Thank you, Mayor.

Hales: Welcome.

Daryl Turner, President, Portland Police Association: Thank you, Mayor Hales, Commissioner Fish, Commissioner Fritz. I'm Daryl Turner, Portland Police Association President.

Mayor Hales, our Police Commissioner, has highlighted the City's strong revenue forecast and resulting need to invest in additional City revenue and basic services. One of those core basic services is policing. While I applaud the Matrix Consulting Group's recommendation to add rank and file police officers, detectives, and sergeants, I believe that the Portland Police Bureau -- to the Portland Police Bureau, the recommendation doesn't go far enough.

Among other things, the City has prioritized implementation of the Department of Justice settlement agreement, including ensuring that we have a robust response to mental health calls, community policing and community engagement, and addressing the very, very important and dangerous spike in gang violence during the first quarter of this year. To do these things, we need to have adequate staffing.

We are severely understaffed. 14 years ago in 2001, the city had a population of 536,240 residents. We had 1049 sworn police officers, which is about 1.96 sworn officers per thousand. As of 2013, a population of about 592,120 with 944 sworn officers. We are now at about 1.59 officers per thousand.

During that same time, self-initiated activity has gone down annually 20,000. Self-initiated calls are those situations where police officers actively address enforcement issues such as car prowls, car theft, bike thefts, things to that nature. In other words, the number of times officers are able to proactively serve our community has dropped 10% annually. And that's a large part of what -- part due to reduced staffing. Fewer officers mean fewer opportunities for proactive policing.

In sum, since 2001, the city population has grown over 10%, yet we've lost over 10% of our ranks and our proactive policing by 10% a year. That's a very disturbing trend. The city is getting bigger, the Police Bureau is getting smaller and less able to serve the community in the way we believe the community should be served.

That trend is even more troubling when we compare our city to the rest of the nation. In 2010, the FBI published a report that indicated that the national average for cities with a population over 250,000 was 2.7 officers per thousand of the population. By contrast, the city of Portland currently is at 1.5 -- as I mentioned before -- officers per thousand of the population.

Using a national average of a city the size of Portland, we would need over 1600 sworn police officers. We are not advocating for that many police officers. We currently have closer to 900 rank and file officers, however. In other words, each of us would have to -- we would have to have average staffing to build up to 700 more officers -- again, which we're not asking for. What we're asking is that you look at the staffing study but also look at these other numbers and make recommendations to hire more police officers over the next five years and just the 23 positions that are advocated for. Thank you.

April 8, 2015

Fish: Mr. Turner -- three quick questions because we have a lot of people --

Turner: I understand.

Fish: Number one, were you interviewed by Matrix?

Turner: No, I was not.

Fish: Did you ask to be?

Turner: Yes, I did. I did, I talked to the Chief of Police at the time, and asked to be -- if we could be part of the process, and we were never called on.

Fish: OK. Could we get a copy of your testimony?

Turner: Yes, I will email it to all the Commissioners.

Fish: And then, I'm just curious -- is the right benchmark the ratio of police officers to population, or is the way to measure an effective police force looking at the crime statistics and data and then sizing the force to meet the current need?

Turner: I think it's a mix of both. I think we have to understand we've gone down in police officers and down in self-initiated activity. A lot of self-initiated activity that has gone away would help be proactive towards crimes, towards community policing and community engagement, and a lot of the other things that everybody here is advocating for already.

Fish: But I mean, I guess the simple point I'm making is you can look at, you know, police officers as a percentage of the population -- that's a matrix and it probably allows you to look at where you stand with peer cities. But if certain crime statistics have been declining, that doesn't help us really make the tougher decisions about how do you right-size a bureau given the resources that are available?

Turner: A perfect example real quick -- because I know you're in a hurry -- is the SROs in the schools. A school like Grant High School has one SRO and about 2000 students. That doesn't include the middle school or the elementary schools, which I believe we need SROs to be able to go to those schools, too, and be able engage children at their youngest ages so when they are become older, becoming middle school students and high school students they're used to engaging with police officers, used to talking about police officers, they understand their rights and responsibilities. But not only that, they are friendly with police officers. It is not an adversarial relationship just based on cultural -- how you grew up or where you grew up, but also that engagement you have from the lowest level of school all of the way up to high school levels.

Fish: Thanks very much.

Hales: Other questions? Thank you both very much.

Turner: Thank you.

Hales: Unless there's anyone else signed up to testify, I think we might want to save further questions for the Chief for later unless you have comments. A motion, please.

Fish: Motion to accept the report.

Fritz: Second.

Hales: Roll call on that, please.

Item 368 Roll

Fish: Thanks to Matrix -- and that's probably the briefest and most concise presentation we've ever had. Mayor, we should take that clip of the video and send it to all of our consultants. Thank you for your good work.

Chief, I think we all look forward to the continuing conversations of your reactions to the recommendations -- and I would say in particular, it would benefit me to get your first cut of sort of the high-level, high priority recommendations, how do you react to them, where -- if at all -- do they fit into the current budget conversations? And then, because this is a multiyear effort, sort of prioritizing when we're going to come back to these questions. Because obviously, we're not going to get to all of these or most of them in this fiscal year.

April 8, 2015

Thanks to everyone who came out to testify and to share their views. And as someone who served on the original span of control report with Commissioner Novick at the Mayor's request, this whole exercise that the Mayor set up right after he got elected I think has been extremely valuable for the public and for the Council. So I appreciate, Mayor, you suggesting it. When I started the assignment I wasn't sure whether to thank you or to go a different direction. But I've learned a lot and I think that the information we're developing is going to help us be smarter about what is a right size Police Bureau going forward. Aye.

Fritz: Thank you, Mayor, for your leadership, and particularly Commissioner Fish and Commissioner Novick for requesting this study. Matrix Consulting Group has done an excellent job and it's very clear, detailed. It's good to have outside eyes, particularly outside eyes who look at other police bureaus and look at right-sizing. So, it's very helpful and I appreciate the level of detail.

It does show a gap in community perception of the Police Bureau's outreach, despite the efforts that have been made and that's something that I think we can engage our Office of Neighborhood Involvement and our Office of Equity and Human Rights in helping to address and advise, in addition to perhaps different kinds of training for our current officers.

It showed the needs to civilianize selected positions, rather than to continue to use sworn officers. That was a trend that, over the course of the recession, we protected sworn jobs over the non-sworn jobs and now, it would be better and that might help address some of the gap in the hiring needs that was referenced by the Citizens Crime Commission and others -- that we have officers currently doing roles that non-sworn officers could do, and so we need to continue to look at that.

I'm particularly interested in continuing to decrease the amount of overtime that officers are working. It is not safe for anybody for officers to be working two jobs in the hours that they put in, and we need to make sure that we right-size to optimize the amount of overtime not only for community safety, but also the officer safety themselves.

I very much appreciate the input from community members who testified, particularly the Community Oversight Advisory Board. There are many different ways that we are looking at how we do policing in Portland, Oregon, and many ways that we can make improvements, and so I thank everybody for their engagement in that. Aye.

Hales: First, I don't want anyone to mistake the brevity of this presentation for superficiality of how this report will be considered. I want to thank you to you for producing it -- you and your firm, Mr. Brady. As someone who used to work for a consulting firm, I want to assure you that your work is not going to be a shelf study. Aristotle said once that the unexamined life is not worth living. Well, the unexamined city is not worth living in. And when we get an outside, a careful review of what we do here in this city, we do take it seriously. Our Design Commission chairman is back. We heard a report from the Design Commission this morning about how to improve the design of buildings in our city. We take that report seriously. When our Auditor delivers a report to one of us about one of the bureaus, one, we all get it; and two, we all read them; and three, we all carefully consider how to make it better.

So, it's really important to me and I think it's important to all of us as Council members that we get these kinds of clear-eyed outside reviews, whether it's by citizen volunteers as we had this morning from the design community, from a professional consultant, or from our independently-elected Auditor.

One thing I want to reiterate -- I want to thank you, Commissioner Fish, for your work, along with Commissioner Novick and the rest of the Council on the question of, "do we have the right ratio of managers to workers in all of our bureaus?" But each of us have

April 8, 2015

a Commissioner-in-Charge responsibility, but all of us have to be stewards of all of our bureaus and to make sure that they're working well. So, I want to specifically invite my Council colleagues to look at this report further, to come up with ideas and questions for the Chief and bureau as we work our way through those 90-some recommendations -- 190 recommendations, I think. And there's a lot of depth in that report and I intend to spend a lot of time with it with the Chief.

And then, some of these fairly significant potential changes in how we structure the work -- as we just had a brief encounter about here -- need to be debated and thought about and tested. But it's an important piece of work. It will inform how we do the work and how much money we spend on doing the work, and both are very important. I want to thank everyone who has participated so far in this process and look forward to continue it. Thank you for good work. Aye. Thank you all very much. We will move to the final item this afternoon, which is 369.

Item 369.

Hales: This is a quasi-judicial land use hearing and we follow prescribed procedures for how we conduct those. Those are laid down for us in state law and our code. So, both I and the City Attorney will set up that discussion and then we'll proceed.

First thing I need to do is ask if any members of the Council have any ex parte contacts to report or any potential conflicts of interest with this case. Hearing none -- I have none myself -- I'll turn it over to our City Attorney to detail the process that we'll be following for the hearing.

Linly Rees, Deputy City Attorney: Good afternoon. This is going to be an evidentiary hearing. This means you may submit new evidence to the Council in support of your arguments.

We'll begin with a staff report by Bureau of Development Services staff for approximately 10 minutes. Following the staff report, the Council will hear from interested persons in the following order. The appellant will go first and will have 10 minutes to present his or her case. Following the appellant, persons who support the appeal will go next. Each of these persons will have three minutes to speak to Council. The principal opponent -- in this case, applicant -- will then have 15 minutes to address City Council and rebut the appellant's presentation. After the principal opponent, the Council will hear from persons who oppose the appeal. Again, each person will have three minutes. Finally, the appellant will have five minutes to rebut the presentation of the opponents of the appeal.

I'd like to announce several guidelines for those of you who are addressing Council today. First, submitting evidence into the record. Any letters or documents you wish to become part of the record must be given to the Council Clerk after you testify. Similarly, the original or a copy of any slides, photographs, drawings, maps, videos, or other items you show to Council during your testimony, including PowerPoint presentations, must be given to the Council Clerk to be sure that they become part of the record.

Second, any testimony, arguments, and evidence you present must be directed toward the applicable approval criteria for the land use review or other criteria in the City's Comprehensive Plan or zoning code you believe apply to the decision. BDS staff will identify the applicable approval criteria as part of their staff report to Council.

Third, issues must be raised with specificity. You must raise an issue clearly enough to give Council and the other parties an opportunity to respond to the issue. If you do not, you will be precluded from appealing to the Land Use Board of Appeals based on that issue.

Finally, the applicant must identify constitutional challenges to conditions of approval. If the applicant fails to raise constitutional or other issues relating to proposed conditions of approval with enough specificity to allow Council to respond, the applicant will

April 8, 2015

be precluded from bringing an action for damages in circuit court. And that concludes my remarks.

Hales: Thank you.

****: [inaudible] -- point of procedure, Mr. Mayor.

Hales: Sure -- question?

****: Yeah, well, not really a question. I am with the [inaudible] responding to the appeal. However, I don't know if you know about the events of the last 24 hours.

Hales: I'm sure you can tell us about them when you testify. You'll get a chance to put on your case here.

****: [inaudible]

Hales: No, we're going to conduct the hearing because we have to do that, it's on the Council calendar.

****: Well, I realize that, but it is a violation of our fundamental due process rights to have a fair hearing because we haven't had an opportunity to respond to the [inaudible] pages of documents that were just filed.

Hales: We'll give you the opportunity to make both substantive and legal arguments here today. We have a pretty prescribed procedure, and we don't get to make it up as we go along. So, we will then take a staff report. Good afternoon, welcome.

Jeffrey Mitchem, Bureau of Development Services: Good afternoon. My name is Jeff Mitchem, I'm with Bureau of Development Services, and I'm here to provide the staff presentation for the appeal of the Design Commission decision to approve Block 136. Today, I'm going to talk about regulatory framework, proposal summary, project context, and appeal summary, and then follow up with an appeal response.

This is a Type III design review with modifications. The approval criteria are the Central City Fundamental Design Guidelines, River District Design Guidelines, modification criteria, bonus height option for housing, land use review. Approval findings must find in excess to relevant design guidelines or modification approval criteria.

Design Commission decision was rendered on January 22nd, published on February 2nd, and appealed on February 17th. In the way of overview of the project, --

Fish: Mayor --

Hales: Is that a phone going?

Fish: Does someone got a phone going off?

****: Sorry about that.

Hales: OK. Thank you.

Mitchem: In the way of overview of the project, it's two north-south oriented buildings plus a courtyard. Fronting NW 13th is an office retail building approximately 75,000 gross square feet. It's a brick-clad building approximately 76 feet height, four stories of office over retail. It's got a rooftop terrace and an ecoroof.

Fronting 12th Avenue is a residential tower approximately 205,000 gross square feet. It's a glass and metal building, 150 feet in height, 15 stories, 208 apartments, eight town homes. It also has a rooftop terrace and ecoroof. The central courtyard is approximately 10,000 square feet. It's publicly accessible and has an internal loading dock on the west side off of the back of the brick office building on 13th. It's programmed for lots of spill out on the ground floor, active and passive uses within. Parking and loading is accessed from 12th Avenue. There are 196 spaces, some long-term bike parking underground, and three loading stalls. That project as described was unanimously approved by the Design Commission on January 22nd.

The project lies at the intersection of Kearney and Johnson and NW 12th and 13th Avenue. It's a full city block. It's centrally located within -- excuse me, it's on the north end of the Central City Plan District and also within the River District. It's centrally located

April 8, 2015

within the Pearl District Neighborhood Association. It is adjacent to -- across the street to the southwest to the NW 13th Avenue Historic District. One block north is the North Pearl subarea, and another five blocks or so east is the Union Station area.

As far as some photographs around the site goes, this is the southeast view from NW 13th and Kearney. This is southwest view from NW 12th and Kearney -- so, just spinning around the other way. This is the northwest view from the corner of NW 13th and Johnson Street -- some context across the street.

Zoning for the site is EXD, central employment with a design overlay. Floor to area ratio is four to one base, and with maximum achieved FAR, it can be seven to one with a residential bonus option.

The base height is 75 feet and with the 45 feet of general height bonus for an achieving that three to one floor area ratio and an additional 30 foot bonus option for housing, the maximum height is 150 feet.

This is the view of the project massed up, showing the 13th Avenue brick building oriented directly to 13th Avenue and stepping down to the historic district across the street, and the taller tower building stepping up to the greater massing to the North Pearl.

This is a cross-section through the site looking northward, showing in green that the base height limit achieved at both levels of the building. And then again, the 120-foot or the 45-foot bonus is achieved through the general FAR bonus. In blue is the discretionary bonus, the additional 30-foot bonus.

As summarized by the appellant, the appeal claims a flawed public process, improper awarding of height bonuses, and a claim that the project does not meet all applicable design guidelines.

As for the flawed public process, the appellant asserts that the PDNA did not comply with ONI due process standards, and staff and Design Commission have concluded that the coordination between neighborhood associations and ONI are outside of the Bureau of Development Services and Design Commission power and duties.

Staff and Design Commission complied with all City and State-mandated public notice requirements, including hearing notices, site posting, BDS website posting, and public testimony at three DARs and two land use hearings.

Also regarding flawed public process, the appellant asserts that the commission asking land use hearing testifiers where they lived in reference to assessing view impacts was improper. Staff Design Commission conclude that the Design Commission was acting within authority to seek clarity on specific view impacts only.

Also regarding flawed public process, the appellant asserts the commission improperly considered future design guidelines in the land use hearing process, implied by the commission referring to the building as quote, unquote, "transitional," and that the commission was really considering impending height limit increases vis-à-vis the West Quadrant Plan.

Staff Design Commission conclude that Design Commission referred to the building as transitional under current height limits only, from lower in the adjacent 13th Avenue district to higher in the North Pearl subarea one block north.

As regard to improper awarding height bonuses -- improperly awarding height bonuses -- the appellant asserts the allowance of two separate residential housing exceptions to the height limits is improper -- all height limit bonuses should be discretionary within the design review process. Staff Commission conclude that as described in the final findings and decision, bonus height was awarded because it was determined that the project met and in some cases exceeded all applicable design guidelines and criteria contained in the Portland zoning code, River District Design Guidelines, and the Central City Fundamental Design Guidelines.

April 8, 2015

In short, the bonus is a three-step process. Step one is achieve floor area ratio. The project did that through C1 residential. A maximum FAR award of three to one was given. That is a non-discretionary award.

The height award then follows. Because the project achieved a three to one FAR, it is automatically awarded general height bonus of 45 feet. And that award does not have additional criteria in the design review process.

Third step is the discretionary part of it, which is bonus height for housing. So, additional height bonus is available through the applicable criteria contained in 510.210.E4, A through F. So, those criteria applied to the request. Commission findings supported the bonus in their decision, citing all criteria.

It's also worth mentioning that under item one, C4 rooftop gardens and C10 ecoroof could have also been sought as justification for the wording of additional FAR. The applicant chose not to seek those. Those remain part of the project.

With regards to public -- excuse me -- process does not meet all design guidelines, the appellant asserts that the opinion of the Design Commission fails to include 33.510.210 D as part of the specifically enumerated approval criteria. Staff and Design Commission conclude that the project achieved bonus FAR and was awarded general height bonus of 45 feet, as previously stated. This award is nondiscretionary in the design review process. Sites eligible for this award, as identified on map 510-3, have undergone discretionary review in past legislative BPS planning studies, and Design Commission evaluated the project in its entirety -- including all bonuses -- under all applicable design guidelines.

City Council alternatives before you are to deny the appeal and uphold the Design Commission's decision to approve the requested Block 136 design review with modifications; number two, deny the appeal and uphold the Design Commission's decision to approve with conditions added -- the requested Block 136 design review with modifications; or number three, grant the appeal and overturn the Design Commission's decision to approve the project. That is the end of staff presentation. Any questions?

Hales: Thank you very much. Questions? OK, thank you. Alright, then it's time for the appellant to come forward, please. Good afternoon.

Burton Francis: Good afternoon. Well, I have to take some of my time to address the procedural issue because I'm not making this up, Mr. Mayor.

Hales: No, no -- we can't make the process up is what I was saying. State law is pretty explicit with us about how we do this. So, please don't take offense at that.

Francis: Well, I'm not --

Hales: Because this is all choreographed for us under ORS. Just put your name in the record, and we'll give you a little extra time to put on the legal issues --

Francis: Burton Francis for the record, representing Preserve the Pearl, LLC. I do know what procedural due process is about -- that's a full and fair hearing. And in order to have a full and a fair hearing, you have to have an opportunity to respond to the documents and whatever argument that is submitted by the other side. I got a phone call at 4:56 yesterday afternoon from the Clerk's office of your chamber informing me that they had just received a very thick document from the developer in opposition to the appeal. There's no way that we have had a meaningful opportunity to review that document. I spent an hour and a half this afternoon looking at it and only got through page 18 or 19 of 51-page argument. There's no way for us to meaningfully prepare against those arguments -- many of which are false in there. And there is no way for us to meaningfully respond in writing to those arguments.

Hales: Let me make a clarification for you, which maybe the City Attorney can assist with.

Francis: Sure.

Hales: Your job in this process is to argue against the Design Commission's decision.

April 8, 2015

Francis: Right.

Hales: Your job is not to argue against the developer or applicant's proposal. The Design Commission has made a decision. It's been appealed to the City Council. Your -- the proposition before us from you is to tell us why the Design Commission erred in approving the project. So, that record is -- you've got that record.

Francis: I'm prepared to do that. However -- you know, I look at the developer's paper as some as an amicus curiae. And under any procedural due process rules, we should have an opportunity to respond to that in writing. Otherwise, that's the last document that you folks get to see. I'm sure that your staff -- I'm being a little presumptuous, but I'm sure your staff hasn't digested that big binder that's sitting in the Council office over there --

Fish: So, after you have a chance to tell us your position on the appeal, at some point you'll get to make a request of us in the nature of responding further. You have the right to make a request for things like keeping the record open, or asking the Mayor's schedule -- further opportunity for you to respond. What the Mayor is telling you is we'll get to that. We're actually very interested in hearing your substantive arguments about why you think the Design Commission got it wrong, and then you will have a full chance to raise those issues later, including making requests of us to continue the hearing.

Francis: Can I make that request now, just so we can get it out of the way?

Hales: No, because we want to have the hearing.

Francis: OK.

Hales: So, we want you to make the case as to why the Design Commission erred.

Francis: Well, I hope I don't forget to ask you that I need to submit further documentation.

Fish: We'll remind you.

Rees: So, just for purpose of the Council, the City Attorney has made note of the request and I will make sure to remind Council to take it up at some point.

Francis: Great, thanks. I'm glad we made that record. Now, to the substantive argument of the design decision.

This overall is clearly a north of Lovejoy building in a south of Lovejoy location. The whole trend in development in the Pearl District has been that the height limits have been blown north of Lovejoy and so the no low district has basically one of the tallest -- if not the tallest -- development in existence right now in Portland that's ever been developed going in right now. Under the current design guidelines that exist now, there is still something called the Middle Pearl between Lovejoy and Hoyt and between the freeway and the river. And those are the design guidelines that should be applicable.

With respect to the flawed public process, I think that the comments I just made contribute to that. I'm not going to address that because I don't have much time. I'm not going to address the issue of whether there's a double-dipping on housing exceptions. What I want to get into is the criteria that was deemed approved by the Planning department.

Just now, you heard that 33.510.210.D -- the general exception -- is some sort of automatic provision. I've reread that provision many, many times. There's nothing in that provision that says this is an automatic given. In fact, there's criteria under that section 210.D that need to be addressed -- one of them being the preservation of the 13th Avenue Historic District. And in the paper that I was able to briefly peruse from the developer, they say that that zoning provision there doesn't include preservation. In fact it does -- it says that. So, you have to look at the impact of the 13th Avenue Historic District under that provision 210.D.

And you can use the intellectual ruse of it being a heartwood versus a ceiling or a seed versus a sapling -- the developer uses this language as somehow relating to the historical context of Portland being a timber place. It's really not. The correct floral

April 8, 2015

reference would be apples and oranges because you have a smaller mid-rise and you have a high rise, and the smaller midrise is by everyone's acknowledgment consistent with that district, the Middle Pearl, and consistent with the 13th Avenue Historic District. This 150-story wall they want to erect in our neighborhood is obviously an outlier.

With respect to the criteria of housing exception under 33.510.210.E.4, you have really only two criteria that are applicable, the E and the F provisions. The E provision says that the project needs to better meet the applicable design criteria. That means every one of the design criteria. The argument that's made for this project linking the community to the river -- at least by the documentation that I was able to review briefly -- is that it's all about whether their new building has views of the river, whether their rooftop has views of the river, whether their own project has views of the river.

I read the Central City Fundamental Design Guidelines and River District design guide overlay very differently. I view it as a public document. I view it as a document that's in favor of the public good, not as some prop for private development. And in that sense, a 150-foot wall that runs from north to south through this block -- which is in the center of the residential area of the Pearl District, not as it's misrepresented in the paper that I was just reading, whether it is in fact geographical center of the Pearl District -- it's in the center of our residential area. It fails to link us to the river and the community to the river. It in fact creates a wall or a curtain and curtains off that relatedness.

The River District Design Guidelines at page 10 suggest that orienting buildings and towers perpendicular to the river signals a shift in the landscape that will foster an awareness of the river's presence to residents, commuters, workers, and visitors. So, buildings like 937 Glisan -- which is in existence right now -- is oriented on an east-west axis, not a north-south axis. So, any complaints that the developer has that the north side of their building be in darkness or something like that isn't supported by the way the current development in the district exists.

Our orientation in the neighborhood is that the river is clearly to the east of us. How do you get across the river? You go down Lovejoy. Lovejoy is an east-west street. So, there should be at the very minimum a reorientation of this project so that it is on an east-west axis, not on a north-south axis.

What would that do? It would reduce the walling off of the residential portion of the Middle Pearl to the Union Station, the Steel Bridge, Mount Hood. It would relate this massive tower to the Lovejoy corridor. And when we're talking about -- you heard a little about the Design Commission talking about this being a transitional building -- did you notice how the transition was related to the north of Lovejoy? That was the reference point for the transition. If the orientation is going to relate to north of Lovejoy, it should relate to the Lovejoy corridor, which would be an east-west axis, not a north-south axis.

Positioning the tower on the furthest northern edge -- I'm talking about on Kearney - - would remove it as far as possible from the 13th Avenue Historic District, and therefore would have less impact on that. It would orient their public space in between the two buildings to feed on to 13th, which would contribute to the vibrancy of 13th Avenue. It would enhance the existing pedestrian walkways that are in the neighborhood at the time.

And there's been some quibbling that I've heard before about the fact that those are public walkways, not private walkways. I don't care what kind of walkways they are, they can't have it both ways. If they want to have a public space in between their two buildings and invite the public in, we're talking about access by the public, and the east-west pedestrian network specifically talked about in a positive way in the River District Design Guidelines.

If you orient it east to west, you reduce the profile of the tower. You reduce it from a wall to a profile, to a side line. This reduces the size and the density of the shadow that's

April 8, 2015

cast all of the way over to Jamison Park -- and beyond, because the shadow study shows that it goes all of the way to the residential buildings across Jamison Park. It would reduce the afternoon shadows cast on existing residential projects in the district, and I'm specifically talking about the Riverstone. If you have a north-south axis with this project, you are condemning the existing residential community of the Riverstone to perpetual shadow.

If you oriented it onto Kearney, you have a commercial building to the north of that that would be shadowed to some degree on a north-south axis basis, and you would reduce morning shadow if it was a profile rather than a long wall.

Let's talk about enhancing and embellishing the identifying areas under A5 and also under C4 -- and I'm referring of course to the design guidelines. The River District, it says in the River District Design Guidelines, is composed of many distinct special areas. Each of these areas is characterized by unique features, opportunities, or a special history. A new development should enhance the qualities of that.

As I said from the beginning, this is a north of Lovejoy building being put into a south of Lovejoy location under the existing design guidelines. And the existing design guidelines are supposed to be a 75-foot base. Is this consistent with F of the applicable design guidelines? E.4.F. I'm almost done here. That is an interesting feature because that incorporates 33.510.205.A criteria into the design guidelines of this project that's applicable. And the key point here is that there's supposed to be a stepping down of building heights to the Willamette River -- and we just talked about that in front of the Council here with the West Quadrant Plan, right?

The stepping down is shown. There's no way that this tall tower steps down to the river. If you look at the exhibits we provided, it just doesn't do it.

Hales: OK, I just need you to wrap up soon.

Francis: Just one last sentence please -- thank you. The developer argues that just because they meet the height and the bonus that therefore it makes it a step down. That's a tautology, it's not a step down. That's all I have as far as my opening remarks.

Hales: OK, thank you. Questions at this point? We might have some more later.

Francis: OK. I'd love to answer any questions. No questions? OK.

Hales: Thank you. Now, we'll take individual supporters of the appeal who have signed up.

Moore-Love: I show six people who have signed up. First three, please come on up.

Fish: Sir, you can leave them with the Clerk.

Hales: Good afternoon, welcome. Whoever would like to go first.

David Halliburton, Jr.: Guess I'm up. Hi, good afternoon. I'm David Halliburton, Jr. I'm a resident at 820 NW 12th Avenue in Portland in the Riverstone that you just heard about. I'm here to support the appeal. I believe that everything that Preserve the Pearl has said is absolutely true, and those are the base facts of what we're talking about. I'm just a simple guy that lives in the Pearl District that is here to talk about what's happening.

We've got a situation where the Pearl has become this icon of international interest, and it was based on a sustainability and to bring reconstruction rehab of an area that was blighted -- to bring new life into it and to have low-level, sustainable living in a multi-family or multi-unit situation.

The Riverstone was one of the first buildings in the area. It's a six-story building. When we bought in there we thought, here we go. Across the street was the PNCA. At the point it sold, there was no notice. I live right across the street from the place. I had no notice it was for sale. And then I find out that the developer and the president of the college and somebody else are all put together and they got to move over to the building on Broadway, which is the federal building, and that's great for everybody. But where was the ability for anyone close to come in and bid on this project?

April 8, 2015

Secondly, I think that when this building comes into hand, we're looking at safety. I do agree that the east-west orientation of the corridor is absolutely -- it invites all kinds of suspect activity in the area. If you go around to the Pearl District and especially the Sitka apartments, you talk about their open east-west corridor and what kind of activities that's brought to their particular unit, you're going to find nothing but trouble.

The Pearl has accepted and been part of the development of Portland, Oregon. We have taken in its low-income housing, we have taken in its -- the homeless, we've got Portland Loos around there. Let's let some other part of town take the brunt of this for a while. Let's put some Portland Loos and affordable housing in other areas, not the Pearl. Let's let the Pearl be a -- in that area of 12th Avenue, and what we're talking about is a condo area, not an apartment area.

A 16-story condo will take away all of my -- any sunlight that I ever have a chance of seeing looking to the west. Six stories I'll be able to live with. Some sun will come in. Sixteen stories is a huge, big block right there. It's going to block out Jamison Park. It's going to kill me and all the trees up and down 12th Avenue. Once you approve a 16-story apartment building for 12th Avenue right there between Johnson and Kearney, it's going to run right down 12th Avenue. 24 Hour Fitness, those there guys will dump that in a heartbeat. They don't want 16, they're going to want 32 stories.

Is that what you want to put on 12th Avenue, which is a very, very small avenue? It really just used to serve railroad cars to go up to the brewery. It's not a big street. And you're going to have garage access on 12th Avenue right there? Loading zone, all of this stuff? Where are all these people going to go?

You got 196 parking spaces, 208 livable units, and that doesn't even account for the people working in this other building. Let's go back to the original design concept, which was two six-story apartment buildings side by side. Leave it at that, forget all this other -- we don't need office spaces in the Pearl. What we need are parking spaces. Alright? Thank you.

Hales: Can I ask you one question? I want to make sure I understand. You're saying the idea that east-west open space is not a good idea?

Halliburton: It's not a good idea.

Hales: Isn't that what exists in the Riverstone?

Halliburton: It has -- the access to the Riverstone is controlled.

Hales: I'm looking at that here --

Halliburton: It's a controlled access. If you're going to control access --

Hales: Oh, because it's not public.

Halliburton: Correct.

Hales: I see, OK. I understand your point.

Halliburton: You see my point?

Hales: Yeah.

Halliburton: Thank you.

Hales: Thank you. Welcome.

Jeff Merrick: Thank you. My name is Jeff Merrick, and I just want to talk about your discretion on the height. This is my simple submission to orient you to what we're talking about.

We've got Jamison Square that we're all familiar with where the kids play with their moms when it's sunny. And west of that is the Riverstone condominium, and west of that will be this 15-story wall oriented to block the entire park as it is now designed.

You know, one day after work -- it was kind of a rough day. I got off the streetcar at Johnson and 10th and I sat in the park for a while to catch a little bit of sun. On this picture, I sat right where I took the picture here in the lower corner. And then I noticed what I

April 8, 2015

always notice -- the curtain of shade that comes down because of the six floors of the Riverstone. So I took a picture of the kids getting edged out of the water, in the last little bit of sunshine. You can see the picture I was looking at of the Riverstone blocking the sun.

And so I looked it up. Sunset should have been 8:40 that day. The sunset on the kids was 6:17 that day. So, the parents had on that May day -- and it's less other times of the year, obviously -- you know, moms come home after work, they have one hour of sunshine with their kids in the pond, and then it's done. And you add 15 floors -- or another nine floors, right behind this -- these kids won't get any sunshine.

So I guess I'm just asking you -- you know, I guess you have a choice, really. Do you stand with my rich white brothers from Seattle to help them add their towers, or do you want to stand with the poopy pants little kids and give them another hour in the sunshine with their parents? And today, I'm for the poopy pants little kids and I hope you guys are, too. Thank you for your time.

Hales: Thank you. Welcome.

David Moiel: Good afternoon. I'm David Moiel, I'm a retired surgeon.

Fish: Can you move the mic? The whole thing slides.

Moiel: David Moiel. I'm a retired surgeon for three years. I lived in Riverstone for 15. I was made aware that the Pearl District Neighborhood Association was a stop-off point for advice and decision-making related to building in the Pearl. When the project PNCA closed, moved, or sold, I would have expected the neighborhood association to play a role and got engaged in the process.

Went to probably eight now meetings of their group, joined by my neighbor down the hall, who was a standing member of that group, a voting member. He was unaware that there was any discussions about the project. And as we found -- because the minutes of the meetings for the Pearl District Neighborhood Association were not current -- as a matter of fact, there was kind of an inability to get them done on time -- anybody that wanted to know what was going on had no access to information.

The Pearl District Neighborhood Association has been around since 1991. It still -- up until the end of this last year, 2014 -- does not have a connection to any of the condo associations so that the condo associations in that district know what's going on. There's no official connection between these groups, which is really kind of surprising to me.

As someone that went to the meetings for the district association -- the neighborhood association -- it became very clear they were their own entity. And because most of the people that live in the Pearl are renters -- there are owners of which we represent some owners -- most of the people living in the Pearl are renters. The ability for the people who contribute and feel it's a neighborhood -- not a transient rental group -- are really under-represented or not represented.

And the ONI through the NWNW had sent to the district association that they were not performing according to the metrics of having their information out there. That was in 2012. I've included some documents about their performance. The people at the neighborhood association do good work, but really them as a voice for the neighborhood is inadequate. Thank you.

Fish: Sir, can I just -- because we're going to have other people testify. We're hearing this as an appeal of a decision by the Design Commission. You're raising perfectly valid concerns as a citizen about the neighborhood association, whether it represents your interests, other kinds of things. But I would say for other people testifying, we're bound by a set of rules and laws, and so it's most helpful to us to hear why people believe the Design Commission got it wrong, and what code language has been applied incorrectly. It's not to say that I'm minimizing your concerns, I'm just saying that it doesn't help us other than with becoming aware of what --

April 8, 2015

Moiel: I'll say one thing. This project went through the neighborhood association and got massaged into a direction based on their advice which did not represent the neighborhood to the current status that it's in.

Fish: OK, but --

Moiel: That's the point.

Hales: I hear you.

Fish: The Mayor is very generous in terms of these hearings in making sure people get a chance to be heard, but the question of the sale of the building or the question of the neighborhood association is not technically the issue that's before us. And the more focus on the code and the specific legal issues, the more helpful it is for us to then decide whether we think the Design Commission got it right.

Moiel: OK, thank you.

Hales: Thank you very much. Next three?

Moore-Love: The last three, please come on up.

Hales: I think Mr. Ackerman is representing the applicant. Anyone else want to speak in support of the appeal? You two get the last word on that side of the question.

Suzanne Lennard: I am not speaking for myself, I'm reading a testimony from Judy Duncan, who is a real estate agent in the Pearl. My name is Judy Duncan.

Hales: And this is Suzanne Lennard reading the statement.

Fish: We have to have your name.

Lennard: I am Suzanne Lennard, 1030 NW Johnson Street in Tanner Place, Director of the International Making Cities Livable Conferences.

My name is Judy Duncan. I live at 725 NW 10th number 503, Portland, Oregon, in the Tanner Place condominiums built in 2000. I discovered the Pearl District in 1996 before mainstream knew what the Pearl District was or where it was. I fell in love with the concept of the City and developers taking this blighted area and creating a residential area where people could live, work, and recreate. At that time, there was no Jamison Square Park, only a few new condominiums developed and vast, old rail yards. Imagine.

I have been a real estate broker for the past 22 years. After discovering the Pearl District, I moved my residence and my business to the Pearl in 2000. I wanted to invest in this neighborhood and work here.

I love my neighborhood and have many friends here. I meet many people who are moving from another state or country. What draws people here is that it feels European, people say. This is created by not having canyons of very tall buildings. The ambience we feel around Jamison Square is very pleasant and inviting with an abundance of air space and open skies with light -- such a critical need in the winter months.

The Pearl District is changing. That is a fact and it will continue to change because people want to live, work, and play here. It's very inviting. We who live and work here should have a determining weight in what is built here. We have the vested interest. We pay the taxes to maintain what it is.

The visionary and father of the Pearl District, Al Solheim, could not have said it more wisely. I quote, it's been especially exciting over the past 20 years, and it's going to continue. And that's because people who've been involved in developing it are local and they understand what can and should be done. They care about what they are doing. Where do you who are affecting the changes live, work, and play?

Hales: Thank you. Welcome.

Elana Schwartz: Good afternoon. I'm Elana Schwartz, I live at 820 NW 12th Avenue and I'm here to whole-heartedly support the Preserve the Pearl, LLC appeal. I agree with everything that was put into that appeal. But I want to make two points this afternoon.

April 8, 2015

One is -- I'm sorry Commissioner Fish, but it is about the Pearl neighborhood association. That was part of the appeal, that there wasn't due process -- that the neighborhood association met with the developer and we as the residents of that community were not notified, were not told about it, couldn't find out about it in the notes. So frankly, I feel ripped off. I work for the City of Portland. I'm not here -- I'm on my own time right now, but I know that is not the intent of ONI to have something like that happen.

Fish: My only point was you're actually before the City Council now, and we're the decision makers. You get to make whatever argument you want about the law and the code, and you've got the Council's attention. I'm just saying, it doesn't -- whatever challenges there are with the neighborhood association, you're actually talking at the decision makers. So we can go right to the legal issues that concern you about height and code interpretation and precedent, and we're going to make a decision based on your testimony. That's the only point I was making.

Schwartz: Right. And my point is we may not be here if the neighborhood association had included us from the beginning. I just wanted to make that point.

The second point I want to make is at one of the DAR meetings, the owner of Cool Moon Ice Cream was there. I don't know if she is here today. She gave a testimony. She's a small business owner, and she gave a very compelling testimony about the increased density of the shadow on the park is really -- could really affect her business. And that's the kinds of businesses we want in Portland. I mean, if you have ever been to that corner, that business brings people out. There are children playing, there are multi-generations of people there. And her business will be in jeopardy with this building. That's the kinds of businesses that we want in Portland. I know that you support small businesses. The neighborhood definitely does not need another Botox shop or something like that.

In conclusion, I just want you to listen to the testimony here, the recommendations put forth by the Preserve the Pearl, LLC and remand this case back to the Design Commission. We're not opposing building. We're opposing the orientation of the building and the height of the building, as was represented in the appeal. Thank you.

Hales: Thank you.

Fritz: Could you just tell me, why do you -- so presumably you would like it to be oriented 90 degrees.

Schwartz: Right.

Fritz: In your own words, why would that be better?

Schwartz: Because it doesn't create a wall on 12th Avenue. 12th Avenue is very narrow. So by reorienting it, you have the wall facing the other way. So you don't have that wall on 12th Avenue. You're not creating the shadow on Jamison Park and also the Riverstone condominiums. Plus, it goes more with the current design ordinances where the mid-Pearl doesn't have tall buildings, so that makes it more that transition building which the Commission actually spoke about.

Fritz: Thank you.

Hales: Thank you. Welcome.

Tim Allen: Hi. My name is Tim Allen. My wife and I live in the Marshall-Wells condominium lofts, 1420 Lovejoy. I'll pare this down, because I address some things that are not necessarily addressing the design.

Eleven years ago, we invested in a condominium at Marshall-Wells at 1420 NW Lovejoy. Our plan was to retire and age in place in Portland. Concern in selecting the unit at the time was building heights. We were told by our sales agent that the limit was 75 feet. For that reason, we selected a more expensive unit on the third floor facing east towards the river so we'd have some sunlight.

April 8, 2015

What we didn't know at the time was that more than a dozen high rise buildings north of Lovejoy were in various stages of development. Soon, our view of the Fremont and Broadway bridges and the river was gone. The sky to the northeast was reduced to a sliver at the top of our windows by the high-rises. We were left with a small rectangular view of the sky to the southeast.

Should Block 136 be developed as proposed, we will almost never have direct sunlight on our unit, since the proposed 150-foot tall building will shade a lower floor like ours for pretty much all day. The proposed development of Block 136 will drastically and negatively affect our quality of life and decrease the value of our property. When we selected the Pearl District to live we felt it was the desire to preserve the district's warehouse heritage by preserving and repurposing buildings.

The proposed development of Block 136 is in direct conflict with that notion. It is extremely incongruous with the low-rise neighborhood which surrounds it. We are not totally against development, but it should be right-sized for the residents, property owners, and taxpayers of the neighborhood and not supersized for the benefit of the developers.

I'd also like to address notification. Regarding notification of local residents, although we live one block from Block 136, we never heard a word about the proposed development until the period for comment was closed. Our neighbors happened to stop by while they were walking their dog and saw a small piece of paper taped to the side of the building and told us about it. In fact to this day, many residents who live in close proximity to Block 136 still have no idea about the proposed building -- [beeping] --

I'll pass over the rest and just say that to conclude we strongly urge the City maintain existing height limits in the Pearl District south of Lovejoy. This will preserve the existing property values, quality of life for residents and taxpayers, and the heritage of the warehouse district.

Hales: Thank you very much. Thank you all. OK, anyone else want to speak in support of the appeal? If not, we'll turn to the applicant for their presentation. Whenever you're ready.

Stark Ackerman: Thank you. Mayor Hales, Commissioner Fritz, Commissioner Fish, my name is Stark Ackerman. I'm an attorney at Black Helterline and I'm representing Security Properties, the applicant. My address is 805 SW Broadway, Portland, 97205.

I'd like to introduce several others on the project team who are here today to help in this presentation and to answer any questions that might come up. On my left is Phil Wuest, an associate at my firm; on my right is Heidi Oien from Mithun, who's the firm that has designed this project; and in the audience are John Marasco and Michael [indistinguishable] from Security Properties.

I'd like to begin our presentation by saying that we think we have a great multi-use project for Block 136 in the Pearl District, and the Design Commission agreed unanimously. The project provides an office and retail building and also a residential building that together not only recognize the 13th Avenue Historic District and the growing residential focus of the Pearl District, but also add a new public space in the form of a central courtyard one quarter block in area running the length of the whole block.

This project is the product of extensive public involvement and close collaboration with the Design Commission. It meets or exceeds all applicable criteria and design guidelines, as is reflected in the Design Commission's approval.

I'd like now to turn this over to Heidi to describe for you the key features of the project, after which I want to discuss some of the most important factors we think you should consider in making your decision. Heidi?

Heidi Oien: Mr. Mayor, Commissioners. It's been a great pleasure to work in this special part of the Pearl District.

April 8, 2015

As you know, the Block 136 is located between 12th and 13th, Johnson and Kearney. It's directly kitty-corner to the historic district and equidistant to the Willamette River in the east and north directions.

The Pearl has fantastic courtyards, just absolutely fantastic courtyards. And early on in our process, we studied these courtyards and we learned that most of the courtyards in public or semipublic land are oriented in the north-south direction, and it is the vacated rights-of-way that go east and west. This lets a lot of great sunlight in, and it's definitely something we wanted to do in our project.

This shows the ground floor plan with two [indistinguishable] buildings. On the left is the 13th Avenue building offices, and on the right the 12th Avenue apartment building. There's the large quarter block sized courtyard in the middle, it's 50 feet by 200 feet long. This orientation allows sun to warm the courtyard during the day and provides equal daylight to the buildings, rather than having a long, dark north facade. It also lets us build a long dock along 13th Avenue.

We've then raised the level of the retail floor at that three foot dock level through the building and built another dock on the courtyard side. This allows retail to spill on the east and west, and then we've set the retail on Johnson and Kearney low at sidewalk level. So, every part of this building has great spill-out potential.

For the apartment building, the entry is off the courtyard and the amenity spaces wrap into the courtyard. Then eight townhouses wrap the corner of Johnson and Kearney, kitty-corner from Johnson Street townhouses that our firm designed, and then there's the garage and loading entrances up on the northern part of 12th Avenue.

We met with the PDNA early on and took their advice to keep 13th Avenue building low in response to the historic district, to build some on-grade open space, and to build office use at all. This was at first a residential project -- Security Properties is a developer of apartment buildings -- but the Pearl District Neighborhood Association thought there was a demand for office in the neighborhood, and they had a desire to have daytime activity on the site.

When using all the available or all the allowable FAR, this left the apartment building at 150 feet tall. And turns out the PDNA was right, Security Properties has a lot of interest in leasing the office space. And depending on the type of office, we estimate it could serve 300 to 480 jobs, with all of those people stimulating daytime businesses during the day.

The Pearl has developed over time in really different cycles, from the warehouses to newer townhouses to the more recent high-rises. It's a diverse and dynamic neighborhood. It's wonderful for that, and we wanted to add to that.

We sometimes develop a guiding concept when designing a project. In this case, we were inspired by the working, durable heartwood for the low rise, and light-seeking fresh seedlings for the high rise. This metaphor was inspired by the diversity of the Pearl, and you can see how it influences the form and materiality of the two buildings, with the low rise being a solid-looking brick building, the high rise a taller-looking metal and glass building.

This view shows how the buildings fit into the district with a view towards the Willamette.

The Design Commission was pleased with the overall massing and orientation of the project, and they were supportive of bonus height in order to keep the office low at the historic district and to keep the courtyard on grade. They advised the success of the project would hinge on how well the ground floor levels were integrated into the street level. So, they were giving us the height but felt the street level was important for that.

We went into the Pearl District often, we studied materials, great docks along 13th Avenue, townhouses, what worked, what didn't, how garage doors were integrated. We

April 8, 2015

had already studied the courtyards a bit, and then we took the best recipes for what works in the Pearl and worked them into every edge of the design project. Really, we have eight edges here.

So, I will walk you through those now on the ground levels. This is the 12th Avenue building. It'll have eight townhouses -- four facing Johnson and four on 12th Avenue.

Hales: Their entrances are on --?

Oien: Their entrances are. There are also accessible entrances from inside the building, but they are all accessed directly from the street.

Hales: OK.

Oien: This shows four of them along 12th Avenue. The stoops are raised about two or three feet depending on the slope from the sidewalk. Also has a light screen element and two layers of planting. We think this is a good recipe for allowing people to be on their patios with a little bit of privacy where they can watch the world go by but not feel like they are in a fish bowl.

The courtyard -- this is inspired by a log jam concept. It will use timber salvaged from the existing building on the site for log benches. So in this view, you'll see the residential patios spilling out from the base of the apartment building on the kind of upper left; tables and chairs in the foreground that can be used by the public, people coming out of the retail building or from the apartments. There's a bocce ball court in the upper right and then the raised dock along 13th Avenue. So, there's a lot of activity here. We think it'll be 24/7. There will almost always be eyes on this courtyard. It shouldn't be a dangerous place with that kind of activity day and night.

Then this view shows activity along the dock even better. The dock itself is envisioned to have tables and chairs spilling out from the retail building and provides a great perch to watch the bocce ball playing.

Security Properties is working to get great tenants for an open market concept in the dock level of the retail space. You can see the space flows in and out in this view on the left. And then the retail space also spills out on to 13th Avenue's dock, activating this great historic street on normal or festival days.

As I briefly mentioned earlier, the retail spaces on the north and south of the building along Johnson and Kearney Streets are kept at sidewalk level so those are also able to also spill out on to the street. So, the whole building has great activity potential around it.

So, backing up again -- this view shows all the ways the buildings open up, and all the way up the buildings from the docks on the 13th Avenue building and what we called the patios on the 13th Avenue building for office workers. You're seeing a lot of office workers wanting to be able to open the windows -- this building is naturally ventilated -- just to take a break. As well as retail storefront and decks on the high rise. We think it'll be a great contribution to the vibrancy of the Pearl.

Finally, I'll share five slides that are in your packets. The first is a chart that calculates bonus FAR. We earn an excess of 1.94 over the maximum allowed. This section is repeated on this page. The color represents the base and different bonus heights that staff went over earlier. This one basically shows where the uses are allocated and shows that the whole housing bonus is used for housing.

This is a City zoning map with base and bonus heights indicated, showing different allowable areas in the River District -- or allowable heights in the River District.

And then finally two bird's eye views that show the buildings in context with the district. Thank you. With that, I'll turn it back over to Stark.

April 8, 2015

Fish: Can we pause for a question or two, since we have this before us? Have you done any analysis of what is the impact of the building on 12th street in terms of impacting light and -- particularly light on the park to the east?

Oien: We did, and this is the topic of the second DAR meeting that was dedicated exclusively to the height bonus. We showed several times of day and times of the year when no project -- the 120 foot project or the 150 foot project -- would shed shadow across the area. And the Riverstone actually shades Jamison Square as much on April 21 as our building would. We do not contribute any more shade. The City staff also did an independent shading study and showed that to be true.

Fritz: Why did you put the higher building on 13th and the lower on 12th rather than the other way around?

Oien: The lower building on 13th is in reference to the historic district. That's a lower district -- the height requirements are lower there -- and we just wanted to be in keeping with the scale of the development along 13th Avenue.

Fish: It was -- [speaking simultaneously] -- I'm sorry --

Oien: I was going to say that PDNA also recommended that in a very early meeting.

Fish: You heard some earlier testimony where a couple of folks were arguing in favor of rotating the axis so that it would go east-west and not north-south. What's your reaction to that concept?

Oien: Having it oriented north-south allows great light into the courtyard itself. If it were to be oriented east and west, it would be in shade much of the day. Because this is a great public amenity we're giving back to the Pearl District, it makes sense to keep it in the sun. Having it be a connection to the east and west -- there's already a great connection along Kearney. It's a cobblestone street, and then one block later it turns into a pedestrian-only street on its way to Jamison Square. Drawing people to a parallel path in Block 136 doesn't make sense if you want to keep Kearney great. So, this is a sun-warmed courtyard along that path.

Fish: Am I to assume that all the housing you've planned for in the taller building -- all that is market rate?

Oien: Yes, it is.

Ackerman: OK. In the short time for our presentation, we can't cover all of the factors you need to consider as you deliberate. We want to mention several key factors for you to be particularly aware of.

First, as your City Attorney has told you, the focus of your consideration is on approval criteria that apply to the application. The Design Commission found that such criteria were met when it approved the project. We agree. And in support of our compliance with those criteria, we have submitted a written document addressing each criterion in detail.

Secondly, there's been extensive public involvement in this process over the course of the last year and a half, and the project has changed as a result of that involvement, as Heidi has mentioned in part. The Design Commission put a significant amount of time into the project, including three design advice meetings with the applicant and interested parties and two public hearings on the matter, and you have this hearing before you today where the public can testify.

Third, the appellant and others have raised concerns about the height of the residential building. The applicant carefully designed the project to comply with height limits in the zoning code, but taking advantages of available bonuses which include a general height bonus and a housing height bonus. Despite assertions made by the appellant, the building heights are explicitly allowed by the code and actually have been allowed since 2001.

April 8, 2015

I'd like to spend just a few minutes addressing some issues raised in the appeal and by some of those in support of the appeal. We believe the appellant's claims and conclusion that the project should be denied are without merit. I'll quickly address a few of those claims here -- we address those in more detail in our written submission.

With regard to public process -- as I mentioned, this application has undergone extensive public involvement, including this hearing. The appellant and others have had multiple opportunities to participate and have testified and raised their concerns on many occasions. The public process that has been followed does not violate any approval criteria nor procedural requirements, nor has it prejudiced the appellant.

With regard to project height, the appellant asserts that the residential building height is not allowed by the code. I discussed this previously, but to reiterate -- the applicant and the Design Commission have looked at that question and believe the height is explicitly allowed by the code. To the extent that the appellant asserts the project is not consistent with some height purposes as stated in the code and particularly section 33.510.205 A, not only does this requirement apply only to the last 30 feet of height of the residential building but the appellant is misreading those requirements. All the code really requires is that the applicant show consistency with certain purposes of the height provisions of the code.

The appellant is arguing as if each and every one of those purposes must individually be met, and that is not what is intended by the use of the word consistency. It's really that the applicant and the application must comply as a whole to those purposes taken together. Compliance with each purpose would in many cases be impossible because the purposes are mutually exclusive or can be, and compliance with each would in some cases prevent an applicant from achieving an allowed height or even developing the property.

Finally, several other provisions in 33.510.210 E actually do establish specific requirements for matters covered by the purposes in 205 A, so it is clear when the City intended to establish individual requirements, it would do so. The code must be read to give meaning to the other provisions of the code, and the appellant's assertions do not allow that. To the extent that the Council needs to interpret the code to apply this reasonably, it can do so.

With regard to compliance with the design guidelines, the project meets or exceeds all the applicable guidelines, as is demonstrated by the Design Commission's approval and our submittal, including the river guidelines -- [beeping] --

If I could add just one -- what the appellant seems to be reacting to is change, and that's understandable. But this change is change allowed in the zoning code under provisions that have been in effect for many years. The City has already decided as a policy matter to allow this change, and the applicant has a right to approval based upon those current valid provisions.

So in conclusion, we believe that we are providing you a refined, high-quality design that will be an exciting addition to the Pearl District. Your own Design Commission has reviewed this project in detail and unanimously approved the application. We ask you to deny the appeal and approve the project as it was approved by the Design Commission. Thank you, and we would be happy to answer any questions.

Hales: Questions? OK, thank you very much.

Ackerman: Thank you.

Hales: OK. Any folks signed up to speak in opposition to the appeal?

Moore-Love: I have seven people signed up. The first three, please come on up.

Hales: Good afternoon.

Bruce Morrison: Good afternoon. Seems like we were just here.

April 8, 2015

Hales: You were.

Morrison: OK. [laughs] I'm Bruce Morrison, I'm a resident of 1030 NW Johnson, a neighbor of Suzanne's. Our view will be affected by this building. Nevertheless, I personally support the building and the project. I think it is an excellent design that will increase the vitality and livability of the neighborhood and be a distinct improvement over the PNCA -- the former PNCA building.

I'm also the vice president of the Pearl District Neighborhood Association, and a member of its planning and transportation committee. I know that the Mayor and Commissioners have great experience with neighborhood associations.

The Pearl District Neighborhood Association makes every effort to comply with the applicable State, City, and ONI regulations regarding public meetings. Our meetings are held on the same days of the month, consistently in the same places at the same time. They are advertised in the media. They are advertised on our website on our Facebook page, through emails to people who ask to be advised of the meetings. We really welcome the participation of everyone in the neighborhood -- and in fact, our big problem is getting enough people to volunteer and to participate in our activities and attend meetings. It's really if only we had two or three times the attendance and the involvement, we would be overjoyed. Thank you.

Hales: Thank you very much.

David Wark: Thank you. Good to be here again. My name is David Wark, I'm the chair of the Design Commission. I want to focus on what was the main issue at the first DAR, which was, how does this design better meet the intent of the design guidelines? And so that extra 30 feet was a fulcrum of that discussion.

I've got five points to make that why the Design Commission supported this extra height bonus. We felt through the massing -- the two-part massing was very successful in terms of respectful response to the 13th Avenue historic district in terms of height, scale, materials, and character. We felt that the orientation of the buildings -- of having the small building to the west and having the tall building to the east -- has proven in our request to provide shadow studies did convince us that in fact that orientation would not have any more effect than the existing shadows cast by existing buildings. We also felt that the solar orientation as described by the applicant's architect was better on a day-to-day basis. If it were shifted on its axis to be in an east-west direction, that the courtyard and public benefit would be lost in shadow most of the year, and also then cast shadow on future neighbors to the north.

We felt that the program -- let me go back to the courtyard. We felt it was a significant open space for public use, and we were assured and actually demanded that there be no fences and gates on that courtyard.

Four was program. We felt that the four floors of office provided an additional use of the site which is not prevalent throughout the Pearl. It's mainly retail on first floor and housing above. We felt mixed use would increase the activity of visitors and people working there coming and going throughout the day and into the evening.

And we felt that the townhouse design with the raised stoop, the porch and at our request a difficult item to integrate but they did, which was a canopy out over the sidewalk to meet the -- protect the pedestrian from weather.

We just felt the overall quality of the design -- from concept to composition to material selection and detail -- was one of the best projects we've seen in years. That is why we were in support of the height bonus and we felt it better met the intent of the design guidelines.

Hales: Thank you.

April 8, 2015

Ben Kaiser: Good afternoon. Mayor, Commissioners, I echo what -- Ben Kaiser, vice chair of the Design Commission. I echo what Chair Wark has to say, as well as I want to add a few things.

One, to the appellant. We have often heard over the past seven years about the time disconnect between neighborhood associations and area residents. I think we are all staff and the Design Commission has been struggling with how to improve that. So, we're aware of those issues. It has been constantly improving. So I think -- as the gentleman stated -- I think with additional outreach we'll further improve that situation so everybody can be more abreast of changes as they come to the City.

As the Commissioner Wark says, what we see as a successful building is essentially the bottom 20 to 30 feet. Where a building meets a City street is the most important aspect of how a building either succeeds or fails. We think that the tradeoff of additional height on this building is in large part to do with what this development team gave back to the City of Portland. So it is probably -- as Heidi with Mithun stated -- eight sides, all extremely active in our opinion, and giving quite a bit back to the City of Portland.

As the appellant stated, the Riverstone is locked -- or has potential to be locked access. This does not. So, this is essentially acting as a public park into the future, which we think was the greatest attribute of the entire structure.

It is -- in my opinion -- in this past seven years one of the three best projects I've seen come through from the development committee and the design group. So, we think it's a fantastic addition. We did shadow studies. We studied massing to collectively with development team, and we think they're all fantastic.

I also wanted to say as the City grows and as we're all realizing the goals of the last 40 years, these are kind of the growing pains we'll all face. The UGB is working perfectly. Driving around the City, you can see suburban developers doing infill lots. And as many cities across the country are actually paying development teams to come into their cores, we should be so fortunate to have such high-level projects coming in of their own decisions and their own choice into our City core. That to me is an example of all the great 40 years of planning and 40 years of consideration coming to fruition here, and this project is representative of that in our opinion. Thank you.

Hales: Thank you. Questions? Thank you very much. Next ones, please. Welcome, good afternoon.

Richard Graham: Good afternoon. My name is Richard Graham. I'm a retired architect and a four-year member of the Pearl District Neighborhood Association in the planning and transportation committee. I would like to add my voice and speak as strongly as possible in favor of the Design Commission's approval of this project. I think it's a magnificent project.

I've been reviewing things for four years now, and it's the best I've seen come to us. It has a lot going for it. One thing I wanted to add -- and I don't want to repeat what's been spoken before here, but I did sit through a presentation with the opposition group that is here today. And I have to admit, it was one of the most thorough meetings we've ever had with the opposition, with drawings, models, and sections, and it went on for a long time. They had a very fair hearing of their perspective on things.

But anyway, the thing that I like about this project most I think is that quite honestly, this section of the Pearl District is kind of dead. The art school is a great neighbor, but it presents four blank walls to the neighborhood. And I think a project of this type will add enormous energy to this part of the Pearl District, and that's something I would be really excited about. Just to wrap it up quickly, I love the project. I think it's contextual. The brick building I feel relates very well to the historic district, and I think it's going to be a very successful place to be. Thank you.

Hales: Thank you. Welcome.

April 8, 2015

Gary Washington: Good afternoon. My name is Gary Washington. I'm a 17-year military veteran and three-year resident. I live at the Ramona Apartments, a low income building in the Pearl District. I'm here to support the proposal of the building.

Commissioner Fish has already pointed out that I'm not supposed to divert from the building -- [laughs] -- I had prepared some words more based on --

Fish: I almost wish I had not said anything -- [laughter] -- I was just trying to signal as politely as possible that we were receptive to the legal arguments on why the Design Commissioner did not do its job properly.

Washington: Yes, sir.

Fish: And I hate to see people cut into their precious time with arguments that were secondary, but it's not for me to say.

Washington: No, you were completely right, sir. And like you say, I was just going to come in and lend my voice to it. I'm going to piggyback on what he said in the regards of I've walked past the PNCA for the three years I have been here. Every time I go to PDNA meetings to listen to what the PDNA has to say, I've seen that building. And it is -- it's four blank walls to the neighborhood. This new project is going to be quite revitalizing to that small bit of the area.

With the sunlight studies that have been done over what is actually going to impact and affect Jamison Square, we know now that it's not going to affect Jamison Square and it's not going for affect the park as doom and gloom as some would have let you know beforehand.

The idea of an open space market in the bottom of the building is revolutionary in that location where we don't have anything like that. When you walk over and up to 13th Avenue and you get to be a part of First Thursdays and be able to walk up and down and see all the trading going on -- it's fantastic. And I think because the developer didn't have to take into consideration the historical portion of the neighborhood but they chose to let that be a part of the essence that is the Pearl District and the historical section. Really speaks high volumes in my opinion as to their dedication to making this a better place in the Pearl District.

I will say one thing where I had on the piece of paper here is that I would like to remind the older generation and also this Council, the Pearl District has a 22% poverty rate. So the voices of renters should be heard. As I'm a renter and have the luxury to attend these meetings in the middle of the day, I'm here to stand up against the blatant disregard for the public process that was taken well into consideration -- all the processes were followed. And I see no reason why this building should not move forward as planned. Thank you.

Hales: Thank you.

Fritz: Thank you for your military service. I'm really happy you got a spot in the Ramona Apartments. I appreciate you coming as a renter because I found that earlier testimony about renters being transient -- obviously, you are just as invested in your neighborhood, and I appreciate you being here.

Washington: I plan on staying for a very long time.

Fish: And maybe we should give another plug -- the Mayor's former policy advisor, Ed McNamara, developed the Ramona.

Washington: We know Ed very well, he's a very nice guy.

Fish: You don't have to say that. [laughter]

Washington: No, he really is.

Fish: But I think the City put close to \$20 million into that development because we thought it important that families making up to about 60% of median family income -- like perhaps your family -- can afford to live in a nice, desirable neighborhood. And then we

April 8, 2015

love the idea that Ed brought the school in so that kids could get education there. That's a shining example of something Ed did prior to working with the Mayor.

Washington: I'll just jump in real quick -- as a reservist, the Ramona has given me the opportunity to continue my military career and be able to give my wife the ability to have her education at the Portland State University, all while living in such a beautiful neighborhood. It's an absolutely a fantastic building.

Hales: That's great to hear. Welcome.

Kate Washington: Yes, thank you very much. My name is Kate Washington here to speak in favor of the development. I also live at the Ramona.

I've lived in the Pearl three years and served on the neighborhood in a variety of capacities during that time. I'm also a Master's degree student at Portland State University in the urban and regional planning program, so I do have some training on the City of Portland's land use planning process, and specifically the vision for the Pearl District.

First, I want to express my opinion about the proposal. They have designed an excellent set of buildings that accommodate the community character in a variety of ways. The site plan for the lot is designed to respect the historic nature of 13th Avenue by aligning the buildings parallel to the street instead perpendicular, and it furthers that feel.

Further, this lot is outside the historic district and therefore the developers didn't have to continue to honor the historic character, but they chose to. They've used limiting the height and complementary design and materials to continue that feel.

Finally, the courtyard they're providing is designed to be a public amenity and it creates valuable and much-needed public space in the community where we're not going to be able to add many more parks and open places that the City maintains. So, it's remarkable to see a developer want to give that to this really important neighborhood.

Second, I want to point out the height and massing of the development is completely within code and has precedent within the neighborhood. In fact, within one to three blocks of this site, there are several buildings with the exact same height as the proposal. Everyone who lives in and around those buildings benefits from excellent qualities of the Pearl District without having their quality of life or livability compromised.

The truth is the Pearl is supposed to house at least twice as many people. It was always intended to be high-density mixed-use neighborhood. The City has invested tens of millions of dollars preparing infrastructure for density, and to compromise the fulfillment of that vision over someone's view would be a violation of the City's investment and the trust of taxpayers. The Pearl District is a high-density mixed-use neighborhood in the central City and should be treated as such.

To preserve the Pearl, as the opposition demands, would be to maintain its character as a rail yard. All of us have moved into an unfinished neighborhood, and none of us can be selfish enough to think it should remain unfinished simply for our pleasure.

Finally, I do understand they feel they have not been heard at the neighborhood level, so I want to clarify that. Apparently when this development was announced, the Preserve the Pearl group sent a letter demanding the PDNA schedule special meetings for them. I've seen the letter on the website and read it, but I assure you the letter was never received by any board members.

Though the PDNA has several monthly meetings which are published in the Northwest Examiner and on our social media, Preserve the Pearl did not join those meetings, and when they finally did, they did not ask to be on the agenda but simply expected to be accommodated, which we did because we wanted to hear what they had to say.

Finally, I recently heard through the real estate grapevine that the day this design was approved, nine people put their condos on the market to sell. While this does indeed

April 8, 2015

display conviction of their position, it does not display commitment to the neighborhood and its vision -- which is something that the Pearl District and the City need quite a bit of. Thank you.

Hales: Thank you very much. Others?

Moore-Love: One more, Reza Farhoodi.

Hales: Anyone else who hasn't signed up who wants to speak, come on up. Otherwise you get the last word before we turn to rebuttal.

Reza Farhoodi: Thank you. Good afternoon, Mayor and Commissioners. My name is Reza Farhoodi, I am the co-chair of the Pearl District Neighborhood Association's land use and transportation committee. I have a packet here to submit to the written record that has our meeting notices, our minutes, our letter to the Design Commission, but I would like to make a couple quick points.

The first is about our general process. As a matter of policy, the Pearl District Neighborhood Association strives to review all design projects equally. As you are aware, the neighborhood associations are advisory only to design review process and have no standing in making any decisions on development projects.

All of our planning and transportation meetings exceed the ONI standards for public notice. Per those standards, all our meetings are noticed in the Northwest Examiner newspaper, with a circulation of over 36,000 readers. Beyond that, all of our meetings are posted on our website. They are noticed in our newsletters which go out to 1100 individuals, and the agenda is also posted on our Facebook page with over 820 individuals who subscribe to that page. The agenda is also sent in an email list to over 70 individuals who have expressed interest in receiving the agenda. And to the previous gentleman's point about us getting reprimanded -- that never happened. The executive director of Neighbors West Northwest, Mark Sieber, can attest to that.

Regarding this particular project, the appellant was able to present their point of view prior to our nonbinding advisory vote at our December 16, 2014 meeting. While we heard their concerns and points of view and they had a great presentation about the issues with the massing and the height, our committee reviewed the project with applicable City guidelines and found the project met the criteria. So, they had their chance to make the argument -- we just simply did not agree.

Quite frankly, we think it fits well within the context of the surrounding neighborhood. It's seven to one FAR, 150 feet. If you compare that to the edge a couple blocks away, the REI building is 8.5 FAR, 145 feet; and Park Place a couple blocks to the east -- so, closer to the river than this building would be -- is 5.5 FAR and 150 feet.

These buildings follow the code guidelines that have been in place for almost 15 years now. So, my question is, what makes this building so special, so worthy of such intense scrutiny? We feel as though this building should be approved by your body and as approved by the Design Commission. Thank you very much.

Hales: Thank you. Questions? Thanks very much. OK, now we turn to rebuttal. Give you a chance to come back and rebut any issues you heard raised here today.

Burton Francis: Thank you. First of all, the Park building that was mentioned just a minute ago is on the Lovejoy corridor, it's not really a part of our residential neighborhood. The fact that their agendas are posted on Facebook -- nobody ever knew about that until much later. Now they're doing a better outreach, but it's still not enough.

With respect to the Ramona -- my best friend lives in the Ramona -- and that's in the north of Lovejoy area. And how high is the Ramona? The Ramona is not more than seven stories -- eight stories, maybe. So people living in the Ramona or that orientation isn't really relevant. And the Ramona is about to get creamed, because the Cash and Carry lot just got sold and that's going to be a huge development.

April 8, 2015

It's kind of a slander to say that we're not in favor of change, that we just want rail yards. That's not -- I don't know how many times we have to say we're for reasonable development. We are not against development. We're not luddites.

None of the presentation by the developer addressed the guidelines that you need to use that you keep talking about you need to hear about the guidelines. So first of all, all of the benefits of the street level that everybody was talking about, even the people in support of the project -- you can have all those amenities on the street level. You don't need the height. It doesn't mean that it meets design guidelines for the height.

Second of all, the design guidelines are rhythm and scale in the neighborhood, and if you look at the developer's own material, you'll see none of surrounding buildings are anywhere near the height that we're talking about in the tower.

Next about shade. One of the Design Commissioners said well, we're interested about future neighbors to the north in terms of the orientation of the building. That's an industrial building to the north. The Daily Cafe is in that building, there's no residents in that building. What about the residents that live there right now? What about the residents of the Ramona? What about the design criteria that says that you should minimize shade on existing residents? That's a design criteria that is not met. What about stepdown to the Willamette? That doesn't even get mentioned in the 51 pages that I had a chance to breeze through that was just filed in support. This patently violates that provision from 205.A that says there should be a stepdown in buildings to the Willamette River. So, those are three design guidelines right there -- just off the top, not even talking about all the others that are in our brief -- but three right there.

Now, I beg to differ with the attorney for the other group. In fact, if you read the Central City Fundamental Design Guidelines, if you even read the notice of appeal for this hearing, it says each and every design guideline needs to be sustained in order for this to continue to be approved. And each and every one is not.

So, we ask you to send this project back. It does not meet the guidelines. You know, what are you going to lose from throwing the little people a bone on this one, really? They're going to go back and redesign in a much more appropriate way.

You know, laypeople have this feeling that the Design Commission, the developers are all together, they're all on board with this. And it was kind of interesting to see two Commissioners come and testify on behalf of the project in that way. This one Commissioner over here actually said -- it's kind of nice to hear my presentation was so great, because he said that it was really good at the Design Commission -- but that's beside the point. It is good because the facts are on our side. That's why. So, we ask you to sustain the appeal. Thank you.

Hales: Thank you very much. Questions for staff? Could we have staff back up for Council questions and discussion and we can see if there's a motion?

Jeff Mitchem, Bureau of Development Services: Hello, I'm back.

Hales: Questions?

Fish: You've heard the testimony and I just want to give you a chance -- is there anything you want to add to the testimony you've heard, particularly about whether the correct design guidelines have been applied, whether there's an issue around step-down, the shading, and the way the bonuses were applied?

Mitchem: I would like to start by saying that the -- to reiterate what I opened with, which was that staff early on in the process worked with the applicant to and the neighborhood association to craft a project that better responded to all the guidelines, as you've heard folks testify to.

Staff was accepting of the response. We felt that throughout the entire -- both DAR process and land use hearing process -- that every request, every directive for a greater

April 8, 2015

compliance was adhered to -- specifically, the shadow impacts early on, as was mentioned in the DAR process. Independent studies were conducted by Bureau of Planning and Sustainability which corroborated the applicant's findings. I think the salient fact there simply is that there is no difference or very little difference, noticeable difference by staff's assessment in the difference of shadow cast by a 120 or 150 building oriented as it presently is. That the difference between a 75 and 120 is negligible for very short and brief periods of time, and that would only be around areas that were remote or edge conditions within Jamison Square. With regard to -- do you any questions about any of that? OK.

With regard to the step-down to the Willamette and orientation to the Willamette, staff determined early on that orienting the buildings in a parallel scheme northward was a more direct route to the river, frankly. It's equidistant as the crow flies, but seems that sheer sensibility of pedestrian connectivity northward would be better enhanced with a north-south orientation. Westward orientation or reinforcing a pathway to an east-west direction eastward would present greater barriers in the form of Union Station and post office, and grade changes in off-direction travel necessary. I think the orientation and stepping orientation to the river was I think emphasized better with the north-south orientation. The other question was --?

Fish: I guess there was a broader concern raised about you're just applying the wrong guidelines.

Mitchem: Right. I think in my presentation I made clear that the guidelines that apply to the site were comprehensively and thoroughly applied to the project. Whether or not the 510.205.A guidelines that appear I think in the appellant's claim that were not applied to the site or applied to the project are entirely accurate. We did look at the step-down to the historic district. We looked at protecting views. I can say that from the guidelines perspective, the protection of public views is the focus on protecting -- on view preservation.

We took a very close look at the orientation of the buildings and how that particular orientation would have affected, say, a view to the Union Station clock tower, and either orientation had no or little if any effect on view blockage of established view sheds toward the clock tower.

I think both River District and Central City Fundamental Design Guidelines were thoroughly considered. Beyond the codified findings that were embedded in the high bonus criteria, there was very little that -- I think even early on -- that we found lacking in compliance with those standards. The focus I think all along was to orient -- to capture the FAR that was allowed by the project through bonuses to best enhance and activate eight public edges on this project. And I think that the orientation, the basic [indistinguishable] of the project -- it's comparative step-down to the 13th Avenue district both to the south, the historic district proper, and the step-up to comply with greater context eastward made sense.

It's worth noting that though the boundary of the NW 13th Avenue historic district ends at Johnson, from staff and Commission's perspective, it felt like the energy embodied by what is historic about that through the project was carried northward on 13th. So, that's just a case in point where the project I think better meets or exceeds guidelines, and we just in sum total found that it was doing that throughout.

Fish: Thank you.

Hales: Thank you. OK. Questions for City Attorney staff? We've had a request from the applicant -- I'm sorry, from the appellant -- to continue the hearing or to allow for further review. What would you recommend our options are at this point?

Rees: So for a Council hearing, which is not the initial evidentiary hearing, it is at your discretion whether to hold the record open or to a grant continuance. My initial observation

April 8, 2015

of the packet that was submitted by the applicant is that one section of it is the only thing that is not completely information that was already in the record. There's a 51-page description of how the approval criteria are met. It looks to me as though it largely provides argument utilizing existing evidence in the record. However, it is a large document. It's not a three-page submittal that someone could assimilate quickly.

If you wanted some advice, I might suggest leaving the record open for seven days for all parties to submit responses to what they heard today. I know that's not ideal because of your calendar for the rest of the month, but perhaps because it would be coming back solely for deliberation rather than for continuance, it could be done at a morning time certain.

Fish: Council, we've done that before.

Rees: We have done that before. It's certainly within your discretion under the code.

Hales: That makes complete sense.

Fish: I think that cures any question of someone feeling that they don't get a chance to rebut something in that exhaustive document.

Hales: OK. Is that suitable for you, Commissioner Fritz?

Fritz: Yes.

Fish: Then, Mayor, we would come back solely for purposes of deliberation.

Hales: That's right.

Fish: And the only way the other two colleagues could participate I guess is if they viewed the entire record.

Hales: They will have the option to do that if they wanted to.

Rees: Correct. And so Karla before we adjourn today would need to identify a date and time certain sometime after seven days.

Fish: Mayor, I might suggest to ask the applicant whether a morning or afternoon session is more convenient. We have a lot of professionals on this side, but a lot of citizens over here.

Hales: Morning or afternoon better to deliberate from your standpoint? Got a preference?

*****: Depends on what day you're talking.

Hales: A Wednesday. Two weeks, from today I believe. If we're going to leave the record open for a week, then we meet a week later. And so that would be the 22nd.

Fish: Do we have time certain available morning and afternoon?

Moore-Love: It would be 11:15 in the morning, or 4:30 in the afternoon. You're leaving at 11:00 in the morning. Commissioner Fish is leaving at 11:00.

Fish: What do I have? Sorry.

Moore-Love: It says City biz.

Fritz: What about the Thursday?

Moore-Love: The Thursday is Washington Park reservoirs.

Fish: We could do it -- it's at 2:00?

Moore-Love: We could do this at 2:00 and follow with the reservoirs, because we'll just be deliberating.

Fritz: I'd appreciate that.

Hales: 2:00 on the 23rd. Is that suitable?

*****: Yeah -- [speaking simultaneously]

Fish: Let's do that, Mayor. We'll just move Washington Park to 2:30 time certain.

Hales: The applicant, is that alright? I will continue the hearing -- no, sorry, I'm going to close the public hearing. I'm going to keep the public record open for a week so people can submit additional information in response to the hearing for any materials received. How am I doing?

Rees: Yes -- great.

April 8, 2015

Hales: And then schedule Council deliberation for 2:00 p.m. on the 23rd, giving other Council members the option if they so choose to review the record and participate. The three of us will be fully prepared to do so, having been in this hearing and received any additional information that we get.

Rees: Two points of clarification. Just to make sure, all three of these Commissioners are scheduled to be here?

Fritz: Yes.

Rees: And for people who wish to submit comments, those would not go to BDS, those would go to the Council Clerk.

Moore-Love: CCtestimony@portlandoregon.gov.

Hales: OK. So, that's how you submit --

Fish: After the hearing, you can get the information from Karla. She gets it, she's the most important person.

Hales: Anyone has questions, please talk to Karla after the hearing. One warning I want to offer -- again, this is a quasi-judicial land use hearing. It's important Council members not have ex parte contacts with parties to the case. I don't plan to have any and I know the rest of us don't, and we'll again make sure Council members disclose any ex parte contacts if they have any, but I want to urge the parties to communicate through Council Clerk. That way we don't violate that requirement.

Rees: 5:00 p.m. on April 15th?

Hales: 2:00 p.m.

Rees: No, I mean the date by which comments must be received by the Council Clerk -- 5:00 p.m. April 15th. Correct, Karla?

Moore-Love: Yes.

Fish: Why does that day have special resonance? [laughter]

Hales: Get your taxes done, send us a letter. Anyone have any questions about that? Then that's how we will proceed. We'll close the public hearing, schedule this for final action on the 23rd, and receive comments until 5:00 p.m. on the 15th. Thank you all very much, and we're adjourned.

At 5:01 p.m., Council recessed.

April 9, 2015
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.

APRIL 9, 2015 2:00 PM

Hales: Good afternoon, everyone, and welcome to this afternoon's meeting of the Portland City Council. Would you please call the roll?

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

Hales: Welcome, everyone. We have a single item on the Council calendar this afternoon. I'll get Karla to read it in a moment. Let me just lay down some ground rules for those of you who may not be regulars here in the Council chambers.

First of all, we want to welcome everyone here. There's just some disclosure requirements we want to make sure you're aware of. If you're here as a citizen, all you need to do is give us your name, you don't need to give us your address. However, if you're here as a lobbyist, our City Code requires that you disclose that at the start of your testimony. And if you're representing an organization as a volunteer leader, we'd appreciate knowing that as well.

Because of the number of people that we have here, after our invited testimony, I'll be asking people to limit individual testimony to two minutes. Because again, we want to make sure we have the opportunity for everyone to be heard.

Please testify to the matter at hand. I don't think that'll be a big problem this afternoon, because I think we all know the topic that we're here to discuss, but it's important that people stay on topic.

Also, it's important that we respect each other, because there are issues in our community -- and this is likely one of them -- where we don't all agree, and it's very important that we hear our fellow citizens courteously. So, if you agree with someone and want to demonstrate that, give them a thumbs-up or a wave of the hand, but we ask that you not make vocal demonstrations in favor or against our fellow citizens' point of view in this chamber so we can hear everyone.

If you have handouts, please give them to our Council Clerk and she'll distribute them to the members of the Council. And with that, would you please read the item?

Item 370.

Hales: OK, I'll call on Commissioner Novick to get us started.

Novick: Colleagues and citizens, I'd like to start by thanking the Mayor for transferring responsibility for private for-hire regulation from the Revenue Bureau to PBOT last year, because the private for-hire industry is part of the transportation system and should be recognized as such.

I've been asked numerous times over the past year for my views on the regulation of the private for-hire system and I think my answer's been fairly consistent. I've said that I'm committed to the rule of law and to equal treatment under the law, but not particularly committed to maintaining the current set of rules and laws that govern this industry. Indeed, I think that every aspect of government and in every set of regulations, it's appropriate to periodically take a look at what you're doing and see if perhaps it should be changed, regardless of whether there are any fancy new companies with four-letter names entering that particular industry.

So, when we convened this aghast task force -- and this is one of the more aghast task forces the City has ever seen -- we gave them some broad parameters. We said that

April 9, 2015

safety is paramount and every driver has to be insured at all times, and vehicles have to be inspected, and background checks have to be conducted -- no matter who you work for. And we made it clear that every company engaged in this industry would have to share the responsibility for accessible service for people with disabilities.

So, we gave the task force that charge but beyond that, we basically said, "you're really smart people, we'll give you a lot of resources and information, a lot of people will come in to brief you, we want to see what you come up with." So today, we're going to hear what they came up with. Chair Greenfield, take it away.

Mike Greenfield: Thank you. My name is Mike Greenfield. I'm the chair of the task force and I would like the task force members to rise and state your name, introduce yourselves to the board.

Richard Lazar: Richard Lazar, representing Technology Association of Oregon.

Raihana Ansary: Raihana Ansary, Portland Business Alliance.

Sue Stahl: I'm Sue Stahl, I'm a commissioner on the Portland Commission on Disability.

Kayse Jama: I'm Kayse Jama, Center for Intercultural Organizing.

Dan Lenzen: Dan Lenzen with Venture Hospitality and Real Estate.

Chris Bebo: Chris Bebo, I represent the Oregon Restaurant and Lodging Association.

Joan Plank: Joan Plank, retired from the Oregon Department of Transportation.

Greenfield: And not here today is Leslie Carlson, JoAnn Herrigel, and Jewel Mlnarik.

Hales: And your facilitator?

Jim Owens: I'm Jim Owens, principal with Cogan Owens Greene, and I've had the honor of being the facilitator for this aghast group.

Greenfield: I would like to thank the board for this interesting assignment. The task force has been working at a fairly fast clip, given the timeline. We're recommending a 120-day interim pilot to accommodate the City's agreement. Following that, we will be back to recommend a regulatory framework informed by specific data, additional research, input, and analysis and of course, policy direction from the City commission.

Owens: A couple of opening comments about the charge and the process. Commissioner Novick just ran through the charge that you gave us, as the chair has indicated. It is a broad charge that we've tried to address in a very aggressive period of time. I'm not going to read through this.

I did want to speak to the process very quickly. It's been an expedited process. Since mid-January, we've had 10 meetings of the task force. We've had invited briefings from the taxi industry, from the TNC industry, and from technology platform companies. The Office of Equity and Human Rights helped organize a driver's forum. We had a community forum -- [beeping] -- my time's up? [laughter]

Hales: Nope.

Fish: Very succinct.

Owens: An important piece of the research that was done for us by PBOT was looking at other communities' approaches to transportation network company regulations. You may hear suggestions today that this hasn't been a transparent process. To the contrary, all of our meetings have been open to the public. All of our external communications, communications we received from outside parties, and any communications from our members to the group at large have all been posted on the project website. And at each of our meetings, we had members publicly declare any contacts they had with members of the industry. So, we've made every effort to have this as a transparent process.

Early on, we adopted some principles to guide the work of the task force. Again, I'm not going to run through each of these. I think they're going to pop up as we go through our recommendations today. So at this point, I'm going to turn it back to the chair.

April 9, 2015

Greenfield: The scope of the recommendations that we're presenting today are intended only to provide a framework in a temporary manner for 120 days. Any and all recommendations may be revisited during the second phase, where a more holistic review of the City's programs will occur.

The framework of the recommendation is of 16 subject areas in phase one. Among areas that we'll be taking a close look at in phase two are performance measures, providing and funding of accessible services, employment status of drivers, PFHT driver working conditions, monitoring programs, and program staffing.

Generally, the recommendations that we're giving you today break down into three categories. The first category is the application of existing regulations without any changes to them to each of the types of the taxis and the networks. The second group -- we've modified the regulations and applied them evenly to both groups of providers. And the third category are regulations that are different between the two categories of providers.

I will review for you the first set, which are regulations which were in place when we started, are still in place, and apply to both TNCs and taxis: driver conduct, nondiscrimination, caps on hours -- 14 hours of driving -- enforcement, and prohibition of weapons in vehicles.

To talk with you about the modified regulations -- in other words, regulations which we've changed which apply to both sets of providers -- Joan will give you that.

Joan Plank: The first area is vehicle inspections. We're going to include the current master certified mechanics who do the vehicle safety inspections on vehicles, but we're also going to allow expansion to something called blue seal certified shops. The expansion is based on staff conversations with the National Institute for Automotive Service Excellence, and it's intended to create more options for vehicle inspections. Blue seal shops have to have at least 75% of their technical staff certified under either the ASE or the master mechanic program.

We also looked at safety equipment as part of that area. City Code currently requires a spare tire and a functional heating and cooling system. Again, staff talked with the National Institute for Automotive Service Excellence and found that functional heating and cooling systems and first aid kits are crucial safety features. Obviously, you've got to be able to see out of the vehicle if it's fogged up and also comfort for people in hot weather is important. Spare tires and fire extinguishers, however -- which are part of the current requirements -- are not critical safety issues. So, fire extinguishers are rarely used is what was found, and so we kept heating and cooling and first aid kits and said spare tires and fire extinguishers weren't required. We also recommended that vehicles under one year old be exempt from vehicle inspections.

The next area is background checks. We decided to allow background checks to be performed by third parties that meet or exceed current City requirements. Today, the City does the background checks. And in order to keep the process moving, both taxis and TNCs will be able to use third parties. The taxi company or the TNC are going to have to certify to the completeness and accuracy of the records, and the City will have the authority and ability to audit those background checks and require the companies to maintain the records for audits.

Fritz: What third parties exist to do background checks?

Plank: Commissioner Fritz, there are companies who provide that service on a national basis. I understand that some of the TNCs are using those companies currently.

Fritz: And they have access to driver's licenses?

Plank: They have access to -- yeah -- the background information. I believe the City goes through the State law enforcement data system.

April 9, 2015

Fritz: I thought there's a regulation that says people can't get other people's driver's license numbers except through that, so how are these companies able to get it?

Plank: Commissioner Fritz, I don't know the answer to that.

Fritz: Thank you.

Plank: One other change in the background check area that we wanted to clarify is that the current code standards apply to felony convictions. Today, the word "conviction" is not in the code, and so we thought that that was an important thing to include.

Driver testing and training. We want to authorize both taxi companies and TNCs to administer the testing and training programs that have been approved by the City and is equivalent to the City's programs. Again, because we expect there to be an additional group of people who want to start providing service, this was a way to allow the process to move forward a little faster. There'll be a temporary driver permit during phase one that eases the administration of the training and testing, but there'll be a requirement that all training and testing be completed no more than four months from the issuance of a temporary permit.

Permits is the next area. The task force recommends issuance of a 120-day interim permit for any new vehicle. We require that the companies guarantee that the drivers in vehicles meet the requirements for vehicle inspections, background checks, driver training, testing, and reporting. We recommend no restrictions on the number of permits during phase one. We also recommend during phase one that approval of new permits transfer to the Commissioner-in-Charge of PBOT instead of the private for-hire transportation board. And finally, during phase two, we'll assess market capacity and the data that we get to determine how it worked.

Minimum standards of service for both taxis and TNCs. We recommend the current standards that require 24/7 citywide service, but we recommend deletion of a requirement that no more than 65% of a company's fleet can be within a one mile radius of the Portland International Airport, and remove the requirement for a minimum of 15 vehicles and that at least two thirds of the company's permitted fleet must be in service at all times. So, we're keeping a couple of the standards and taking some away during this time.

The final area where we made changes is agent of service, and we recommend that both taxis and TNCs have a locally-based agent of service with regular weekday business hours and that they be accessible. That would provide for any legal issues that need to be addressed and that there also be accessible service via telephone or email 24 hours a day to give people who are receiving service a place to call or file a complaint.

Greenfield: Richard and Raihana will come up and continue the presentation.

Saltzman: Can I ask a question, or do you want to run through them all first?

Hales: Your choice. Go ahead, Dan.

Saltzman: It's just -- I'm a little puzzled about the policy statement of we want uniform citywide service but we're suspending the requirement that no more than 65% of the fleet can be near the airport. I mean, that is the most lucrative fare in the city -- or any city, really -- is that trip to the airport. And you're saying you're suspending the maximum on that? So, how does that work to ensure citywide service as opposed to everybody being at the airport?

Plank: Commissioner Saltzman, the requirement is still there for citywide service -- we haven't taken that away -- and the TNCs are not at this point allowed to be at the airport on the property because the Port of Portland regulates that. So, it didn't --

Saltzman: I mean, it's possible that you could still allow TNCs to be at the airport without suspending the requirement of no more than 65% of your fleet be at the airport. That's a question, I guess.

April 9, 2015

Greenfield: We'll know the answer to that question in some detail after the 120-day period. In some cases, what we're trying to do is to put into play some alternative service mechanisms and then get some feedback, which will guide us for the final recommendations.

Plank: And with data to see whether or not -- I guess if everybody runs back to the airport and there's an issue with service in other parts of the City.

Saltzman: So at the end of the 120 days, you'll have the data to assess whether that cap on airport service is being counterproductive to the obligation of -- or I should say lifting the cap for airport services is counter to the citywide service standard?

Plank: We hope so.

Greenfield: We're going to be aggressively looking for data-based reasons that will sound much better when we present the second phase to you.

Hales: Let me follow that question a little bit further to make sure I understand. Aside from what we regulate or don't regulate in our City Code, the airport has decisions to make about what they allow or don't allow, and it's your understanding that they're not intending to allow TNCs to queue up with taxis and wait for fares?

Plank: Mayor Hales, we don't know. But under the current rules, the TNCs would not be able to do that.

Hales: Under our current rules or their current rules?

Plank: Under their current rules.

Fritz: They would be able to be in the cell phone waiting area.

Hales: In theory, maybe not in practice.

Plank: I don't know if that's airport property or what the definitions there are, either.

Hales: But there's a taxicab waiting area at the airport. TNC vehicles are -- at this point, you don't anticipate that the port will allow them to queue up?

Plank: We don't know.

Hales: OK. It would be a good thing for us to hear from the port on that subject.

Fritz: Do we have a proposed mechanism -- you said that the companies would verify that all the background checks and equipment and permits have been done. Do we have a proposed mechanism to check on that?

Plank: Commissioner Fritz, the staff will put some kind of process in place to make sure that the companies are certifying that all of this is in place and yes, I'm assuming that there will be a check to make sure that that has happened. The companies will be on point and responsible for making sure that all of that takes place.

Fritz: This conversation is very much analogous to a previous one that we had last summer over Airbnb and we had an extended discussion over "do we just trust or do we verify?" I'm going to want some information on that. And just before you continue with your presentation -- as a framing, the Council has not decided that we're going to allow this to move forward. So, my understanding of what we're discussing today is if it moves forward, what are the proposed regulations and then what Council might change in that proposal, but then next week will be the discussion about do we actually allow this to happen or do we say, let's do some more work first?

Greenfield: Yes, these are our recommendations.

Plank: To you.

Fish: Can I follow up on that, Mayor, just while we're all on the same subject? And I want to encourage everybody if they can to silence their cell phones because my guess is we'll have a lot of interruptions.

When you say that the companies are going to have to certify, who are the companies we're talking about? Give me an example of both a taxi company and a TNC that would have to certify.

April 9, 2015

Plank: My understanding is that there will be a requirement for an individual at the company who can speak for the company and represent the company -- be it Broadway Cab or Radio Cab or Lyft or Uber -- that will be responsible for certifying and making sure that those background checks and other items have been properly taken care of. And I believe also that it's not going to be just trust, it's going to be trust and verified.

Fish: So, let's take Uber and Lyft, since you mentioned. Each of those companies will have to have someone who says to the City, "we certify that we're in compliance with all these things that we have to self-certify."

Plank: Yes.

Fish: And we'll have some mechanism for having them check the box and then verify that?

Plank: And audit follow-up records -- they'll be required to make records available to the City.

Fish: Right. So, our recourse against a company that doesn't follow that rule is to fine them?

Greenfield: A condition of getting permitted by the City -- she's gone over some of those areas. The record checks that are done are open for inspection and audit by the City. The alternative -- if someone does not meet that -- is something that needs to be determined by the staff, but it will either be lifting the permit altogether or fine or some consequence, and we can probably get into that level of detail in the second phase.

Fish: So that's to be determined. But there's some consequence for a failure to follow this rule, assuming we agree that self-certification is acceptable?

Greenfield: My opinion would be if they don't meet the qualifications, they don't qualify for the permit.

Fish: That would be the heaviest hammer we would have?

Greenfield: That would be mine.

Novick: And there are penalties for driving without a permit.

Fish: Let me take the example of one of the certification processes that goes to the heart of safety in the vehicle -- and any one of the ones that you've identified -- and it turns out that Lyft has not in fact certified and there's in fact a bunch of cars out there that are not safe. Our recourse is to lift the permit or to fine them? What's the recourse for the passenger?

Greenfield: I don't know what the recourse for the passenger is today, but it would probably be similar to a process that's in place today versus what we would propose.

Hales: File a complaint with the City private for-hire staff, right?

Greenfield: Yeah.

Fish: OK. So, one of the things I'm going to ask the TNC folks later -- assuming they're going to be testifying -- is that their user agreement has a disclaimer of all liability. They say they're specifically not liable for anything that happens with the drivers. So, I want to be clear that we understand what the recourse is. The City can fine or take away a license, but at least under the user agreement that I've reviewed, the passenger has no recourse if it turns out he or she is in a vehicle that was not properly certified -- either the background check wasn't done and it turns out the driver is a bad actor, or there's a safety violation. So, at some point, I'm going to want to know, what's the recourse for the passenger? Because at the end of the day, the consumer I think is the most important person in this equation.

Hales: We may already be doing this -- and you may have done in just that instance as well, Commissioner Fish -- but we ought to be queuing up questions that we have not just for the task force who've made these recommendations, but also for our private for-hire staff in the bureau to say, "what do you think you have to do in terms of administrative rules to address this issue that's come up in the hearing?"

April 9, 2015

Fritz: Just continuing on the background checks, are you envisioning that the TNCs would be required to list their drivers that they have certified and give us their driver's license information?

Novick: Yes.

Fritz: So, that's different from Airbnb.

Hales: Mm-hmm.

Owens: In a nutshell, the permitting and the background checks are all predicated on certification by executives from the companies so that there can be some legal liability here -- that they've done the background checks, that they've done the vehicle inspections.

Fritz: That they will give us a list of their drivers?

Owens: Correct.

Hales: It's different because Airbnb houses aren't in the public right of way. [laughs] OK. Good afternoon.

Fish: Did we wear that panel out?

Hales: We scared them off!

Fish: Hope you didn't feel we were disrespectful. We were just getting started!

Hales: Go ahead, please.

Richard Lazar: Good afternoon. Richard Lazar. Privilege to be here, Mr. Mayor and Councilors. Appreciate the opportunity to serve on the task force. It has -- to say the least -- been an interesting experience and continues to be. Appreciate that opportunity. At some point, I may be able to add some color on some of the questions you've already asked, but what I'm up here to talk about next are two categories: one is insurance and the other is equity and inclusion or accessibility.

With regard to insurance, there are three categories that we're making recommendations around. Some are the same across the two sectors, some are different. First, the same for both taxi companies and TNC companies. We're recommending commercial business insurance, which is similar to the current requirement applicable to taxis, which is that they both carry general liability insurance with limits of at least a million per occurrence and two million in the aggregate for bodily injury, property damage, personal and accidental injury, and contractual liability. So, that's GL, as they say in the insurance world.

Worker's comp is as required by state law. It's the current requirement for taxis that would be applicable to TNCs as well.

The other area that's come up and generated the most discussion has to do with commercial vehicle insurance, and these recommendations vary between the two categories. For taxis, we're recommending that the current requirement remains in place, which is that taxi companies carry commercial auto liability insurance with combined single limits of not less than \$500,000 per occurrence for death, injury, or property damage.

For TNCs, it's slightly different with higher limits. And so what we're recommending is an industry-developed framework that the task force strongly believes meets the City's public safety goals, and there will be a phase-in that I'll describe.

As you may have heard, there are phases for TNCs. The first phase being when the driver turns the app on and that driver is ready to accept the fare but hasn't yet accepted a fare. And the insurance we're recommending there currently in this initial period is contingent liability insurance of \$50,000 per person, \$100,000 per incident for death or injury and \$25,000 for property damage.

The insurance industry is currently in the process and has applications pending at the state before the insurance commissioner for a product that would make what is currently contingent insurance into primary and our recommendation is as soon as those products are approved, that category of insurance will become primary.

April 9, 2015

Novick: Mr. Lazar, can you elaborate on the difference between primary and contingent?

Lazar: Yes. So today, for this period one where the app is on but there's no passenger in the vehicle and the driver isn't en route to pick up a passenger, if they -- but in effect, the vehicle has become a commercial vehicle because it's prepared to accept fares. If that vehicle gets in an accident, the current commercial insurance applicable in that category only applies if their personal auto insurance doesn't kick in. So, that's what the insurance industry means by "contingent." So, the first recourse is to the personal vehicle insurance for the driver, and if that doesn't carry forward, then the contingent coverage kicks in.

And then as I said, when these new products -- and our understanding is it could be very soon, we don't know an exact date but possibly by mid-year -- these new products -- and the insurance industry -- you know, this is a market, and they see revenue opportunities and so they're coming out with new products to serve the industry. What will happen is that contingent liability coverage will become primary, so the personal insurance will have no application once the app is on.

Fish: I think it would also be helpful as we go through the three periods to describe who we're trying to protect, because it changes. I know it's implicit, if you would walk us through who we are trying to protect through this insurance?

Lazar: Well, insurance protects frankly everybody involved. So, there is both property and humans. So, the driver of the TNC vehicle, certainly passengers. And right now, I'm focusing on the TNC category. So, passengers in TNC vehicles and any other parties, be it pedestrians or drivers or passengers of other vehicles who are involved in a collision.

Fish: In period one, we don't have a passenger but we do have a driver?

Lazar: Correct.

Fish: We do have pedestrians and we do have other vehicles.

Lazar: Correct.

Fish: That's what we're trying to make sure there's adequate insurance to cover any liability that arises in that context.

Lazar: Yes, in this period one category. Any other questions about that? Thank you, Commissioner.

The next component has to do with periods two and three, which is when a TNC driver has accepted a fare request or ride request and they're en route to and when they pick up that passenger and during the time the passenger is in that vehicle. And during this period, we're recommending -- which is consistent with the framework developed around the country -- primary insurance coverage with minimum liability of one million for death, injury, or property damage per incident and one million of underinsured motorists also for death, injury or property damage.

Fritz: Is that two million overall or two million overall?

Lazar: One million.

Fritz: Per person or accident?

Lazar: Per incident. So -- yes, per incident. Per person and per incident, it's a million combined.

Fritz: So, if there are five people involved in the crash, then the maximum that each could be hoping to get would be \$200,000?

Lazar: What we're recommending again is the consistent framework of a million dollars in coverage. How that gets allocated in a particular situation would depend on that situation.

Fritz: What I heard before was that it's one million per person, two million for incident.

Lazar: That's for general liability insurance, which is the current requirement of the code. It's a different category of insurance. So, it's slip and falls, it's traveling, it's not related to driving the vehicles.

April 9, 2015

I know insurance can be complicated, but there's there -- again, just to summarize -- there are three categories of insurance that we're making recommendations around, the same three categories that are currently in the code. So, the first again is the commercial general liability insurance, and we're matching the current code requirements for both TNCs and taxi companies. Worker's compensation, which is just whatever state law requires. And then, I spoke about the commercial vehicle insurance. Any other questions? OK, thank you.

So, the next issue I'm going to talk about which I know is very important to a lot of people -- including every member of the task force -- which has to do with equity and inclusion.

Fritz: I'm sorry -- I thought you were going to continue on with the insurance part. What about after the ride has completed and the driver is going back to their home?

Lazar: That depends on whether they log out of the app or they remain in service for another call. If they log out of the app, then they're out of the system and they revert to their personal insurance coverage. If they remain in the system and available for another fare, then we revert back to that period one coverage. Once the passenger leaves the vehicle, it reverts back to the period one coverage period.

Fritz: OK. And what about when -- first of all, is the app hands-free? If you've got the app on in your car, is it voice activated to say I'll accept that ride or not, or does it require cell phone use during the drive?

Lazar: I don't know the answer to that question.

Greenfield: We did incorporate the City's hands-free policy as an assumption.

Lazar: It is in fact a separate recommendation outside of insurance.

Fritz: And what about the problem that if a driver is involved -- with a personal vehicle is involved in an accident -- then the person's private insurance would be canceled if the insurance company finds out they've been driving their vehicle for commercial purposes?

Lazar: We've heard that concern -- we heard that concern during the task force process. I couldn't say we have a definitive answer from the insurance industry about whether personal insurance would be cancelable. We haven't heard of specific incidents in which personal insurance has been cancelled -- at least, none were presented to the task force -- and the new products that are currently before the state insurance commissioner would solve that problem.

Fritz: So, why are we proposing to move forward with a pilot project before the insurance is in place?

Lazar: Our view as a task force -- and we were unanimous in this regard -- is that the current framework, even with contingent coverage, meets the City's public safety goals, and it's a model that has been applied successfully in a whole bunch of other jurisdictions, so it's not novel to Portland.

Novick: Just to be clear, we're talking about having contingent coverage during period one from the get-go. And it's my understanding that there's not been incidents elsewhere where the insurance companies have said, "even if your app isn't on, the fact that you are sometimes a TNC driver means we won't honor your personal insurance"?

Lazar: Again, we heard those concerns raised, but nobody has supplied the task force with information that anybody's insurance was canceled for participating in the TNC role.

Fish: Can I ask just -- since we're going to come back to the overall package, but before we move on to the other period -- you said earlier that worker's comp as required by state law. Since my understanding is most of the TNCs characterize their workforce as independent contractors, what's the significance of telling us that it's worker's comp as required by state law? We don't have the power to change state law. So, you're just saying

April 9, 2015

that's not changed? Is your point that we're not making any changes to eligibility on worker's comp by any of the changes that you're proposing?

Lazar: The answer to your latter question is yes, we are not recommending any changes to current code in this requirement with regard to the status of drivers. The TNCs operate in a uniformly independent contractor model. The taxi companies in Portland have varying models -- some are independent contractor models, some are employee models. So, those that employ drivers to the extent state law requires it would have to deal with worker's comp insurance. Those that are independent contractors may not have to.

Fish: And those that may mischaracterize their employees take their chances?

Lazar: You know, the evolution of TNCs has raised a host of issues, and many of those issues are being litigated around the country, and I think it's going to take some time for this newly-emerging category to sort of find its balance in the law as well as operationally.

Fritz: Just going back to my previous line of questioning, you mentioned that the City is named as an additional insured. Does this mean the City is named on a driver's personal policy?

Lazar: No, it would be on the applicable commercial policies. If the personal insurance is applicable, then the taxi or TNC driving isn't implicated -- they're using their personal vehicle for personal use and therefore, they're outside of the system.

Fritz: Yeah, we recently had a crash of a cab at an intersection, I don't believe the cab was occupied at the time and of course, some of our cabs are personally owned. And so, there have been incidents of accidents happening outside of transporting passengers. So, I want to make sure that we have adequate coverage. So, for instance, the app on having not yet accepted a ride, the limit of 25,000, 50,000, 100,000 seems ridiculously low for me.

Lazar: For injury and death, it's 50, 100 -- 50,000, 100,000 -- 25 is for property damage.

Fritz: Those are not high enough for people who are transporting other people in their cars or about to be I would say.

And just to return to my previous comments, I have learned far more than I care to about insurance over the last 28 weeks, and there are companies -- private insurance companies -- who would cancel your policy if they know that you're driving commercially. And so I'm very nervous about telling Portlanders "go ahead and do this" without that understanding that if they get into a crash, they may not have personal coverage, not only for their own car but perhaps for their family cars that might have been insured as well. That's been discussed because, right? Because I've been raising that concern to Commissioner Novick all along. And you just decided to wait and see what the state does?

Lazar: I certainly appreciate your concerns. And what I can tell you is in our collective wisdom as a task force, we believe that these recommendations meet reasonable public safety objectives, and that's why we've put them forth for you. We appreciate your concerns. With regard to the state insurance commission, that really is just about moving and frankly, we're very interested to see that step happen because we would very much as a task force like to see that coverage move to primary.

Fish: You know, just as a practical matter -- as I listen to this very thoughtful exchange -- it occurs to me that what's likely to happen here is that the first few times there are accidents involving TNCs in any one of these phases, a competent plaintiff's lawyer is going to sue the driver, is going to sue the TNC, and is going to sue the City as a practical matter, and we're going to sort this out through a litigation process because a competent lawyer is going to sue everybody that might have any potential liability and we're going to figure out what the courts deem to be appropriate. I do share some concern about -- there are some things that I think we can take a little bit of a chance on through a pilot period. I'm not sure insurance is an area we want to take the greatest area of risk. So, this is something to come back to in later staff discussions.

April 9, 2015

Lazar: Great, thank you. Appreciate the dialogue. So, moving on then to equity and inclusion -- and again, a very important issue for the task force and I know it's important to a lot of people in this community. I just want to state, our goal as a task force is ultimately to achieve parity in both accessible and not accessible private for-hire transportation in the City. I want to first sort of frame the current state of the universe before sharing our recommendations.

Currently, in terms of supply, there is in the code a requirement that taxi companies have 20% of their fleet allocated as wheelchair accessible. My understanding is only one of the companies currently meets that requirement. In terms of service levels --

Fish: When was that requirement adopted?

Lazar: Years ago, as far as we know. I don't know the exact date.

Fish: 20% ceiling?

Lazar: It's long been in the code is our understanding. One of the things that occurred to us -- and probably occurred to you as a City Council -- is that that's not a service requirement, it's simply a supply requirement. And so as you'll see in our recommendations, we would like to move towards a service-based approach as opposed to a supply definition approach that doesn't really bear on services.

In any event, service levels currently are not defined or addressed in the current regulations. In terms of demand for accessible transportation, there's no meaningful historical data on level of demand. I have one anecdotal data point. One of the taxi companies reported to me in a meeting that they believed -- and this isn't verified data -- that 3% to 5% of their total call volume was for accessible transportation. We got input on the task force that suggests reasonable levels of wheelchair accessible vehicle services are not being consistently provided throughout the City. So, that's our view of the current state.

With that in mind, we make the following recommendations. We recommend that both taxi and TNC companies provide citywide wheelchair accessible vehicle transportations services, either through their own vehicles or through an agreement with the City-approved provider.

We recommend that both taxi and TNC companies with apps make provision on those apps for a rider to make requests for wheelchair accessible vehicles.

We recommend that taxi companies -- we're recommending to reduce that 20% fleet requirement to 10% to sort of match the current state, and with the recognition that it's not a service-based standard.

We're recommending that both taxi and TNC companies report both -- for the taxi companies that they report two years of historical data and that both categories of companies beginning with this 120-day period record ongoing requests for service, both accessible and non-accessible, including response time data so that that can inform the task force's tasks going forward -- its work going forward.

And we're recommending that a fee be assessed against TNC companies only for data collection, management, and analysis during this 120-day period. That's phase one.

In phase two -- to give you a preview -- I can tell you that the task force and staff will be collecting and analyzing this data and will be using that data to evaluate a variety of models that can be applied to accessible transportation in the city. You can expect a comprehensive set of recommendations from us during the phase two meeting that we'll have, and I want to give you my personal assurance -- which I shared with Sue Stahl -- that I will do everything I can on the task force -- and I know other members share this view -- to solve this problem in the City.

Novick: Mr. Lazar, I just wanted to add something, which is the current code provides an alternative to the 20% requirement. It says that companies that participate in the Portland

April 9, 2015

Accessible Cab Association agreement are required to only have 10% of their fleet wheelchair accessible. Taxi companies that participate in that agreement are required to provide wheelchair accessible taxi services within a reasonable time [indistinguishable] that any time beyond 30 minutes is unreasonable. It's my understanding that there are no participants in the Portland Accessible Cab Association agreement -- that all of the companies have chosen to opt for the 20% option -- but there is an existing code and option similar to what you're describing for the pilot.

Lazar: Thank you for that clarification. Just to finish my comments -- and certainly happy to answer any questions -- the goal from our perspective on the task force is to pursue this in a data-driven way and to analyze a variety of models that can meet this need. Thank you.

Fish: Can I ask you about the City-approved provider component and the apps with the option to seek -- to declare that you have a disability and need an accommodation? Is it your recommendation that those be in place prior to the 120 day period?

Lazar: As part of the 120-day period. In other words --

Fish: OK. Is your recommendation that we have these agreements to have City-approved providers if you don't provide it, and that the apps be updated and that be done prior to the beginning of the 120 day period?

Lazar: Yes, it's a condition of permitting.

Fritz: And is the intent to have the 10% apply to the transportation network companies, too?

Lazar: It does not. It applies only to the cab companies.

Fritz: So, what's the requirement for the transportation networks in the pilot?

Lazar: That they either -- they can choose to have an accessible fleet and serve this need in that way, or they can contract with a City-approved provider to meet the need, which means their app has to have the ability to make a request for accessible transportation and they have to have a mechanism to immediately communicate that request to their contract partner to serve that need.

Fritz: So that might help our folks who are having trouble getting through to dispatch to getting the vehicle dispatched, but it would decrease the overall number of vehicles, because the percentage of vehicles would then decrease. If none of the TNCs have to be accessible and we're decreasing the number of the taxicabs that have to be accessible -- which, remember, we just had a lot more permits approved -- so the taxi companies were planning to increase their numbers, we're not -- I mean, are there other companies other than the taxi companies who are providing accessible rides?

Lazar: Our understanding is that there are, and I think staff can probably address that better than I can.

Fritz: Thank you.

Fish: And just to close the loop on a related issue, how do we ensure that if a TNC opts out and enters into a City-approved contract with a third-party provider to provide that service -- how do we ensure that the customer is not charged a premium for a basic service?

Lazar: We address that in the fee component of our recommendation, which is coming up.

Fish: So as a preview, there's no additional fee that can be charged just providing the basic service for someone who's disabled?

Lazar: Correct. We are not suggesting that accessible transportation riders would need to pay a premium for that service, they should not.

Fish: But there is a provision for surge pricing and other kinds of things, so at least with this category, the TNCs would not be able to charge a premium to provide a basic service?

Greenfield: We did not address that question.

Lazar: We did not address that specifically.

April 9, 2015

Fish: I think we're going to have to make absolutely clear that it is on the same terms and conditions, regardless of what additional administrative costs the TNC incurs in opting out and contracting. I think that would be fundamental that we have to offer the same price, so we'll come back to that with staff.

Lazar: Just so we're clear what you're suggesting is that surge pricing would not be permitted for wheelchair-accessible rides.

Fish: I would say no premium pricing other than what is applied uniformly in the marketplace for someone who seeks a basic service that happens to be disabled. That would very much undercut I think the equity argument if someone was allowed to pass that cost on.

Lazar: Thank you for raising that question, it's a very good one. Those are my comments, thank you.

Hales: That might be a good transition since we're talking about rates to have Ms. Ansary proceed.

Raihana Ansary: Sure. Good afternoon, Mayor, Commissioners. Raihana Ansary with the Portland Business Alliance. Thank you for the opportunity to serve on the task force. I'm going to continue with regulations that vary, beginning with fare rates and pricing.

For both TNCs and taxis, we're recommending that there be fare transparency and the distribution of hard copy or electronic receipts. For TNCs, we recommend no fare regulation and allow for dynamic fare pricing, with the exception being that in periods of -- or a state of emergency, the PBOT Director can send out an alert that would suspend dynamic fare pricing.

Fish: And can we be clear that when we're talking about an emergency, we're talking about a Blazers game occurring at the same time as a Timbers game -- [laughter] -- we're talking about any event at City Hall that brings more than 200 people to the chambers -- I mean, we have a very elastic definition, I hope.

Owens: Or your birthday party.

Ansary: An earthquake, severe, natural disaster.

Hales: Big snowstorm.

Ansary: Yeah, big snowstorm.

Hales: That would be hard for Portlanders to cope with.

Fish: And under your rules, the PBOT Director gets to make that call?

Ansary: Correct. And for taxis, we recommend that current fare regulations maintain. The reason being is that we as a task force felt that these were different models, and we'd like to test how consumers respond to the models in the first 120-day period.

Novick: May I just ask about that? Did somebody raise the concern that if the taxicabs are subject to price regulations and the TNCs aren't, then the TNCs will undercut what the taxicabs charge during sort of slow periods and make up for that by surge pricing and have a competitive advantage because they would be able to undercut the taxicab prices because they can offset it by surge pricing?

Ansary: Do you have a response for that -- I don't --

Lazar: I think we don't know what is going to happen with pricing in the marketplace because thus far it's been highly regulated. Data from other cities has been mixed on that topic. Frankly, we went a bit round and round on the question of whether to eliminate fare regulation for the taxi side, and we heard from staff about administrative concerns around that and what would happen after the 120-days if it changed back. So, I can't say that we have strong views on this particular topic -- ultimately, this is what we recommended.

Fish: And you know, I appreciate -- first of all, I think the task force has done an amazing job in a very short period of time and my hat's off to you for the quality of the work. But let's go back to a values proposition you started with about a level playing field. And following

April 9, 2015

up on what Commissioner Novick just asked, it does strike me at least that we are potentially creating a separate but unequal system if we regulate -- if we allow someone to set the price and another is regulated. And I understand you struggled with that, and I'm not here to pick a fight over that. We're here to better understand your thinking and understand what our options are. But it does at least on the service seem like it's not a level playing field, and I'm going to need some help to understand reasonable predictions about what's likely to happen and why the same ground rules don't apply to both sides.

Lazar: If I may offer a brief comment on that, and I think you've raised a legitimate concern that we've wrestled with. Frankly, the question is, is this an area that government should regulate or is this an area where the free market should determine pricing -- leaving aside accessibility. And, you know, frankly, my personal view is that there's no data upon which the government -- in this case, the City of Portland -- could rationally determine what pricing ought to be in the market unless you understand cost structures and that sort of thing. And so again, my personal view is that it probably makes the most sense not to regulate in any category. And again, we struggled with this and ultimately, this is what we recommended but certainly share your concerns.

Hales: While we're on the same subject -- and maybe you were going to mention this -- but the task force is recommending the structure that we've just talked about. I am assuming -- and our City Attorney can either nod or talk about this later -- but I'm assuming that if we choose not to regulate some aspect of prices now during the pilot project phase, we are not foreclosing the option of regulating those rates later. We still have the authority that we have. We regulate private for-hire transportation -- new kinds and old kinds -- and if we don't for now regulate rates, that doesn't mean we can't regulate them later, right? We're all working on the same assumption.

Fish: The concern that I would have in that, Charlie, is that it begins at least to me to feel like you've got a restaurant next to a restaurant and one of them has a certain level of administrative requirements or regulatory burden, the other one doesn't, and we're saying one can charge what they want and the other one couldn't. We're saying at the end of 120 days, we'll see potentially how much damage we've done. And the problem is we may put someone out of business.

Hales: Right, I get it.

Fish: And it's hard to put the genie back in the bottle. I just want to tread lightly on that and I hope we can make a rational forecast as to the unintended consequences.

Hales: No, I get that. I just wanted to make sure on legal grounds that if we accept the task force's recommendations, we're not foreclosing any options for the Council. That doesn't mean that we want to accept them as they are today.

Fish: Right.

Novick: Commissioner Fish, just for the record, I share your concern. I am not enamored of the idea of having price regulation for some actors but not others.

Ansary: Thank you. So, continuing with permit fees -- for TNCs, we recommend applying a flat fee per company based on cost recovery. And our understanding is that City staff are working on estimating what the cost recovery would be. For taxis, we recommend continuing to apply the existing fee structure and maintaining a moratorium on fee increases of the kitties.

Fish: And the kitty is?

Ansary: The set fee that cab companies collect from their drivers to cover for overhead. In phase two, we recommend the potential for a tiered fee structure based on the number of vehicles per company, and that would be for both TNCs and taxis. The idea is this would allow entry for smaller companies into the marketplace. For vehicle signage, notices, we recommend for both TNCs --

April 9, 2015

Fritz: Excuse me, before you go on --

Ansary: Yes.

Fritz: Going back to fees -- my understanding is that the TNC drivers -- do they have to pay a permit fee?

Ansary: Our recommendation is that for the TNCs, it would be a company permit fee.

Fritz: The cab drivers have to pay between 225 and 600 for a new or renewed license -- so what happens to a cab driver whose license comes up for renewal during this 120-day period?

Ansary: My understanding -- and this is what I've heard from City staff -- is that most of the drivers pay for their own permit fee. And, you know, this is something that we would be open to exploring in phase two.

Fritz: Again, there's an inequity if TNCs drivers don't have to pay for their permit and the cab drivers do -- that doesn't seem fair. And my other question is about taxes. I understand that in other jurisdictions, there's a flat fee for the TNC companies, but we charge business license fees for current taxicabs. Did you look into the fiscal impacts of the potential flat fee? One of the things I was interested in in the Airbnb requirements was that we were going to get over a million dollars in lodging taxes. Are we looking to get the same level of taxes and income taxes on TNCs versus taxicabs and drivers?

Ansary: My understanding is this would be cost recovery only and that this would not be a revenue generator for the City, and --

Hales: The fees, not the taxes.

Ansary: Oh --

Fritz: But the challenge is that the business license tax only kicks in when your income is \$50,000 or more, which few Uber drivers are going to be individually earning more than 50,000 or more, although the company earns billions. So, I think for us, colleagues, there's a discussion to be had about potential decrease in business license tax from the cab companies if a slice of the market is taken off to a non-taxable entity.

Novick: Commissioner, my assumption has been that the TNCs are doing business in the City and therefore, they are subject to the business license tax.

Hales: Right, me too.

Novick: The TNCs themselves.

Fish: Steve, we would only be able to tax them on the basis of their 20% fee they charge each driver. Isn't that the only thing we can tax them on?

Novick: Yes, but similarly -- I mean, we tax businesses based on their profits. They get to deduct their expenses, such as their wages, right? So, I don't know that it's really all that much different.

Hales: It's a good question for the Revenue Bureau, let's flag that for them.

Fritz: And when you find that out, I'd like to know what the proposed tax is on Uber and how much the total would be expected to be.

Novick: Again, my assumption is they pay the same business license tax rate that any other company does.

Hales: Thanks, I got that one.

Ansary: Good point, thank you. So, continuing on with vehicle signage, notices -- this is really a safety issue for both TNCs and taxis. We recommend either cameras or some other verifiable way to track driver and passenger identity that could be made available within a 24-hour period should law enforcement request it. For TNCs, we require that -- we recommend that drivers display a company address of some sort or marking, and our understanding is that City staff is developing specifications for this. For taxis, we recommend retaining current signage requirements.

April 9, 2015

Fritz: About cameras -- the reason that we required cameras in taxis was for the driver's safety after some attacks by passengers on drivers. And since the very essence of the TNC is that it's a smart phone -- that they all do video -- why are we not requiring that the audio -- maybe you need your phone on to do your navigation, by why would you not have audio recording going as a safety mechanism for both driver and passenger?

Ansary: We did not discuss audio recording, but I appreciate your notation of that. We did -- we were concerned that in this first phase, requiring additional technology to be installed in personal vehicles would potentially pose a barrier, or -- and there are companies out there that are waiting to operate.

Fritz: Everybody has a phone, I mean, that's how you get the ride. So, your phone wherever you mount it, and you leave the video on. That doesn't require any additional equipment.

Ansary: OK. Thank you.

Saltzman: But you're saying you are going to require cameras for the TNC vehicles?

Ansary: No. Either cameras or some other verifiable way to identify a passenger and a driver.

Saltzman: A photo for the driver?

Ansary: And the passenger. So in the case of TNCs, it would be that information could be tracked to the app -- the information that's collected when someone requests the ride.

Hales: OK.

Ansary: And then finally, in regards to street hailing and taxi lines, we recommend that TNCs not pick up street hails or queue up in taxi stands, acknowledging that they're a different model and they are marked differently.

Hales: OK. Thank you very much. So, let's proceed on to the next part of your task force report.

Owens: We're almost done.

Greenfield: Thank you. Mike Greenfield again. The final item in the regulations that vary has to do with data reporting. We're asking for monthly basis data reporting from both TNCs and taxis, and some historical data from taxis as the basis for developing our phase two recommendations. And that's the final variable requirement. We think this information will be very important to us in developing our next recommendations.

Fish: Mike, how do you envision us enforcing that requirement as to TNCs? And I'm asking it in the context of significant national litigation around what kind of information TNCs will provide to local government and a lot of arguments around privacy and proprietary information and other kinds of things. So, on the theory that we want to make sure whatever data sharing requirement sticks and that the enforcement works -- and I'm reminded that as of today for Airbnb, 95% of the hosts are not in compliance with our rules. So, we have a history of a bit of a lag in terms of getting industry compliance. I ask you, as a serious matter, how do we ensure that we get that data in light of pretty significant resistance on a whole host of legal grounds by the industry to provide that to local regulators?

Greenfield: Well first, I want to thank you for not putting me on the Airbnb task force.
[laughter]

Hales: Careful!

Fish: [inaudible]

Greenfield: I think it depends on the appetite the City has for enforcement. I think that the question has to do with a whole series of things that we're recommending in terms of standards and what you have to do to do business in the city of Portland.

Fish: Can I just draw a distinction? I think we would all agree there's enforcement and there's enforcement. And I hope that we're not going to embark on an experiment where

April 9, 2015

there is any doubt about our ability to get that data. I would further hope that since there's a limited number of players in the marketplace that we have in writing a commitment that we will get the data that we are requiring by law in which the very success of this pilot program depends on from these providers. And I hope we'll also be told today -- if not before we take up the resolution -- whether any of these internet companies are intending not to comply with that requirement. Because it does seem that the data is fundamental to what you're asking us to do, which is to do a pilot and then evaluate the data. Without the data, it seems self-defeating.

Novick: Commissioner, I agree that the data is critically important. I do want to note that we have demonstrated recently that we take enforcement of these regulations pretty seriously. When one player started operating illegally, we brought a lawsuit and they wound up agreeing to stop operating illegally and then we collected fines. So, we would certainly treat the failure to provide the data that we're talking about as a serious violation, which could lead at the end of the 120-day period to a permit to operate not being renewed.

Greenfield: Some place in the City of Portland, there's an archive stacked floor to ceiling with great policy ideas that were never executed. And the reason they weren't executed was that data wasn't collected, the standards to enforce that policy were not rooted in realistic measurable data, there was no standard that was measurable, there were no outcomes that were enforced. I mean, at the State level and at the City level, we've got had kinds of examples of that. The 20% requirements for vehicles for the existing fleet is a good example of that. And what we hope to do by collecting this data is to give you the tools to develop an execution of this policy that establishes standards, establishes a way to measure whether they're complied with or not, and the tools to enforce them if they're not.

Fish: And one of the things I might suggest -- building on some of your excellent recommendations -- is that before the City issues a permit, somebody signs a document saying "we agree to conform to this particular requirement and we waive any legal objections to providing the data" that we've requested. Because I think it would be a breach of faith if we find ourselves in extended litigation trying to get the very data that you have I think correctly identified as necessary to us to evaluate the success. That feels like heads you win, tails we lose.

Greenfield: And you need to provide sufficient data and staffing to ensure that these people, these companies are complying with it, and you need to have a definition of "else" in the term "do this our way or else."

Hales: Yep, I like that.

Fish: I like that. You are going to be on the Airbnb task force. [laughter]

Hales: Just sealed that deal.

Greenfield: At this point, I'd like to thank the task force for all the work they did. I'd like to thank the drivers who came and spoke with us. I'd like to thank the potential drivers that talked with us and the companies that talked with us and the public that came and in talked with us. It's all been very valuable. It's been fast, and we look forward to more of it.

At this point, I want to note that the task force received two additional presentations and voted to forward them to the board as concepts the task force would be considering in phase two. Sue will be introducing a presentation of the Portland Equal Access Plan, and Kayse will be presenting comments from the Center for Intercultural Organizing.

Fish: Do you want us to hold our generic questions until the two other reports?

Greenfield: Please, and then we'll come back up and respond to questions. Thank you.

Hales: Thank you. Good afternoon. Welcome.

Sue Stahl: Good afternoon. My name is Sue Stahl, I'm with the Portland Commission on Disability and was a -- is -- a task force member. The experience of being on the task force

April 9, 2015

was very unique, and I do want to say for the record that not all issues were passed unanimously on the task force.

The Portland Equal Access Plan, or PEAP, puts forth recommendations that were crafted following a comprehensive review of the private for-hire transportation regulatory system as well as review of what has been tried in other jurisdictions throughout the country. This plan is included in the task force recommendations as attachment A.

We are advocating to apply the same fair rules to taxis and Uber and the other TNCs. All companies must be required to provide an equal level of service for persons requesting transportation by wheelchair accessible vehicles. Taxi companies endorsed the Portland Equal Access Plan, as well as the Portland Commission on Disability, and we are asking for the City to accept this plan.

Today, it is a fact that people that request wheelchair accessible vehicles receive second-class service, frequently experience wait times of up to four hours -- usually two to four hours. The 30-minute reasonable wait time standard that is currently in code for requests for wheelchair accessible vans has never been enforced, and as far as I can tell, has never been met.

The reason is this: there is a system-wide shortage of accessible vehicles available on demand. However, the limited amount of accessible vehicles that the taxi companies own are being contracted out to other businesses, such as non-emergency medical transportation, TriMet lift, ride connection, etc.

The system is broken and has been broken for a long time. Here are just some of the examples. An 82-year-old female had made arrangements several days in advance to be picked up by a wheelchair van at 3:00 p.m. on August 23rd, 2014 for a high school reunion. The cab company dispatcher called her that day of the appointment and told her that a wheelchair van wasn't accessible to pick her up and canceled her trip. A passenger requested a high-clearance wheelchair van. After waiting two hours, dispatch called and he was told to request another ride. Another passenger arranged a trip to a doctor's appointment. The ride was 50 minutes late. I have been told about a 98-year-old woman who was left out in the cold for five hours and a man who almost did not make it to his dialysis appointment because his medical transportation did not pick him up.

On a personal note, I no longer request wheelchair accessible vehicles. In fact, I specifically request not to have this type of vehicle to pick me up, simply because I cannot afford to wait two plus hours for one to become available. This doesn't mean I don't need an accessible vehicle. I do. I just now rely on friendly drivers and passers-by to pull me up from the low seats or to pick me up after I have trouble stepping into the car.

Requiring Uber and other TNCs to contract out to this limited supply will exacerbate the situation. The PEAP recommendation allows companies to explore other avenues for providing service to the disability community. They may know of some other companies that they can rely on -- maybe an entrepreneur is developing a fleet, maybe some TNC drivers actually own accessible vehicles.

The Portland Equal Access Plan also does away with the current policy of fleet requirement standard of 20% -- now 10% -- to measure ADA service success and instead has a clear regulatory benchmark: measurable service response times. The goal is to achieve parity by having equal response times for wheelchair-accessible vehicle rides and non-wheelchair accessible vehicle rides.

Now, about enforcement. We can have the best policies in the world but if there are no ways -- no meaningful ways -- to enforce them, then we have failed. Unfortunately, we have already seen this happen. The 30-minute wait time that I mentioned earlier has never been enforced. The 20% -- and now I guess, 10% -- I think it was 30% a few years ago -- which is a very unsettling trend -- accessible fleet has not been enforced. This cannot

April 9, 2015

continue. There needs to be enforcement and meaningful reprimand to companies in order for this change to happen and civil rights met.

The Portland Equal Access Plan incorporates this logic and puts forward the proposal of pulling a company's license for one year if they fail to meet parity. This will apply both for taxis and TNCs. I am concerned that if Council does not act now to put PEAP in place, the political obstacles will make it difficult to do later. As you mentioned, how do you put the genie back in the bottle? Many Portlanders may love Uber and other TNCs. If Council imposes new requirements in phase two, Uber and the other TNCs could threaten to withdraw from the market -- as they have done in other jurisdictions -- and Council will have many constituents who will want them to stay.

My point is that Portland has the maximum leverage now, so let's use it. The time is now to fix the broken system and ensure that Portland is a truly livable city for everyone. Thank you.

Hales: Thank you very much. Mr. Jama?

Kayse Jama: Good afternoon, Mayor Hales and Commissioners. My name is Kayse Jama. I want to first of all make a disclaimer. I am actually -- I'm not here to speak on behalf of the task force. I think my comments is very much more personal. I'm also here to offer you some comments rather than recommendations of what needs to happen.

First of all, I really enjoyed being part of this robust discussion as a member of the task force and I think Jim, our chair, and the rest of the team really spent a great deal of time in such a short period of time trying to coming up with recommendations that's going to work for all. Having said that, there are several areas that I have concerns that I want to highlight, and I hope that people who [indistinguishable] after me will be wrestling with.

First of all, let me say this. I think some of you raised about the insurance issue. My goal and my hope is whatever recommendation we put forward, we come up with a system that has uniformity across the board, whether it's a TNC or a cab company.

I personally also had a concern during the task force -- the third-party liability disclaimer that Uber has in their system. And I asked that question. I don't know if I ever got a satisfactory answer. I would hope that in order to protect the public, we have to create an insurance system that not only holds accountable to the communities but also creates a way that we protect our public. And so, that's one area that I want to mention about the insurance.

The second piece is that it's the vehicle inspection issue. I think this is another uniformity issue for me. I recommended or at least I suggested that we should keep the current existing regulations as it is right now. Particularly for me, I was concerned to eliminate a requirement of fire extinguishers as well as the extra spare tires. I think if you end up having an elderly person or someone with a disability and having a vehicle and end up that vehicle catching on fire, the situation is that a fire extinguisher may be needed. It's important for public safety to me.

Another area that's been discussed is the fare issue. That's an issue for me also that I'm really having important consideration. I think whatever we come up with, we have to create a system. If we are requiring cab companies to charge a certain amount of dollars, I think -- whatever it takes -- we have to create that same situation with the TNCs. Or if we eliminate -- which I am not advocating for. All I'm saying is it has to be uniform and it has to be transparent, it has to be equitable to both systems. I think at this point, we're not there yet.

I think Sue really spoke to areas of accessibility and I agree with her concerns. I think she has been a really good advocate and voice at the table, and I'm hoping that we would figure out ways to accommodate in our disability community to ensure that they have services.

April 9, 2015

The last area that I'm going to make a comment is an area that I totally understand that it's actually contrary to the concept of Uber and TNCs, which is one is that accepting only credit card or debit card systems. And I think if you do that, you pretty much eliminate a portion of the Portlanders who may not have those and are unable to pay. If we're asking the community to accept all systems of forms, it has to be uniformity, again -- cash, credit card, debit card and so forth and so on.

The other last one I want to comment on will be the dispatch system. I understand it's also contrary to the system of TNCs, but I think also in terms of equity -- I'm assuming if somebody is unable to have a smart phone or unable to even use it, there have to be ways that they can call in, whether they are blind, or whether they are -- I know there are systems they can use even though they are blind. All I'm saying is there has to be some level playing field throughout the system, and I think we're almost there but I think there's areas that we really need -- those areas that I mentioned that truly needs to be having quite a bit of debate and dialogue.

Fish: Kayse, can I ask you about that issue you raised? So, I have a similar concern because not everybody has a smart phone, not everybody has a debit card or a credit card. And when I raised that with someone, one of the answers I got back was, "well, in our system, you could still use a traditional cab company that doesn't require a smart phone and does accept cash." How do you respond to that?

Jama: I think it's a fair question. And I think the question for me is not about whether you have an alternative but whether you have equitable and parallel systems. That's really my answer to your question, Commissioner Fish.

And I think finally, the last thing I want to mention is I think we are charting a new territory as a city, and I think we have to also figure out the impact that this system if it kicks off will have on our existing system, particularly the cab community and the drivers themselves. I don't know what that looks like and if it's going to crash it. I think their lives are dependent on those things. As a city, we have to think about what impact it will create as we move forward.

I think overall -- I think this might be my own comments -- but I do believe that we shouldn't be trying to fit Uber's business model as a City. I think we should be asking Uber to fit our current structures and current systems that exist. I think that's my own understanding of where we need to be as a city. I will stop there. I really appreciate the opportunity to serve this great city.

Hales: Thank you both. Questions for these folks?

Fish: We might come back?

Hales: We might come back.

Novick: I did want to ask Sue a question. I'd just like to take a minute to talk about the details of the PEAP proposal. I understand that what you're saying is that you wouldn't -- there would be sort of a phased requirement to come to equity in response times for wheelchair accessible versus non-wheelchair accessible vehicles?

Stahl: Correct. First, we would need to gather data, determine what the average ride is for non-wheelchair accessible vans, and what the response time is for those accessible vehicles and establish benchmarks throughout the next couple of months to get the disparity closer and to finally reach parity.

Novick: But you'd want us to state from the beginning before even start gathering data that by a certain point in the future you have to reach parity, otherwise you're subject to enforcement action, including a loss of your permit?

Stahl: Correct.

April 9, 2015

Fish: Can I follow up on that, Steve? We heard earlier that there's some thinking of moving away from having a percentage of the vehicles that are accessible and more to a focus on a benchmark of service level.

Stahl: Right.

Fish: And so service levels is a fancy word for how long does it take for the cab to come and serve you.

Stahl: Exactly.

Fish: And you probably already touched on this, but could you give us some parameters of what you think is an acceptable service level?

Stahl: Well, that 30-minute reasonable response time sounds really good to me, but it's going to come out to what the average response time is for, say, a sedan or those little Priuses and match that up to wheelchair accessible vans. It could be five minutes. That would be heaven on earth. I would be able to do a lot more things in the city if I only had to wait five minutes for someone to pick me up. It could be 15 minutes, it could be 30 minutes. The big thing, though, is that they need to be equal.

Fish: Thank you.

Owens: Thank you both. We're just going to finish up with a couple of closing comments.

Fish: Just a few general comments?

Owens: I would be remiss if I didn't thank the City staff for their professional support of the task force and their timely responses to our questions. They did a great job.

Greenfields: And let me just echo that. The Commissioner's staff as well and PBOT's staff. I want to do a particular shout-out to Francesca Patricolo, who has been serving us with the most wonderful smile and humor throughout all this, and she is going to be moving on to a different assignment.

We've given these volunteers a relatively easy task here, right? They have put in an incredible amount of time to get us here. I feel like a proud parent whose kid finally got through high school, but now I have college and grad school in front of me. That's the next phase of this process, and we look forward to be able to work on that. We have a ton of work to do for you. Thank you.

Saltzman: You mentioned -- I think, Mike, you said at the outside you looked at other models -- or maybe, Jim, you said that -- other models in other cities. What city has struck the best balance in your opinion?

Greenfield: Well, there's been a lot of reference to Seattle, but of all the ones that I glanced through -- and I have to tell you, I didn't read them in great detail -- I think we can do better. I think we can be a jurisdiction that lets competition occur based on the level of service and efficiency, and not on cohorts of people that you don't serve or other regulatory differences. We want to provide regulatory framework that is consistent and then lets companies, organizations compete within that based on their performance and not because they get an edge from the regulations.

Saltzman: I guess one of my concerns throughout has always been that this free for all -- I guess for better or for worse, that's what it's been called -- this 120-day period turns out to be a race to the bottom in terms of driver wages. If you find that to be the case, are you going to come back to us and say, "that was the case, people are starving now." They may be starving right now as cab drivers -- I mean, I will concede that. But in this unregulated frontier that we're being asked to go into, there seems to be a real chance of that happening. I guess that's my biggest fear.

Greenfield: I think we have a pretty clear policy direction from this body to make that one of our concerns. So, as we look at the 120-day period and begin to gather additional information, I'm confident that we'll come back to you with a recommendation that takes

April 9, 2015

that into account. But again, you all set the policy. We try to give you the tools to execute the policy, and then we go home.

Fish: You know, Mike, we're in your debt for just an extraordinary report in a very short amount of time and a very thoughtful presentation. So, thanks to you and to everyone who has served.

I guess I have two questions which may be best directed to you or to the Commissioner-in-Charge. One is we keep talking about the 120-day period to test-drive some things. What happens after the 120 days? Because it sounds like there could be under this proposal a significant amount of data mining, a lot of further analysis. Does this 120 days extend indefinitely under these rules? What is your intent on that?

Novick: The intent is that during the 120 days, we gather data which we then use in making decisions about a permanent regulatory structure.

Fish: And that would be made over what period of time?

Novick: Well, what I would hope actually is that over the first 60 to 90 days we're getting a lot of useful data, and then Council will be prepared to act by the end of the 120-day period.

Fish: Steve, what happens to the private for-hire board of review? We haven't heard much about them. What happens to them as a regulatory body through this both 120-day period and looking forward?

Novick: Well, the Transportation Director actually has authority to promulgate interim regulations right now, so we'd be taking advantage of that authority.

Hales: So, the board continues to advise her?

Novick: Yes.

Fish: The board continues to have a function?

Novick: Yes, the board continues to have an advisory function.

Fish: The other question I wanted to ask you has to do with medallions. I did a little scan on the internet and I discovered that in cities that are going through similar experiments, the value of the medallion has come down precipitously because of changing market conditions. I guess the question I have -- because I don't really understand the medallion piece as well as I should -- we're potentially going to be proposing some very substantial changes to the marketplace which are after the fact changes which may have influence had some owners known on the front end the price they would be willing to pay for a medallion and the market conditions for medallions. So, what is the impact on medallions generally?

Novick: Well, we don't have a medallion system the way some other cities do. We give a certain number of permits to taxicab companies. In fact, one of the things that we might want to consider is going to a system where it's the cab driver that has a permit or has a right to operate, rather than companies having the right to operate.

Fish: So, the principal -- unlike a medallion system, the principal equivalent would be whatever investments a company made under a regulated system that is different from what the regulations are in an unregulated system.

Novick: Yes.

Hales: Other questions or comments?

Fritz: I have several. But first, thank you to you and the entire task force. It's a very accelerated process and I know lot of thought and effort has gone into it, so thank you very much. And you've answered a number of my questions. Bear with me while I look through them.

What happens -- your recommendation is to do background checks over the past 10 years. What happens for somebody who hasn't lived in the United States for 10 years?

April 9, 2015

Greenfield: That's a level of detail that I can't specifically respond to. You'd have to get somebody that knew more than I do about background checks than I do. My guess is that their background check would only go back to the point they entered the country -- but again, I'd rely on staff to get into that level of detail.

Fritz: OK. And then going into the issue of the 120 days -- would the temporary permit allow the TNC drivers to get on the road prior to training or testing? Or what's the timeline expected to be for that?

Greenfield: I think it's the intent of the recommendation that nobody gets on the road until they've met the standards, which you ultimately approve. We've recommended a variety of things for you, and once those are in place, the condition to do business in Portland would be to have it satisfied all those conditions.

Fritz: And does that include requiring defensive driving training, do you know?

Greenfield: I'm sorry, I don't.

Fritz: What would the temporary permits mean for any taxi driver and for the taxi companies? Are they potentially going to be expanding their fleet and be told that if we stay with the current system after the pilot -- what happens to their new drivers?

Greenfield: There's system in place with approval of the additional taxis during the 120-day period. We will take a look at and make recommendations about most of those things. We're kind of headed in the direction of no limits, but in terms of that specific question, again I'd rely on staff. I don't know the specific answer to it, sorry.

Fritz: OK. And moving to safety -- first of all, I'm really concerned about not having fire extinguishers. That seems like a basic safety equipment that every one of us should have in our car, so it would just be a matter of encouraging more people to have an extinguisher that could be used in an emergency -- and they're not that expensive. Just because they're not that expensive, why did you come down on --

Greenfield: We relied on the advice of the organization that sets the standards for the taxis, and the name of that organization is -- there's an organization.

Fritz: Yeah, it's got an acronym too, I noticed that. Again on safety, the cap on hours of driving --14 was considered if a person is full-time driving their cap, but presumably many of the ride sharing -- it's not really ride sharing, because it's ride paying part-time -- those drivers have maybe an eight-hour or a 12-hour shift at their regular job and then they're driving. Was there any discussion of, well, 14 plus eight is more than 24?

Greenfield: We did not discuss that, but you have brought it up and it will be something we can look at during out --

Owens: Well, we are recommending that the total time any driver drives -- whether it be for a taxi company or a TNC or combination, which is what happens in many communities -- not exceed the 14 hours.

Fritz: Yeah, but that's for driving. So, if I was working an eight-hour shift at OHSU and then driving another six hours after that, I can guarantee I would be unsafe probably by the end of the first hour, never mind by the end of the sixth hour. So, I think it's something that we need to look at --

Owens: Good point.

Fritz: -- because that relates to the experience in Seattle, where many of the taxi drivers have shifted to become Uber drivers and are therefore not making benefits. That brings me to the question of the pilot. What recommendations do you have for providing assistance to taxicab drivers during the pilot if they find the bottom has fallen out of their income source?

Greenfield: We didn't examine that or come up with a recommendation concerning that.

Novick: Commissioner, just to return to an earlier point -- right now, existing taxicab drivers have six months to complete their training. They don't have to have it completed before they start driving.

April 9, 2015

Fritz: OK. Thank you, that's a helpful answer. And actually, I had a response from the Revenue Bureau about taxes, and the taxes are due on the -- at the sale price in Portland, not the amount netted to Uber. So, that will be an interesting discussion -- and again, I agree with Commissioner Fish that we need to get these things agreed to in writing before we move forward. I think that's the extent of my questions for now.

Fish: May I add one more, Mayor, for the Commissioner-in-Charge? Steve, we talked a lot today about access, and we have a separate report on making sure that people that need to be accommodated are accommodated in a uniform way. What's the City's position as to whether the Americans with Disabilities Act applies to TNCs?

Novick: I don't know the legal answer to that question.

Hales: Let's ask -- it's a good one.

Fritz: I have one final one, and that is customer complaints. Will there be a requirement for 24/7 complaint line?

Greenfield: Yes.

Fritz: And also a lost belongings pickup?

Greenfield: Yes.

Fritz: Thank you.

Novick: Commissioner, on the 24/7 complaint line, that was something I inquired about, particularly because there was an article in the New York Times about a certain TNC company that didn't have a phone number in New York City but there was some like small clothing company or something with the same name that did, so the clothing company was getting constant calls about TNC-related issues.

Hales: OK. Thank you.

Greenfield: Thank you very much.

Hales: Mike, Jim, thank you. Thank all the members of the task force for taking on obviously a complex set of issues in a short timeline and giving us excellent guidance. Commissioner Novick, you have invited testimony?

Novick: We do. I think that we're going to hear first from the Transportation Fairness Alliance and then from Darin Campbell -- he's the board driver rep -- and then representatives of Uber and Lyft.

Hales: Welcome. Good afternoon.

Stephen Kafoury: Thank you, Mr. Mayor, members of City Council. My name is Stephen Kafoury, I'm here today representing the Transportation Fairness Alliance, an informal coalition of traditional taxi companies operating in Portland. We formed to assist the City in its attempt to review present taxi regulations and amend them as necessary to accommodate the introduction of so-called "ride sharing" taxi companies or TNC taxis.

Notice I use the term "taxi" to represent both business models, as we see little to differentiate between them. Both pick up passengers and deliver them to their destinations for a fee. The fact that the TNCs focus their model on use of an app does not seem that significant to us. Although our business model is broader, as we use additional means in addition to apps, there's nothing that a TNC does that any local Portland traditional taxi company does not do today, which is why we're pushing so hard for equal and fair.

We're not afraid of competition. We compete fiercely among ourselves. What we do demand, however, is that competition be fair and equal. This is a proposition so self-evident that members of City Council and the innovation task force have both expressed their desire to ensure that these proposals contain this element as fundamental. Unfortunately, however, two factors have kept the goal from being achieved.

First was the unrealistic timeline. When a three-month period was established for phase one, it was not understood how complex this industry is nor how complicated its regulations have been developed over the decades. The result has been a rush process in

April 9, 2015

order to meet an arbitrary deadline, and the question of fairness and equity have not been adequately resolved.

The other major flaw in this process was the badly-thought-out attempt to keep the deliberations pure by keeping away members of Portland's taxi industry. Uber had successfully and cleverly promoted a view of our industry as being lazy, old fashioned, and regulated by a compliant and protectionist City agency. Keeping us away from deliberations, the task force was thought to keep any taint away from their final proposals. We were allowed to testify before the discussions began and we were allowed to submit written testimony, but were never able to sit at the table nor even answer questions from our seats in the audience.

The result was that this group of citizens had to be educated in the workings of the taxi industry and its regulations, listen to proposals for change, then deliberate on the recommendations all without any input -- any meaningful input -- from those people who know the industry best. Sitting as observers, we heard inaccuracies, misleading statements, and unfounded assumptions -- basically day after day of ignorances being shared. And we realistically could do nothing to inform the task force or correct errors.

We do not blame staff nor assert they purposely misled the task force, it's just that they were hurt by their own process. They did not have the information. This problem continued through these months, despite our repeated attempts to at least be able to answer simple questions as questions arose during the deliberations.

The only person who saw this problem besides us was your professional facilitator, who agreed with us that at least one person from TNCs and at least one person from the traditional taxis should sit on the task force. Raye Miles is going to follow me from Broadway Cab and provide some detail of the major examples of the lack of fairness caused by these two factors.

We have supplied you with a multipage list of the most egregious of these failings of policy based on the inaccuracies that were discussed and inaccurate information given to the task force.

Allowing this arbitrary timeline for deregulation experiment to go forward would be a huge mistake, in our view. Please take the time to do this right. Allow a member of both kinds of both kinds of taxi companies -- the Uber-type taxi companies and traditional taxi companies -- to assist in the process and provide a reasonable time to arrive at conclusion that all parties can live with.

Raye Miles: Good afternoon, Mayor and Commissioners. My name is Raye Miles, and I'm president of both Broadway and Sassy's Cab. I've been president of Broadway Cab for 16 years. Prior to that, I worked for TriMet managing the lift transportation program, and part of my job there was overseeing a large contract with Broadway Cab. With over 20 years of experience in this arena, I know this business inside and out. I also sit on the board of the national Taxicab, Limousine, and Paratransit Association, which has been following the evolution of the TNC market for several years.

I want to make one quick correction. In fact, all of the companies that are currently taxicab companies in the city of Portland participate in the [indistinguishable] agreement. When we ran 10% of our vehicles, it was within code and we were at least attempting to be compliant.

Today, I'm here speaking on behalf of the Transportation Fairness Alliance, and I'll offer an overview of the biggest issues we see with the task force recommendations.

Kafoury: If I may interrupt -- just one second. Mr. Mayor, that is very typical of the problems we heard: an inaccurate statement by a person with totally good faith just not knowing what the correct answer was and us not being able to say, "wait a minute, that's

April 9, 2015

not true.” We could do that today. We need to be able to do that as the task force moves along.

Hales: Thank you [indistinguishable]

Miles: I’m going to start by talking about insurance. The requirements and availability of TNC-specific insurance is still unknown. Portlanders should demand the same type of insurance coverage that is required for all commercial activities. For taxicabs in Portland, that includes \$500,000 in primary auto liability. The City should reconsider this requirement only when and if a viable app-on, app-off insurance policies are made and approved in the state of Oregon. Until then, the requirement should stand as is.

On the issue of accessibility, the task force was unable to reach a firm recommendation on wheelchair accessibility, and their proposal for the TNCs sidestep the issue for the time being by either referring or contracting these rights to other companies. The reason for this allowance was that wheelchair accessible service isn’t part of their business model. This is outrageous. It wasn’t part of the taxi model either until it became a City mandate. Many restaurants still wouldn’t be accessible but for ADA mandates, and the notion that a restaurant would be allowed to refer customers to an accessible restaurant across the street is intolerable in this day and age, so why would we allow it in transportation, which most would consider a more basic function than dining out? The so-called solution is not consistent with Portland’s values, it flies in the face of the ADA, and is profoundly offensive to people with disabilities.

On the topic of background checks, allowing companies to complete their own screening is a horrible idea. Over this past weekend in Houston, an Uber driver was arrested on a rape charge. While the outcome of that specific case is unknown, one thing has been proven: the driver in question was authorized by Uber and had a felony drug conviction for which he served 14 years in federal prison. He was just released in 2012 and -- until the time of his arrest -- was driving for Uber.

Currently, the Portland Police perform background checks on drivers who want to provide private for-hire transportation in the city. This does slow down the permitting process by 10 to 14 days, but that is not wasted time. It is time necessary to ensure we are not allowing known bad behaviors to provide service to vulnerable passengers. We support looking into ways to speed up the process but not at the expense of an unbiased and thorough review.

Let me just say, when somebody wants to contract with Broadway, at the very start of the process, Broadway runs an online background check to avoid wasting our time, their time, and the City’s time. And about 99% of the time, the results of that background check and the results of the police background check come back the same. But about once a year, the police review catches something else, something that was not in our review. Usually, it is an offense that is either very old or very new. There is a difference between the private databases and the police databases, and for this important function, the City should require the best possible information. I also just heard today that the state of Wyoming -- the entire state -- does not participate in any private online databases. The only way to access their data is through the police.

My next topic is fairness in pricing. This is perhaps the most blatant example of giving Uber and Lyft an outrageous competitive advantage. They are able to set their own prices based on the cost to provide the service and based on current levels of demand, while the task force has recommended keeping taxi companies regulated rates in effect. This directly conflicts with both the task force and City Council’s intent to create a fair and level playing field.

On the topic of the cap removal, the task force is calling for an immediate entry of unlimited number of for-hire vehicles before a comprehensive solution is developed. The

April 9, 2015

smaller and newer cab companies have said this will likely force them out of business, not to mention the drivers themselves -- many of whom are immigrants who already have limited options for making a reasonable income.

On the topic of permitting fees, neither the task force nor the City has proposed a fee structure for the new companies but both have expressed an intention to allow them to pay an annual flat fee. Meanwhile, taxi companies pay a minimum of \$2000 a year for the very small companies, and the large companies pay almost \$150,000 each year in permitting fees. The total revenue for all cab companies in Portland is just under \$500,000 per year in permit fees to the City of Portland. For the burden of licensing fees to be remotely fair, the City would have to charge each of the new companies about \$250,000 a year. The number that has been casually tossed about is in the neighborhood of \$5000 a year. Clearly, a competitive disadvantage.

I would just throw out that the devil is in the details, and there are many more -- a dozen or more smaller issues that are patently unfair or unclear in the task force proposal, and it is completely unrealistic to think they will be resolved in the next seven days. We have outlined these issues for you in our written response, and I think it's in your packets.

Finally, I would say Uber and Lyft would have you believe that Portland has to choose between the efficiencies of their business model and the safety measures and community values instilled in the current code. That is simply not the case. If we can get the right people at the table, we can develop regulatory solutions that embrace the new technology while continuing to ensure safety and promote community values. We just need to be willing to put the time and hard work into doing so and that cannot also be done in one week. But if you do take that on, I am ready, willing, and able to help. Thank you.

Hales: Thank you.

Kafoury: Raye Miles just spoke about fairness to the taxi companies. I want to talk about fairness to the City of Portland.

Fritz: Before you do that, I just want to note that I read in the news that in the Houston case, the driver continued driving for Uber for two months after the allegation without a city permit.

Fish: Stephen, when you continue, could either you or Ms. Miles address a question for us, which is -- since we all agree we want a level playing field and we all subscribe to the idea you've gotta play by the same rules -- if you had to choose, would you opt to have a completely deregulated marketplace for 120 days and then what would be the impact on your industry if we did that?

Hales: By deregulating you mean -- [speaking simultaneously]

Fish: Excuse me, with respect to rates.

Hales: OK. Just rates.

Fish: Because we have that two-tiered system and there's a concern about maybe separate but unequal. What would be the impact for you if we treated you the same as a TNC under this proposal?

Miles: I think the fact that it isn't going to be in place during the 120 days is problematic with assuming that's a fair trial, certainly. There are times -- and especially during those peak times of high demand -- when every profit-based person, everybody who is doing something to gain a profit would want to charge more. So, I don't think we know what the real effect is unless the taxicab drivers are also allowed to charge more.

Fish: And I guess the one technical thing that would change is -- or the question that I would have if we had truly deregulated pricing is how does the consumer know what that fee schedule is before they get into the vehicle? I'm guessing that you could require a TNC to give you that information -- because you pay in advance, the TNC would have to give

April 9, 2015

you that information and so you could flag it. How would you know before getting into a taxicab that you might be subject to a surge pricing or something else?

Miles: Well, what other cities have historically done is you ask the driver for a quote when you get in the car. It used to be that when you got off the airplane in Tucson, there were signs all over the airport that said, "warning: our taxi industry is not regulated. Be sure to ask what the fare will be at the start of the trip, not the end of the trip."

Fish: So, it would be like the Priceline model. You get in, you start negotiating, agree to a price. Hard to enforce, probably, and subject to some disagreements at the end of the ride. And by the way, what is the principal -- the TNCs require you have a smart phone and you pay by debit or credit card. In your business model what do you prefer, cash or credit card?

Miles: Certainly, credit card is guaranteed payment. So, right out of the chute there's an advantage to that. By and large, those consumers have some level of affluence in that they have a smart phone and they have a credit card. So while cash is king, sometimes at the ends of the day, if you had to choose all of these customers or all of these you would certainly take the guaranteed payment and the more affluent passengers.

Fish: Does giving the customer the option of paying by cash create special burdens for you in how you run your business?

Miles: It absolutely does. The drivers have to be able to make change, for one thing. They don't know -- you know, sometimes what they don't know is the person behind them riding doesn't have the cash and at the next stop light, they're going to jump out and run like heck. That doesn't happen if you require payment in advance with a credit card. So, all the risk will be concentrated on the cab drivers.

Fish: Do you know off hand approximately what percentage of rides that your cabs pick up are cash versus credit card or debit card?

Miles: We haven't looked at it in a couple years -- it changes radically every year. I think about 65-35, 60-40, somewhere in there.

Fish: What's the 60?

Miles: I believe more pay with credit card now than pay with cash.

Novick: Raye, on the issue -- there's been a lot of concern about impact of change in the system on drivers' livelihoods. The City heard a few years ago that on average, cab drivers make \$6.22 an hour, which is not even minimum wage. What would you think -- and whether you're an independent contractor and therefore you're subject to minimum wage laws is determined by state law. And currently, under state law, a lot of drivers are considered independent contractors and I think that under current state law, the odds are that the TNC drivers would be considered such, too. What would you think about asking the legislature to change the independent contractor/employee laws to say that if you are available to drive a cab either by having the app on if you work for a TNC, or by some other indicator if you work for a cab company, then you are an employee and get minimum wage and other protections?

Miles: I think potentially that's something that could be looked at in the future. Historically, it's been problematic because technology did not exist to track that driver's whereabouts, and so you couldn't tell whether they were actually out trying to provide service and provide fares or sitting under a shade tree reading a book. I think it could be something we look at in the future, but only due to technology and the ability to hopefully keep track of all these vehicles and make sure they really are endeavoring to provide service.

Novick: On the issue of accessibility, what do you think of the PEAP proposal that instead of relying on this percentage of fleet standard that we've used, there would simply be a rule that taxis and TNCs provide comparable service to people who need wheelchair accessible vehicles or otherwise have disability issues, and that all companies would be

April 9, 2015

gradually required to reduce the delta between the response times for people with accessibility issues and people without, and after a certain time period of time, people are expected to have comparable service and if you don't have comparable service, you'd be subject to penalties and suspension?

Miles: I love the idea of taking a qualitative approach, not a quantitative one. In fact, I believe the taxicab industry has been asking for this for years. One of our ideas was let's create a different kind of plate to put on the vehicles so you can't move it off a wheelchair van on to a sedan. Because what sometimes happens is a driver or company will register a vehicle as a wheelchair accessible vehicle then move it on to a sedan and actually not have any vehicles out. So, we've tried to push things that would solve that. I think the time is the best -- I think we do need to be monitoring the response times and striving to get those as close as feasible.

Novick: And finally, the big picture question. It is somewhat unusual in the marketplace to regulate prices and although it is done -- for example, with electricity prices, but it's still unusual -- and it's very unusual to have an absolute cap on the number of participants in any industry. Do you think that it's reasonable to assume that we will continue to have a limit on the number of participants in this industry and the kinds of limits we have on prices today, or do you think that those are regulations that at some point are likely to be abandoned in any case?

Miles: Hmm. I guess what I think most of all is that the regulations evolved to protect all of our citizens -- not a few citizens, all of our citizens. I would rather see the City reconsider those kinds of regulations based on increasing service to our citizens rather than based on being pressured to by big out-of-state corporations.

Fish: On that point -- because there is a fairness issue here about the amount -- under the old system, the existing system, we have imposed a lot of regulatory requirements on you that have a cost. And now, we're proposing to relieve a competitor of a number of those, which to me does not necessarily speak to a level playing field. Can you quantify roughly the additional cost that you bear in complying with the existing system that would not be borne by a TNC that's a competitor?

Miles: Well, running the wheelchair accessible vehicles is very expensive. In fact, at Broadway, we run close to 100 wheelchair accessible vehicles. Nobody can say we don't have enough vehicles. A lot of them are SAT vehicles specifically designed to serve the lift contract and the medical transportation brokerages. So, we like to put those vehicles in those fleets to preserve them for that type of service.

The fact of the matter is the general passenger request for taxicab service that are wheelchair fluctuates between 1.3% and 2% of our rides. So, 98% or more of the rides we're providing in that expensive vehicle -- those vehicles cost about \$50,000 compared to the maybe \$18,000 or \$20,000 we'll spend on a new Prius. So, putting those trips in those vehicles doesn't really make sense. We need to at times, but we also need to limit it so we can preserve those vehicles for the kind of service they're needed for.

We did recently do a study and what we determined is that when we looked at the price of the vehicle the additional time it takes to assist the passenger in boarding and de-boarding and in tying down their mobility device -- when you take all that into account, every wheelchair accessible trip is subsidized by about in the neighborhood of \$33 to \$34. This works in the taxi industry because those rides are subsidized by other riders and that works out about 60 cents per trip on all the other trips. If that makes sense.

Novick: What total cost does that add up to? Can you give like an annual cost of Broadway Cab of the fact that you had to have wheelchair accessible vehicles?

Miles: I could come back with that, I can't do it off the top of my head.

April 9, 2015

Fish: By the way, that makes sense to me. I take the number 12 bus home and it is designed to pick people up in wheelchairs, it picks people up in bikes. The fare structure is designed to make sure it covers the cost of all riders -- anybody that wants to get on that bus -- and the fares and the subsidies are pegged to make sure it's accessible to everybody.

It does seem difficult, though, to compensate you after the fact for investments you've made under one set of rules which no longer apply to you or a competitor during another phase. And I'm struggling with that a little bit, because whether one agrees or disagrees with the old regime, those were the ground rules and you followed them and incurred expenses. It does seem to me that if we're creating -- it reminds me of the idea of a fair fight where you're at the starting line burdened by a lot costs and other legacy things, and someone else is liberated from that -- we'll see who's faster. It does seem to me that a challenge we have is, how do we compensate for the fact that you had to incur costs under one system that someone else doesn't under a new system, and is that fair?

Miles: I agree it isn't fair. In fact, over the last years, one of the ideas that Broadway has tried to implement is this notion that when we have been caught where the demand for accessible vehicles outweighs our supply, we've asked the City, "can we please just use one of our nonemergency medical transportation or SAT vehicles to provide this ride? Isn't it better than making them wait?" And the City has absolutely forbidden it. And now, suddenly the task force comes up with it as a solution to the problems in the industry! So it is a little frustrating sometimes.

Even if you were able to find a nonemergency medical transportation company that had excess capacity and was willing to contract with the TNCs, none of them have the technology that the TNCs have. That passenger will experience a different level of service in that. They're not going to be able to -- at least, I don't believe they're gonna be able to track the vehicle coming toward them. And those are the things that people really love, I believe -- being able to order without actually talking to anyone, do it instantaneously, and then watch the vehicle's progress so you know you're in the queue. I don't think that will be available if they contract out.

Kafoury: Mayor, these are exactly the kinds of detailed discussions that we should have been having in the task force. We were not able to, and that's the problem, the reason we're raising these technical issues.

Hales: OK. It's a good point.

Novick: Let's suppose tomorrow we adopted a rule that says "every taxi or TNC has to provide equivalent service to people who need wheelchair accessible vehicles to the service they provide to those who don't" and we defined what equivalent means and we have penalties for violations and that applied to everybody. Would you argue that before adopting that rule for everybody and allowing everybody into the market, we'd have to wait some period of time for you to recoup your investment in the accessible vehicles, and what amount of time would that be? Could it be two years, five years, 10 years where we sort of freeze the market while you recoup your investment in those vehicles?

Miles: Well, we typically depreciate our vehicles over five years and we just purchased 10 new vehicles because the City expanded the number of permits available to us. And I know Green Cab just put in a purchase order for I think it's half a million dollars' worth of vehicles. I'm guessing that would be at least five years.

Novick: So, you would suggest that if we announced that new rule divorced from percentage of fleet, then we should make that effective -- we should not allow anyone to operate under the new rule until five years from now?

Miles: No, I'm saying that's how long it would take to recoup their cost. I think we can find a creative solution that somehow -- you know, it sometimes it feels like the solutions are all

April 9, 2015

or nothing. I think the key is going to be finding those sweet spots in the middle where we can all function under the same rules without completely devastating any of the passengers that rely on this service.

Fish: Stephen, you've given us a big -- this is your packet?

Kafoury: Yes.

Fish: And I guess we understand the concerns you and your client are raising. Does this packet contain suggested amendments if the Council decides to pursue this route, or does this just raise red flags?

Kafoury: We have a few in there. What we would like --

Fish: Recognizing you don't like this approach, have you got specific ideas for improving it?

Kafoury: We do. And interestingly, Commissioner Fish, we met with the Lewis and Clark students -- Raye and I did -- for about an hour and a half the other day. And in that hour and a half, we produced a whole lot of really good stuff because we were able to, in an informal setting, back-and-forth it and make suggestions and have those suggestions challenged on both sides, and we came up with some good ideas. I think we could -- given a relatively short time and being in the same room -- we could work out a system for the City of Portland that would work.

Novick: The Lewis and Clark Law students recommended eliminating the cap on the number of participants and eliminating price regulations, as I recall. In your conversation, did they stick to that or did you change their minds?

Miles: We did not achieve resolution on that one issue. I guess my thought would be, you know, we don't have to do it all at once. Let's try it a step, try it a step, try it a step, and OK. Or at some point realize we've gone too far, market conditions are horrible, maybe we shouldn't go further. But it does take a lot of ongoing effort, and that's something that historically the City hasn't really been willing.

Hales: I appreciate the chance for Council to probe into these issues with you. I appreciate the detailed testimony. I want to give you a minute or two to wrap up because we've got some other folks to hear from.

Fritz: Can I ask for them to go into the insurance piece? I know that's what you were just about to get to, and that's my main concern.

Hales: OK. Stephen?

Kafoury: Thank you. I have a few comments on insurance. First, the present City Code requires traditional taxi companies to name the City as an additional insured. Now, I heard testimony from the task force that that was in here -- I didn't see it in the report. I would suggest that you check with your City Risk Management folks on that issue.

Secondly, Uber has cleverly snookered the task force on the issue of phase one coverage. They confused the task force on the difference between the risk of injury and severity of damages. The report calls for reduced, nearly meaningless coverage limits during phase one, supposedly because of the reduced risk. Now, I don't want to debate whether there is or not, but reduced risk means you have a reduced premium, it doesn't mean you have a reduced coverage.

For example, there are policies you can get that if you drive less than 10,000 miles a year, the insurance companies will reduce your premium. They don't reduce your coverage. If you hit somebody, you still get the big coverage. This is nonsense pulled out of Uber's corporate headquarters and we ought to put a stop on it right now. If somebody gets hurt before or after they pick up passengers, that person that gets hurt shouldn't get one form of compensation one time and another form of compensation another time. That's what the proposal is. That's just nuts.

April 9, 2015

The second thing is this proposal calls for the individual drivers of TNCs to be holding the insurance. Again, this is nuts. Our companies have our own insurance policy. Each company has an insurance policy. Even those that have independent drivers who own their own cars -- the company has the insurance policy. The thought that somehow Uber is going to have their individual drivers have their insurance company? Try to enforce that! We have a difficulty at the City of Portland now trying to enforce the individual certificates of insurance on our limousines, and that's a relatively small number of people. We have 2000 Uber drivers and Lyft drivers -- who's going to enforce that? We haven't had a good record of enforcing those kinds of things, and if you have one person ending his coverage in July and another ending his coverage in October, it's just an impossible task.

I have a bill in the legislature that we've worked on at Broadway that's working its way through which I anticipate will pass that says the TNC is responsible app-on to app-off as a primary carrier. And I think anything less than that is irresponsible in the City of Portland. That's my summary.

Hales: Thank you very much. Appreciate your willingness to keep working on these issues and thank you for more detailed testimony than you were able to cover in the time. I want to give the Commissioner a chance to call more invited testimony then give folks a chance to comment as well.

Kafoury: Thank you.

Miles: Thank you.

Hales: Steve, who do you have?

Novick: I think Darin Campbell is up next.

Hales: Good afternoon.

Darin Campbell: Good afternoon. For the record, my name is Darin Campbell. I am the registered lobbyist for Radio Cab as per Council rules, however, I also serve as private for-hire transportation board driver representative and that is going to be where I'm coming from today.

I do appreciate all the work that the task force has done. I have been on those types of groups before. It takes a great deal of personal sacrifice from family and job to be able to take on a project like that, so I do understand how much work they have put into it. However, I believe that that process was flawed from the beginning.

The task force was created with no industry representation. It had a lot of guidance from PBOT, which -- as Commissioner Novick mentioned earlier -- is a new overseer of the industry. The experience in PBOT in regards to private for-hire transportation industry is limited. On top of that, the industry was untapped if not just ignored as to our expertise to lend guidance or help in any way. I believe Mr. Kafoury illustrated that quite well.

The timeline that was given to the task force was extremely narrow. I think any time that you rush into something like this and put an extreme time limit or an end date, you're going to have conceptual issues. You're going to miss the mark, so to speak, and I'm hoping that some of the suggestions that have been brought forth today about looking outside the task force recommendations may be looked at strongly.

I wanted to discuss the caps on the number of vehicles that are being suggested to go away. It creates an unfair playing field between the cab companies and the TNCs. The TNCs are able to put an unlimited number of vehicles on the road based on who signs up on their app and goes through the process. Where for a cab company to do that -- obviously, we have to buy a car, we have to find a driver, we have to invest a significant amount of money into marking it, putting the equipment into it, insuring it, and then putting it on the road. At the end of that 120-day period where the TNC might just have to exclude

April 9, 2015

some drivers, we're stuck with a potential number of vehicles that we then can't use for a while.

The environmental impact -- putting potential thousands of cars on the streets in downtown Portland on a weekend -- we really don't know what the outcome of that is, but I can imagine it's going to be significant. Safety of pedestrian traffic, especially during peak times when more vehicles are out is problematic as well as far as safety to the people of Portland.

And I do have a recommendation as to how to deal with the cap on the TNC. I believe that the TNCs will tell you, "well, there's no way we can possibly limit the number of people that we have on the streets" and my answer to that is that you limit the number of people that can be engaged in the app at any given time. You allow that line to adjust during demand times so if demand goes up, the allowance for more drivers for the TNC to log in would adjust as well. It would also make it easier to enforce some of the rules in regards to how many vehicles are out there to have a limited number instead of an astronomical number. I think enforcement would be a little bit easier.

I did want to discuss the accessibility vehicles briefly. I think in regards to this, we really need to think ahead. The private for-hire transportation board recently increased the number of permits drastically, and on the increases to existing companies required that the 20% number be met prior to being able to put any other vehicles on the road. That was February, our February meeting.

Now, we're 45 days later with a task force recommending that we drop it to 10%. We have a huge number of wheelchair accessible vehicles that are either on order or have been put into place already. So many, in fact, that it's hard to actually find one on the west coast to purchase to put into service. But in regards to the 20% accessibility, we're looking at an increase of those types of trips increasing drastically with the baby boomer generation reaching a point in time in their lives where medical problems, disabilities are going to increase probably in the next 10 years. I would love to see us plan for that rather than being reactive and having a knee jerk reaction to what's happening now, look down the road and say we are going to have to be prepared for that.

In regards to response time to the handicapped accessibility customers, I absolutely agree that there are huge issues in regards to that in the way that we treat it now. I believe that if we can't respond to somebody with a wheelchair van need in the same amount of time that we can any other customer, then we're doing something incorrectly. Over the period of time that we do collect data, I'm hoping that we're keeping that in mind.

Hales: Darin, I want to get you to wrap up pretty soon.

Campbell: Absolutely, I'll do as quick as I can here. I'll just jump to the end. I would like to speak towards current cab driver livability. Right now, we have 2148 permitted drivers for the cab companies in the city of Portland. That's 2148 family wage jobs. We've seen generations of families in the taxicab industry, and we've seen those families put kids through college, pay mortgages, live a decent life -- and right now, it's being threatened.

If I could, I did want to mention one thing in regards to the fares. Uber has the ability to subsidize fares and actually give free rides to customers. The cab companies don't have that ability. They can drop a fare down to next to nothing and pay subsidization of \$20 or what not. As a matter of fact, yesterday, they were offering a \$100 spiff if you've got your car inspected by yesterday up in Vancouver. That \$100 would come in the form of -- once you did your first 10 trips, you would get the \$100. They have those types of things happening all the time. Those are issues that if you have competition that can drop their fares to nothing, it's going to affect the livelihood of the existing industry. I'll leave you with that. I had more but I can put it in writing and send it to you.

Hales: Please do. I just in the interest of time --

April 9, 2015

Campbell: Absolutely. I know it's running late. I'll be more than happy to answer any questions.

Hales: Questions?

Novick: Darin, can you think of another industry where we limit the number of participants? We don't limit the number of gas stations or restaurants, or even airplane companies for that matter, although of course there's all sorts of safety requirements. Is there another industry where we say we will only have x number of participants?

Campbell: I can't think of something off the top of my head, however, it's historically been done that way in this industry in many jurisdictions, not just Portland.

Hales: Darin, thank you. Please give us additional testimony in writing. We won't hold it against you that you reminded the baby boomer members of this Council what our status was -- [laughter]

Campbell: I'm there, too. [laughter]

Hales: Thank you very much. OK, Commissioner, I think you have a couple more folks to call on your invited list.

Novick: Is Brooke Steger still here?

Hales: OK, come on up, please. Good afternoon.

Brooke Steger: Hello. Commissioners, thank you so much for allowing me to speak my name is Brooke Steger. I'm the general manager for this region for Uber Technologies. I'd like to start by thanking the task force for their dedication to this issue. They're all truly remarkable members of the Portland community. I would also like to thank Mayor Hales and Commissioner Novick for their dedication to the regulatory process for creating such a remarkable and balanced task force and supporting a process that was transparent and community-driven. We have a deep appreciation for the task force's time and commitment to the issue of ride sharing, and especially for the strong recommendations they have presented today.

This is an opportunity to put into place a regulatory framework that works for these emerging new technologies and improve the way Portlanders move around their community. At Uber, we're supportive of reasonable requirements, like these for TNCs or what's otherwise known as transportation network companies.

Transportation network companies are separate from taxis and separate from black car. Although we might all offer services from A to B, there are fundamental differences between Uber, taxi companies, and black car or chauffeur providers, and we appreciate regulations that recognize those differences such as we don't want to pick up passengers on the street or wait in taxi zones in front of the Hilton, for example.

As the task force has demonstrated, the technology business model developed by these companies necessitates a new regulatory framework that doesn't necessarily look like the transportation regulations of the last 50 years. I'd like to touch on a few of the basics that Uber provides for our community.

At Uber, we took a simple idea -- push a button and get a ride -- and leveraged technological advances in order to make that a reality. When you sign up for Uber, it's very simple. You enter an email address, you enter a credit card. We also accept PayPal, Google Wallet, Apple Pay -- there's multiple forms of payment -- and you request a ride from any GPS app-based system or any web-based device. You're connected to the nearest driver and when that ride is accepted, you see the driver's picture, the license plate of the vehicle, and you can track that vehicle as it comes to you. So, it provides a very safe and efficient service for riders that are requesting.

At the same time, the driver often knows who that rider is and they're able to connect with each other through the application via text message or phone using an anonymized phone number so as not to share the driver's or rider's private data.

April 9, 2015

After the ride is completed, the rider will receive an email trip receipt with the picture of their driver, with the license plate of the car, a full trip route, and phone number where they can connect the driver to retrieve a lost item. We also offer very efficient customer support 24 hours a day, typically responding to a request within just in a handful of hours. If something is more urgent, you'll get an almost immediate request.

Uber safety is a top priority. We use a nationally-accredited third party background check provider that has been vetted by multiple jurisdictions throughout this country, including the City of Seattle, the state of California, the state of Illinois, for example. We also do a social security trace, we do a national sex offender check, and check local, county, multi-state, and federal criminal databases across the country. These are typically done on an annual basis.

Uber also provides end-to-end insurance company so that riders are protected from the moment they get in the vehicle to the time that they exit it. We offer \$1 million in combined single limit insurance coverage during that period of time from the time a driver accepts a ride to the time the rider gets out of the vehicle. There's also \$1 million in underinsured and uninsured motorist coverage. It's important to note that there's also \$50,000 of contingent comprehensive collision coverage during that time as well. This is twice what is currently required for Portland taxis. So, any rider in an Uber vehicle will have twice the amount of coverage that they would in a taxi here in this city, should these regulations as suggested pass.

During the period when the driver has the app on but before they have accepted a ride, we offer 50, 100, 25 in coverage. So, 50,000 per individual involved in an accident or \$100,000 total. This is twice what the state requirement for personal insurance is.

And it's important to know the difference between the Uber platform and a taxi. When you're an Uber partner and you're driving a vehicle, you're not cruising the streets looking for a trip. You might be at a cafe, you may be at home, or you might be driving across town. The other day, I was in a suburb and someone picked me up. They were on their way to a grocery store and took me, dropped me off, and continued on with their errands. I think it's very important we recognize this fundamental difference. And sure, there's always insurance coverage. However, recognize that people are utilizing the platform in different ways.

There's additional benefits that Uber brings such as serving under-served communities -- over 6% of transcription happens in the northwest are replacing personal vehicle trips. We see a huge usage of the platform to complete that last mile after public transit is used. We also offer Uber Pedal and Uber Pool in various cities which increases commutes and ride sharing.

Finally, I would like to announce we have secured a partnership with First Transit in order to offer wheelchair accessible rides from day one here in Portland, and that is something that we want to continue to grow. I think this is fundamentally a difficult task in order to serve this community but it's very, very important. We have been reaching out and meeting with the community regularly and do understand that this is a very important topic. We do want to provide equal access and a reliable ride for everyone in the city when and where they need it.

I think our partnership with First Transit is just the beginning. We would like to also open that invitation to all of the wheelchair accessible taxis here in the city to put them on our platform so that all riders can enjoy that trackability, that accountability with that. And we actually open that invitation to anyone who has wheelchair accessible vehicle that will meet commercial requirements or meet requirement -- safety requirements and have them on the platform. We are definitely committed to providing safe and affordable rides to everyone in this community, and we look forward to working with the community.

April 9, 2015

It's my belief that we can't accomplish that unless we work together on this task. It shouldn't be one company versus another when it comes to accessibility services. We should all work together to provide that service because it is so important. And some of the stories I have heard are extremely concerning.

Finally, I did want to touch on the opportunity that is made available to drivers -- it's something that's been discussed here. As the general manager for the Pacific Northwest and someone who's overseen Seattle for many years, I've not seen the concerns pop up in Seattle. In fact, we continue to offer opportunities to multiple, people be it a single mom, someone that has recently lost their job, a taxi driver looking for additional income.

There are multi-channels. The other day, I met with an immigrant driver. She made her first trip home to Ethiopia in over five years. She was previously working different jobs and struggling to find reliable income. With the Uber platform, she was able to take advantage of that and make her first trip home to Ethiopia after moving here, which I found remarkable.

Another woman I was speaking to last week is a spouse of a military -- of someone that's in the military. She has struggled so much because they've moved around a lot. Her first and foremost job is taking care of her children, and they've struggled with finding additional income and she struggled with finding regular work. The flexibility of the Uber platform -- remember that there is no set hours that a driver has to work. There is no minimum that they have to be active on the platform in order to stay active on the platform. She has found the flexibility of that platform amazing and was able to take her children on a vacation for the first time in over three years. And I found that to be a very moving story.

We've seen these stories across the board and we would like to bring those here to Portland. We've seen hundreds of drivers express interest in being partners on our platform, and I really think there is a lot of potential here in that there is tons of demand for everyone, and that we should be competing on safety standards and service and offering that opportunity to everyone. Thanks again to the task force for all of the hard work, and we support the recommendations that came through and look forward to working with all of you moving forward.

Hales: Thank you. Questions?

Saltzman: There was a suggestion made that in order to sort of level the playing field during this 120-day period that Uber put a cap on the number of drivers it may have during any time period of day, let's say Saturday nights from 10:00 to 2:00 a.m. you would have no more than x number of drivers accessing your app. First of all -- A, is that doable, and B, what's your thought on that?

Steger: So that's something we would not support. The variance in supply and demand is very interesting but it varies quite a bit. So, whether there's a Blazers game or a Timbers game or it's 10:00 a.m. Tuesday, I think setting an arbitrary cap -- even if it is variable depending maybe on a Friday night to a Tuesday night -- is extremely challenging. And all that we're doing is going backwards in our choice of regulation. I think looking forward and figuring out how we can change the entire industry to allow for the supply and demand curve to be met is the most important thing.

During our task force presentation, we actually supplied a graph of total drivers online to total requests in Seattle for one day over a 24-hour period, and you'll see that they actually track each other. I think that that's very important, that the system is flexible so we can meet demands. Or should New Year's Eve come along, for example, there's going to be a huge amount of demand. I think it's more important we get people home safe than protect an existing industry.

Saltzman: Does Uber have the ability to set such a cap?

April 9, 2015

Steger: That is not currently built into the technology platform. I will say that there has been suggestions of that type of system happening. It did, for example, in Seattle, and the council actually then voted to repeal it.

Fish: We're certainly more enlightened than our Seattle counterparts.

Hales: That's setting the bar.

Fish: Put that in the record. I have a number of questions. And thanks for being here and sharing your perspective. I pulled a copy of the user agreement off the internet, but the one I have is for California. Do you have a draft of the one you intend to use in Oregon?

Steger: I don't have one with me right now, but we're happy to supply that.

Fish: Thank you. I don't know whether it's -- I'm assuming the boilerplate stuff is probably the same, but we can compare it. But there were a couple things in here -- we can compare it. There are a couple things in here -- and I know you're not the lawyer talking about this, so if any of these questions are questions you would rather respond to in writing, I would be fine with that.

There's a couple of things in the user agreement that seemed inconsistent with some of the stated values of your company. You stated -- and I think correctly -- a commitment to safety and to the safety of riders. The disclaimer in the California user agreement says, "Uber does not guarantee the quality, suitability, safety, or ability of third party providers." That seems inconsistent. How do you square that?

Steger: Sure. I think that that part of the agreement is very standard across most technology agreements that you will sign. I'm happy to provide more in-depth analysis of that particular statement from our legal team. I can also say in that agreement, I do believe that there's also a clause that any state or local law does not supersede -- or will supersede what that says. So, any regulations that are put in place that we're required to follow will trump whatever is in a user agreement, as well as an insurance policy. So should we have that \$1 million of insurance in place, that will trump that statement.

Fish: There's another clause in here that requires that in the event of a dispute, an aggrieved party must go through arbitration, which is the only recourse, and there's limits on people's rights of recovery in arbitration. I know that's also becoming more standard in industry. Why does Uber think that's an appropriate way to resolve disputes?

Steger: That's something I'll have to have our legal department who wrote that get back to you on, because it's not something I've actually experienced in my time working at Uber.

Fish: The next question has to do with what's been a big topic of conversation at this really outstanding, very informative and thoughtful hearing, which is how we address customers that have a disability. And we're coming up on a major anniversary of the Americans with Disabilities Act. It was a law in 1990 that as you know literally changed the world. And yet, in every single case I could find involving Uber and litigation, Uber takes the position that Title III of the ADA does not apply to the company. I don't understand why that is. I've read Title III. Title III has specific statutory language. The Justice Department of the United States has weighed in on a number of cases and said they disagree with Uber on that.

The concern that I have is if your company continues to take the position that you're not covered by the Americans with Disabilities Act, it undermines my confidence that we're going to get some of these other issues right. Do you have an official position on this or do you want to get back to us in writing?

Steger: In terms of the legal language of the Americans with Disabilities Act --

Fish: Uber says it does not apply.

Steger: I will have to have my legal team. But I can speak for what we have done here in the Pacific Northwest and the riders that I've seen and what we announced and what we've been working on here.

April 9, 2015

First and foremost, we let drivers know that they are required to follow the Americans with Disabilities Act. We do partner with a variety of different types of drivers. Uber X -- which we are discussing here today -- is just one of them. We also partner with taxi companies throughout the country. We partner with licensed limousine providers throughout the country. So, it does vary, but we do inform drivers they have to comply with the ADA act.

We also have very strict requirements and support all of the nondiscrimination policies that were proposed by the task force. Should we get a report that for example, someone with a seeing eye dog was denied because they had a seeing eye dog, that would be grounds for an end in our partnership with that particular driver as well as our app is optimized for voiceover.

Fish: If the company continues to take the position that as a company, you're not bound by Title III of the ADA, would you consider a requirement that all of your drivers get specific training in the legal requirements under all applicable provisions of the ADA, rather than simply notifying them it's the governing law?

Steger: I do believe there is a training program that was requested by the task force, and in my understanding, there are series of questions and topics that will actually be provided by the City of Portland in order to cover with the driver, so I think that that's a definite possibility. We already do provide -- we have training emails and videos that address guide dogs, identifying people who are vision-impaired, and so on and so forth. I also believe that we're fully committed to serving the accessible community here and are going to work hard at that.

We also have Uber Assist in some of our markets, which actually comprises a series of in-person training for people -- it still uses typical Uber X vehicles, but those drivers receive additional in-person training to help people with a walker or that are in a folding wheelchair, someone that does have a seeing eye dog if they need extra assistance to help them get into the vehicle safely. And that's something that we have committed to launching here in Portland. Probably not at the time of launch, but something that we would like to roll out locally.

Hales: Might I jump in on that with one more question on accessibility? Could you maybe elaborate more on how this relationship with First Transit would work in practice? So, I'm a disabled Portlander, I need an accessible vehicle. I access the app and request a ride. Where does First Transit come in, how, what do they do?

Steger: I think fundamentally how it will work is exactly the same as every other vehicle. We would issue either a phone to First Transit or to the drivers we're partnering with on First Transit, or they could use their personal phone if it was supported -- otherwise, we can issue them one. When they are available to drive they would indicate they are available. Someone requests, they would get that request, accept it, and the individual that requested would be able to see the make and model of the vehicle, a picture of the driver, and track that vehicle coming to them and they would tell the driver where they wanted to go, get out of the vehicle like every other rider. I do believe though that this partnership with First Transit is just the beginning. It's been very clear I think from everyone's testimony that this problem is very complex, and I do believe that it will take multiple partners in order to provide adequate service.

Fish: And to follow up on the Mayor's question, will you commit that the disabled customer who is accessing -- whom you're dispatching through First Transit will pay the same fare as a nondisabled passenger?

Steger: That's correct, yes.

Fish: No change.

Steger: No change.

April 9, 2015

Fish: You've heard a lot about the enforcement piece of the recommendations, and the enforcement piece turns in part on getting good data from taxi companies and TNCs so that we can assess within the 120-period. Commissioner Novick hopes to have further regulations at the end of that. Have you had a chance to review the data request component of this report?

Steger: Yes.

Fish: And does Uber have any objections to the categories of data that we would be requesting?

Steger: I think the most important thing is how that data is transferred. We have been -- we have an agreement with the city of Boston, for example, where we enter into a contract in order to protect the confidentiality of that data. So first and foremost, any personally identifiable data -- which I believe we avoid in that -- is our top concern. But secondarily, as we will have competitors should we enter this market, we want to make sure that the data we're supplying is kept confidential. But we do want to supply data to help the city better plan their transportation systems and also plan our accessibility systems.

Fish: Because that component is so fundamental to the recommendations, I think it would be helpful that if there are pieces of the deal you struck with either Boston, New York, or some other jurisdiction which you think would be essential components of our request for data that you let us know before next week.

Steger: Absolutely.

Fish: And if there are specific issues around proprietary information, confidentiality, privacy, or any other claim that you might have with that data that you green light that for us so that we know whether this is going to be, you know, just an administrative matter and working that our or whether we have a fundamental disagreement.

Steger: I believe we can absolutely find common ground because I think the goal is the same -- it's to benefit the city of Portland, and we want to provide data that does that. So, we'll be very transparent in what we --

Fish: Is there any data they've suggested we collect that you can't actually collect?

Steger: Not that I'm aware of.

Fish: Separate and apart from whether you want to provide it.

Steger: Not that I'm aware of.

Fish: You mentioned you have a third party background check company you're using. Who is that?

Steger: Currently, we're using a company called Hirease, which is -- they're an accredited large scale background check provider checking county, multi-state, and federal criminal background checks.

Saltzman: What's the name of it again?

Steger: Hirease.

Fish: It's a national company?

Steger: It's a national company with a national accreditation. I believe it's like BSCC accreditation. A third party issues an accreditation. They go in and vet the providers to make sure they meet the standards. In fact, as an ample, we track which taxi drivers come on to your platform by using a for-hire license in Seattle, and we deny approximately 8% to 10% of them. So, we stand firmly behind our background check process. We feel that it's very good and better than the services being offered at the City of Seattle.

Fish: Thank you very much.

Novick: Are you able to get data from Wyoming?

Steger: You know, I'm not exactly sure. We're currently not operational in Wyoming. But I believe that it's 50 state. I've never heard that caveat about Wyoming before, so I think that's something we'll have to look into.

April 9, 2015

Fritz: Is Uber willing to supply driver's names, driver's license numbers, and vehicle license numbers?

Steger: Typically as an audit provision, we offer a full list of all of the last -- what we would like to propose as an auditing provision is we'll offer a list of the last five digits of the driver's license number, and that the City can choose which drivers they would like to audit from that list and pull which -- pull their vehicle inspection, driver's license, etc. Additionally, each driver will of course have to get a business license here in the city to operate.

Fritz: Are you willing to -- is Uber willing to have only permitted drivers have access to the platform?

Steger: In what form?

Fritz: Do you have to have a permit before you can sign up for the app to be a driver?

Steger: That depends on which jurisdiction that we're operational in. In many cases, we are permitted as a TNC, and so that's the requirement. There's absolutely no driver that's allowed on to the platform that hasn't gone through a background check, a vehicle inspection. We also collect their driver's license, their registration of their vehicle, and their insurance. And if any of those documents expire, they are immediately removed from the platform.

Fritz: So, there's a media report that Houston has issued 741 citations since January for drivers driving without a permit. Given what you just said, how can that happen?

Steger: I'm actually not familiar with operations of the City of Houston as a company. I operate the Pacific Northwest and I can tell you that in the city of Seattle, there's been no citations issued. Obviously, when a city is getting up, if there are no regulations in place such as in Portland, there may be disputing issues there. But I can say that for example, in the city of Seattle, we worked very hard and long to pass regulations there. Regulations are passed after about a year and a half, and we are 100% compliant with the regulations as we are with the City of Tacoma. That's something I take a lot of pride in is making sure we work closely with the City, making sure that we are following the regulations that were put into place, and that's a huge priority for me. So, I would say if there were regulations such as what the task force passed here in the city of Portland, we would make 100% sure every driver was compliant and that we were compliant, and I would also ask that the City go through auditing measures to ensure that we are compliant.

Fritz: Actually, I was asking about everyone. So are you willing to -- is Uber will to have the driver have to have a business license that the number is available before allowing them access to the platform?

Steger: Every driver is running their own business and they should have a business license. I don't think we're questioning the fact that there's a law here.

Fritz: That's what we were referencing earlier that we found with Airbnb, that we have a 95% noncompliance rate. So, we need to get ahead of that before we allow this.

Steger: I think that the most 00 we prefer to not -- just as if we issue the partner drivers on our system 1099s, we would prefer that the business license be dealt with between the driver and the City. However, --

Fritz: How would we know that when we don't know who the drivers are?

Steger: They have to apply for a business license with the City.

Fritz: Right, but if we don't know who they are because Uber isn't going to tell us we won't know that they haven't applied for a business license.

Steger: There's multiple ways, I believe, of checking, right? For example, if we issued you a list of the last five digits of the driver's license number in order to protect 00 we also want to make sure that list is protected. You come back to us and take a statistical significant amount of drivers from that list and ask for their information. Then, we would provide under

April 9, 2015

some confidentiality -- we would like that information to remain confidential, but we would provide their documents. You can go check if they have a business license. Or, if you're doing spot checks -- like you request a vehicle -- I believe in the recommendations it did ask the driver make their business license number available at the request of an enforcement agent. So, I believe you can easily --

Fish: Brooke, in fairness, this is shades of short-term rentals. Because you're the platform, you're actually in the best position to fulfill what you just said earlier, which is the great pride you take in ensuring that you are in compliance with all local rules and regulation. And that is not to allow someone on your platform if they have not to your satisfaction established that they have the legal right to participate.

And while we can add lots of staff people and create all kinds of regulatory hoops, it's much easier, actually, if we got a commitment from the platform that you're going to verify that someone has applied for a business license, is otherwise licensed, insured, and everything else before you put them on your platform. Because by putting them on your platform, you're giving them the good housekeeping seal of approval -- at least from Uber's point of view, notwithstanding your disclaimers. You're essentially telling me or my daughter as a customer that this is someone that we could take a car ride with.

So, isn't the easiest thing to do just to have you commit that you won't put people on your platform and don't do business with people that are out of compliance with our laws?

Steger: I absolutely agree with you. I think that when it comes to safety measures -- maybe I think the only thing up for question here is the business license, but definitely with a vehicle inspection, with a background check, with their vehicle registration, their driver's license, their insurance -- those are fundamental to safety and those are things that we absolutely check for prior to any driver coming on the platform. I think we can have a further discussion about the business license.

Fish: Keep in mind, we typically deal with companies and that's how we get compliance. Uber and other companies like yours have taken the position that the people that you work with are independent contractors. Someday in the future, a court will decide that question about what their status is, but you treat them as independent contractors, which means that obligation has shifted to the individual drivers.

We don't want to create a lot of regulatory headaches for the City or for you. But it just seems to me we ought to be able to agree on a series of criteria that you could help us enforce by making sure that anyone you give the privilege to be on your platform meets our minimum requirements.

Steger: I absolutely agree with you, and I think that's happened in major sections. For example, in the state of California, it is the TNC that is licensed. We are required to ensure that every driver that is on the platform go through that vehicle inspection, be conducted through background check. So, I absolutely think that you are right, and I think that we can find a very common ground to ensure public safety as well as put the onus of compliance on us while proving to you that we are compliant and so are the drivers on the platform.

Fritz: The task force talks about trust but verify. How do we verify that you've done the background checks and the safety inspections?

Steger: Absolutely. First and foremost, I think I would want the City of Portland to look at our background check provider. The City -- as well as our insurance. The city of Seattle has vetted both our background check provider, for example, and had a risk manager go through our insurance policy to ensure it meets safety standards. Secondary, to ensure for example how do we know that drivers are going through the required vehicle inspections that the vehicle is mandating -- again, what we would do is we would supply a list of the last five digits of each driver's license number of each driver that's on the platform. The City could select a subset -- a statistically significant subset of those drivers and check and

April 9, 2015

request those documents. Therefore, you are choosing the drivers that you're checking. It's not us deciding that we're going to turn over these 20 drivers' documents to you in order for you to check. You are picking the drivers, you will verify their driver's license number in fact does match the list provided, and then we'll also be able to provide the background checks, the vehicle inspection. You can check those. In addition, you can also have people on the street requesting a vehicle and requesting the documents of the driver that you actually get in the vehicle with from us.

Fish: Brooke, has Uber made a commitment it will not reenter the Portland market until such time this Council authorizes them to be here?

Steger: I see Steve Novick smiling. We at this point --

Fish: It could be a yes or no.

Steger: We will wait to enter the market, reenter the market until there are regulations in place. I do ask the Council that this happen sooner rather than later. We have a series of drivers that are driving currently in the surrounding areas. Over 30% of the trips are dropping off in Portland, so there's in fact vehicles on the streets now, they're just only able to drop off. There's a lot -- we're seeing tens of thousands of attempted requests every month and right now, we're leaving people hanging without a trip and we're impacting the earnings of these drivers. And so I think it's very important that we get this done quickly, but we will not be launching until something is passed through this Council.

Fish: Thank you.

Novick: Brooke, I can't believe Commissioner Fritz hasn't already asked you this question, but on her concern about insurance companies canceling personal policies because a driver is acting as an Uber or other TNC driver, it seems to me there might be a couple of ways to address that concern. One would be to require that anybody who's permitted as a TNC driver provide something signed from their insurance company that says "I know this person is an Uber driver and we're not canceling their personal insurance when they're not on the app." Another might be for Uber to say that to contract with the City that if anybody has claim against an Uber driver which is denied because the insurance company wouldn't cover them, then Uber will step in and make the appropriate payments. What do you think about those ideas?

Steger: I think that the second concept -- there is absolutely no time when we wish any driver without insurance on the road. I believe that the policy and the compromise -- I don't know if you were aware but there has been a national compromise with insurance companies made that is currently going through legislation in multiple jurisdictions. And other companies are beginning to offer coverage that not only says it's OK if you're a TNC driver and Uber is providing the coverage from periods one, two, and three, but they're also explicitly coming out with policies that cover that period one app-on. So Metromile, for example, and USAA have all come out with policies that cover that. And there is a process you have to go through in the state of Oregon. As part of this national insurance agreement, their Allstate, State Farm, PCI, Lyft, and Uber are part of this and we have agreed this is an important market. It's not just Uber and Lyft playing in the sharing economy where people are logged in and driving around using their personal resources in order to make additional income. I think it is important that the insurance companies catch up.

I would offer that should that ever happen -- which it's never happened in the case of any of my markets -- that we would absolutely reach out and ensure there was coverage provided.

Saltzman: Have any private insurance companies applied in the state of Oregon to provide this period one coverage?

April 9, 2015

Steger: Not that I am aware of. But again, we have period one coverage that would apply here, which would cover that period one time until these private insurers started bringing coverage here. And again, there's not a ton of business currently in the state of Oregon and I believe as the business expanded here, in insurance companies would start offering those products.

Fritz: Commissioner, I just want to be clear. It's not the period of time even one, two, or three, it's that if you're using your private vehicle for commercial purposes, you may lose your entire family's coverage from your private. So they are in progress, but why we would move forward with a trial and put our citizens at risk is beyond me.

Fish: Brooke, how do you respond to concerns some people have raised about your business model that requires that someone has a smart phone and debit card and to the extent there's a class of people that cannot use the service because of that business model. And I'll give you an example. I was in San Francisco recently, and probably because of all this competition, Yellow Cab has a service that's now much easier to use. You can call, get in the queue and it will dispatch cabs when you need it, and they alert you when the cab is there, they recognize who's calling once you have made the first call so it's personalized. I'm guessing all that's a result of competition.

The difference was a yellow cab came to wherever I was and I could pay cash. Your business model doesn't allow that. What does Uber say to the class of customers, potential customers out there that would be disqualified because they don't have a smart phone and they don't have access to a debit or credit card?

Steger: Sure. So, you don't need a smart phone -- you can also request via a computer. And I believe that -- I was looking up states on the Portland government's website, and I believe something like 96% of people here have access to the internet and I believe that the internet is a fundamental resource that everyone should have access to --

Fish: In Portland?

Steger: Mm-hmm.

Fish: I think that's a probably very generous number. It may include being within a half-mile of a library.

Steger: OK.

Fish: Because we actually have a digital divide that Commissioner Saltzman is trying to tackle -- but whatever the number.

Steger: Yeah, and again, you could absolutely request an Uber from a library, should you required that.

Fish: But the payment?

Steger: With the payment, we require -- it's not just debit card or credit card but it's also PayPal, Google Wallet, and Apple Pay. We do not accept cash -- that is true.

Fish: Because?

Steger: Our platform is fully digital. And I believe that in many ways -- a lot of the drivers that we've seen come over from other previous systems expressed the fact that there is no cash exchanged in the vehicle and the fact the driver is not carrying a large sum of cash protects that driver on many different levels. We haven't seen a lot of requests for cash, either. And because it's an online digital platform and because of that idea being cashless in the vehicle does provide such high levels of protection for the driver and the rider, it's not something we have considered here in the northwest.

Fish: Since you mentioned protection for the driver and the customer, what about the most recent breach of data, the 50,000 customers that had some of their data breached and the potential vulnerability to your platform?

Steger: I think that's something we can send you information on. I'm not readily familiar with the ins and outs of that -- of the data breach and what occurred. So, I think that that's

April 9, 2015

something we can supply you with more information on because I'm not knowledgeable enough to speak on it.

Fish: Thank you.

Hales: Great. Thank you very much. I think you have one more invited guest.

Novick: Annabel Chang from Lyft.

Hales: Good afternoon.

Annabel Chang: Good evening, almost.

Hales: Good evening.

Change: Thank you. It's an honor to be here before you and it's amazing to see so many people still here late into the afternoon. My name is Annabel Chang, I am the west coast public policy manager for Lyft.

Lyft is a community-powered ride sharing platform. What we do -- our little app essentially connects neighbors with neighbors who one is able to offer a ride and one needs a ride. And our vision long term is that we essentially fill those empty seats on the road with people. So, our goal is to reduce single-occupancy vehicles anywhere we go and so hopefully in Portland, one day congestion will be reduced and we will be able to funnel people into existing forms of transit through our platform as well.

I just wanted to make a quick note. I wanted to thank the Portland innovation task force. They spent hours of their own free time really thoughtfully considering recommendations for the City Council. And we really appreciated the amount of consideration and thoughtfulness and research into other jurisdictions.

I think I want to point out for Commissioner Fish, what are some of the finest jurisdictions you would recommend? I would say we look to Austin, Chicago, Nashville, San Francisco, Denver -- all of these cities have embraced ride sharing and it's really taken off in all of these communities. We certainly hope that Portland will have these additional transportation options for its residents.

So, a big thank you to the task force, a big thank you to the staff. and as well to Commissioner Novick for convening that task force.

I'd like to also take a moment and talk about some of the core values of Lyft. There are three aspects that I want to address. One is safety, the second is accessibility, and third is inclusiveness. So for us, the whole premise of the app -- people using it, people wanting to use it -- all of it is premised on safety. So, it's core to our company values. Our background check provider is SterlingBackCheck. They do background checks for Fortune 50 companies, financial services, health services. They even do background checks for municipalities. So we are very confident in SterlingBackCheck, and if any of the Commissioners would like to speak to their vice president of compliance and walk through the process of how they do that, we'd be happy to make that western welcome to talk to you.

So, they go through federal, state -- and for me, I'm a former prosecutor, and I appreciate this -- they even go down to the county courthouse to get the most updated records. That's very significant, so I did want to clarify that.

We also do a driving record check through ADR. We also, in addition, I think there's some real innovations in the space of transportation. We've really raised the bar on how it's being done. The first thing I would want to note is that we have -- when you request a Lyft, you actually are in the app, you can see the photo of the driver, and a photo of the vehicle with license plates coming towards you. So you actually have information, real time information about the person who is coming to pick you up. In addition to that, you get an electronic receipt documenting where you went, everything like that. You have a two-way rating cycle.

April 9, 2015

So, let's say I get into a Lyft and there's burger wrappers in the back. That wasn't my most pleasant experience. I can rate the driver and give that feedback. So, the driver's ratings over time -- we consider -- we want, of course, the highest community of drivers. And so that feedback is given to the drivers so they can improve and if they don't improve, we have the ability to immediately address that.

Particularly in terms of safety, we also have a 24/7 trust and safety team, which I think is pretty remarkable. And so if you were ever had a major concern with regards to safety, that can be addressed immediately. And as a former prosecutor, I really appreciate that we actually collect this information and can work with law enforcement when that information is needed. That's definitely an innovation in the space.

I also wanted to note that half our executive team at Lyft is made up of women, and it's women that make these fundamental decisions. So, our legal team, our general counsel is a woman, our senior manager of trust and safety is a woman, our VP of product is woman -- we care about that so much that it's reflected actually by even our users. So, one-third of our drivers on the Lyft platform are women. More than half -- about 65% -- of our passengers are women. I think that really goes to show that there is trust and safety built, baked right into the platform. That's really important to me, obviously, as a woman, so I wanted to make sure that I addressed that point.

In terms of accessibility, I am also extraordinarily proud of the fact that Lyft has unlocked transportation options for thousands of people that did not have transportation options before that were convenient and reliable. And I think that goes to show, you know, that innovation is actually providing these options that just simply didn't exist before. And so the National Down Syndrome Society, the National Federation for the Blind, the National Association of the Deaf have all come on as partners with Lyft, and that shows our commitment to access.

And so one of the things I think is really fascinating is we actually even have a very robust community of deaf drivers. And that's giving a flexible income that's dignified and they may have now an option that just, again, didn't exist before. So, that's pretty exciting.

But I'm also excited to share that we are working with Ride Connection right here in Portland. They are a local nonprofit with decades of experience in the space, and we want to bring the innovations of ride sharing technologies to passengers with disabilities. Lyft and Ride Connection are actively exploring an arrangement to allow passengers requiring accessible vehicles to essentially use the technologies of our platform. And we believe this partnership captures Lyft's commitment to making sure that trusted experts give feedback to this process and that we can create more transportation options for Portland residents.

Fish: Ms. Chang, on that point, since we're getting close to the lightning round, do we have your commitment, your company's commitment that there will be no premium that any disabled rider would have to pay because of this partnership with Ride Connection?

Chang: Yes, absolutely.

Fish: Do we have your commitment on behalf of the company that you will not operate in Portland until such time as the City Council authorizes that behavior, that conduct?

Chang: What conduct --

Hales: Operate before the regulations --

Fish: Operate before it is authorized by this Council.

Change: Right, yes.

Fish: That's your commitment?

Chang: Sorry. I want to be totally clear on that last question. This is a lawyer in me speaking, so I want to be absolutely 100%.

Fish: It's a question we asked Uber: do we have your commitment you will not operate in Portland until such time the Council authorizes your ride share service?

April 9, 2015

Chang: Yes. We would absolutely like that be sooner rather than later.

Fish: We've heard that from someone else.

Chang: And I would just note --

Fish: We've been talking to the development community, apparently.

Chang: We do also have tens of thousands of apps opens here so we know there's a pent-up demand for Lyft.

Fish: Will you furnish us a copy of whatever user agreement you intend to have in place here in Oregon?

Chang: Yes, absolutely.

Fish: And can you tell us just succinctly if there are any differences between your platform and, say, Uber's platform that are noteworthy? Are there any differences in how you run your -- that's not proprietary but just in terms of how the customer would like to your platform?

Chang: Right, absolutely. I think it goes down to our vision and values, actually. Our vision, long term vision is truly carpooling. So, in San Francisco, Los Angeles, and New York, we've unveiled our carpooling feature which is Lyft Line. And that idea is matching multiple people going down the same route and you'd also even as a driver be able to enter your destination. So, the idea for us we are taking cars off the road. That is fundamentally our vision, and I think that's a little slightly different than our competitor. But I just want to make that totally clear.

Hales: You accept a second or third rider?

Chang: Right.

Hales: In a trip that's already underway?

Chang: Absolutely. And it's incredible, because states spends billions of dollars building high occupancy vehicle lanes that frequently go underutilized. And we are seeing in San Francisco, for example, half our ride requests now are people wanting to share rides.

Fish: So, as you keep picking up additional customers, does my fare decline?

Chang: You will know in advance who you have been matched with and --

Fish: Multiple?

Chang: And you know your fare beforehand, correct.

Fish: And do you have any, based on the recommendations that you've had a chance to review, on behalf of your company, do you have any objections to producing the data that we need to evaluate the effectiveness of this pilot program?

Chang: No, we do not.

Fritz: And you're willing to require a permit and a business license before you put the driver on your app?

Chang: Absolutely. We would require a business license. I think it goes again to the same question about how that actually works out, but we're happy to talk to staff about how that functionally operates. But we do require business licenses in many other jurisdictions in which we operate.

Fritz: I have just a couple more questions. I really appreciate everybody who has stayed and I do want to get to public testimony. I hope that we're asking some of the questions you want us to ask.

One of my concerns as a 58-year-old woman who has been taught since I was knee high "do not get in a car with strangers" is about safety. And you mentioned many of your drivers are women. How do you protect your drivers? I just Googled Lyft driver attack. And I came up with an information in Seattle last year where a Lyft driver was punched in the nose and broke his nose -- it was a male driver. But unfortunately, the statement from Lyft right thereafter was "the passenger was immediately deactivated from using Lyft and has been blocked from creating future accounts."

April 9, 2015

Chang: Right, absolutely, and --

Fritz: Did you pay the health bills of that driver? What's the other safe guards for people? When we have taxicabs and we have instances of discrimination where we had a couple that was asked to leave a cab for a non-permissible reason, we were able to then address that with the company. What are the safe guards for the drivers, the passengers, and then what's your responsibility as a company?

Chang: Yes, absolutely. As a former prosecutor, I obviously care about that a great deal. Just as a quick note, the criminal justice system comes into play in certain instances like that. So, we have multiple way that is we protect the driver. The driver knows who they are picking up. They can also -- they know where they are located not only their pin but their GPS location, so there's also a record of that.

Fritz: Who do they know who they are picking up? Because we don't know if the passenger has a record.

Chang: The passenger absolutely does have a record.

Fritz: A criminal background check?

Chang: Oh, no, no, not the passenger having a criminal background check. But we actually do have all the passenger's information, right? Because they've uploaded their credit card information and their name and their photo and so we have that information. So, if there was something that was ever untoward that happened, we could immediately investigate that. And I think that's actually a true innovation in the space because unlike traditional industries, you actually do know the name of the person that's getting in and we can resolve that as quickly as possible.

Fritz: So, what happened in that case last year?

Chang: I'm afraid I don't know the specifics on that one. But I would note we connect millions of rides and we are confident in the platform.

Hales: OK, give you a chance to wrap up. Anything else?

Chang: I wanted to go to my third point, which was inclusiveness, and I know that's a core value to Portland as well. Half of our drivers self-identify as minorities, and I think that's an extraordinary number. I think that's something that the people are now accessing this platform to come up with flexible income opportunities. So, we have a significant portion -- about 80% or so of our drivers are driving less than 20 hours a week. So, they're doing this sew supplement maybe their own person business, maybe they are a teacher, maybe they're a mother, maybe they're even a retiree. It's an opportunity that simply didn't exist before, and now they're also providing a service to their neighbors as well.

I just wanted to go back and say that Lyft is absolutely looking forward to being part of Portland. We want to be a community partner. We want to be part of the social fabric, and we're excited to see the Portland twist on how Lyft will operate because we believe that we are also individualistic and community-oriented. And we are excited to be here. And if there's any further questions that I am unable to answer now because of time limitations, I'd love to make myself available to any of the Commissioners as well.

Fish: Where's home base for you?

Chang: I'm from San Francisco but I've spend a lot of time in Portland in the last several months.

Hales: Thank you very much.

Fritz: I would like to know what happened in that case.

Chang: We can find that out for you. I just want to note, it may be a criminal case and so I don't know -- it could be public.

Fritz: I would like to know what you did to compensate the driver.

Chang: Absolutely. Thank you.

April 9, 2015

Hales: Thank you so much. I think there might be some hearty citizens who have availability waited to speak as well. We'll try to take as many of those as we can. I would estimate we might be able to keep the Council here until 6:00.

Fish: At least.

Fritz: Stay in here -- [speaking simultaneously]

Hales: I'm fine with that, too. Let's dive in and begin.

Moore-Love: I have a total of 46 people signed up.

Hales: I don't think they are still here, but we'll see. Good evening. Welcome. Go ahead, Tesfaye.

Tesfaye Aleme: Thank you, Commissioner Steve, Commissioner Amanda, Mayor Charles Hales and Nick Fish. Thank you. Don't count my time now -- [laughs] -- OK. Most of the things that I'm going to say is included I believe our TFA package, but I'll try to read it and then I wish you can ask me a question.

My name is Tesfaye Aleme, and I'm a member and one of the founders of Green Transportation. In 1997, we started as six shuttles and in 1998, 48 taxis. We have grown since to 59 taxis, nine shuttles, 22 [indistinguishable] car transportations. We are proud to provide several kinds of different kinds of transportation that are vital to service the different needs of citizens in all agencies requiring transportation.

If adopted, the task force recommendation before you today will eventually put my company out of business. As you know, on February 11th, Portland's existing taxi companies were granted an additional 242 permits. In terms of the new permit imposed by the City mandate that 20% of each company's fleet be wheelchair accessible up front before the requirement is 10% of each fleet. The fact the task force has suggested reducing this mandate before to 10%, even though all of the City's cab companies have since February 11th made significant investment in wheelchair accessible vehicles. Green Transportation has invested the close to \$500,000 for wheelchair access. Two months later, I still have not received the vehicles. Once I do receive them, it will take about two to four months to brand equipment, wheelchairs for City requirements.

In stark contrast, once permitted, Uber and Lyft will be able to quickly place cars into service if they are not required to follow the same requirements regarding ADA compliance or vehicle signage and branding for taxi. It is unfair that small business like mine must invest hundreds of thousands of dollars just to be able to get a few more taxis on the road while for a billion business like Uber is not required to follow the same rule. It puts taxi companies at an inherently unfair disadvantage compared to TNCs, which have virtually no vehicle expense at all -- let alone expenses.

If Green Transportation goes out of business, our wheelchair vans will disappear. This will put the onus back to City of Portland and ultimately taxpayers to provide transportation to vehicles for citizens that require wheelchairs. We urge you to establish a level playing field in Portland for the transportation industry, and ultimately assure that all of the citizens are served, not just individuals with smartphones and credit cards.

I just want to say that in 1998, you played a vital role in establishing Green Cab. In 2015, if this recommendation is adopted, you will be playing the destruction of Green Cab again. That's the two both things. If I can answer questions? I don't know.

Hales: Thank you very much. I think we will probably have questions for you but we might save them so that we can keep going.

Aleme: OK.

Hales: Thank you. Good evening.

Fish: And we have the packet.

Aleme: OK.

April 9, 2015

Kedir Wako: Hello, City Council. My name is Kedir Wako, I'm the general manager of Union Cab, Incorporated. I have been in the taxi industry since 1998, when I started as a cab driver.

Union Cab was established in 2013. After working diligently for three years to be issued 50 permits. Union Cab is a company operated with a CWA, AFL-CIO and with Jobs with Justice. We follow the rules. We follow the process, and we did it right. We chose the taxi industry for our livelihood so we may support our families and provide our children with a choice they would need to be successful.

Deregulation. The removal of a cap on permits will saturate the market and dilute the earning potential of all drivers -- taxis and the TNCs alike. This will have a graves consequence on many families of drivers who are already limited in their ability to earn a living wage. A large percentage of cab drivers in Portland are immigrant drivers with a limited English who depend upon driving to make a living wage. If they are no longer able to earn an income, their options for family survival will be extremely limited. Drivers and their family could quickly become homeless and consequently depend on welfare. The burden will fall on the City and ultimately the taxpayer.

As we all know, with the taxi service, it is all about supply and demand. If all caps are removed on the number of taxis that are serving the market, the supply floodgate will open, yet the underlying demand will remain unchanged. The result? A race to the bottom with no one making a reasonable income and the fallout of our industry's most dedicated drivers, not to mention an increased number of unnecessary cars on the road.

We urge you to carefully consider the impact on drivers when it undermines ride balance between increasing supply and preserving family wage jobs. There is no turning back once the floodgates are open.

I have a few seconds ,so I want to say that like I said, a lot of drivers that are not here today -- they say that 2,140 drivers crying inside right now. They will flood city of Portland streets when this un-smart regulation and people with interest are trying to lob for a large company with \$41 billion capital. Please take a precise and a smart decision. I ask that. Thank you.

Hales: Thank you.

Steven Entler: Good evening, Council. My name is Steve Entler, I'm the general manager for Radio Cab and I serve on the private for-hire transportation board of review as the taxi company representative. I have been involved with Radio Cab Company and the private for-hire transportation industry in Portland for nearly 45 years.

There are many task force recommendations that should be reconsidered. One that is of particular concern to me and should be a huge concern to City Council and the citizens of Portland is the process for permitting drivers. The recommendation by the task force to transfer driver permitting authority from the City to the companies would be an enormous mistake. It is a safety issue that should be handled directly by the City and not by a company like Uber that has repeatedly demonstrated a willingness across the globe to break the law.

Permitting drivers should include these basic requirements as part of the permitting process. The City must know the full name of the applicant. The applicant should notify the City about which company they will affiliate with and show proof of possessing a City of Portland business license. The applicant should also provide proof of a background check or any other requirements of 16.40.90 as may be amended. A TNC driver applicant specifically should be required to show proof of personal automobile insurance coverage along with an attachment showing that the insurance company is aware that the insured is going to supply part-time transportation service to the public through an affiliation with the

April 9, 2015

TNC, and there needs to be a notification process to the City of Portland in the event of a lapse in coverage.

As a cab company manager dealing with auto accidents on almost on a daily basis, I can confirm up to 30% of the accidents that involve our drivers occur with uninsured drivers. Personal auto insurance is easy to be obtained but sometimes lapses occur because a driver fails to make a payment. As with all other permitted livery companies, the City should be notified of a lapse in coverage and absolutely not depend on a TNC to provide that notice.

Most importantly, the final approval of whether or not to issue a permit to a driver should be remain with the bureau administer and not a corporate executive that has profit-based motives that do not align with public safety. Thank you.

Hales: Thank you very much. Questions for any of these folks? Thanks all three of you. Thank you very much. Next?

Fish: Thank you all for your patience.

Hales: Thank you for waiting.

Cynthia Conover: Hello. My name is Cynthia Conover. I'm an adjustor and I've been an adjustor for over 30 years, and I'm with Farrell and Associates insurance claim services. So, we administrate claims for public entities, including the tri-counties, Metro, and we also handle two taxicabs.

I just want to say that this could be an adjustor's nightmare. Is someone's application on or off? When they pick it up, what limits apply? Who's going to get money off of this is attorneys. They're going to arguing about the limits, whether you're going to the store and then going and picking up someone. And you don't -- you can't even make a decision about if there's coverage, because an adjustor looks at coverage, liability, and limits or damages. And it's going to be -- you're going to spend so much time trying to figure out coverage and getting in arguments over other insurance clauses, you're not even going to be able to take care of that person who has been injured, let alone -- how much are you going to pay them? Is it gonna be 50,000? Is it gonna be a million? And you really can't even get a claims manager here to say, "oh, yes, if this happens, this will be covered."

So, all I know when you deny coverage, you're opening yourself up to attorney fees. If I'm your auto insurance and I deny coverage, and they find that there was coverage, I'm open up to attorney fees. So, I would wait for the insurance thing. This insurance product -- "oh, it's in the works, we'll get it done" -- no. Wait for the insurance. Because you know what? I used to do settlement conferences with Judge Kristena LaMar, and the average verdict for a bicyclist is \$317,000. It's going to make a huge difference whether they get the 50,000 in coverage or the million, depending on a hands-free application.

Fish: Can I just make a comment? Thank you for sticking around and testifying. I have to say that your testimony combined with the research we've been looking at involving user agreements has been very sobering for me because increasingly in an internet-based economy, one of the things you have to do is sort of routinely check a box saying, "I agree to all the terms and conditions." Now, my guess is that a very small number of people actually pull up these 30-page documents and then sit down with their lawyer and accountant.

Conover: Right.

Fish: But particularly with some of the so-called "shared economy" business models, the terms are not favorable to the consumer. They are written to shift liability and responsibility away from the platforms and to either the driver or the host or whomever. And I share your concern, both because these things will be challenged, but they are written -- they're pretty comprehensive and sweeping in terms of shifting liability. And now, you've got this patch

April 9, 2015

work quilt. To your point, there ought to be certainty about what happens if the consumer is injured.

We ought to just have some clear guidance, not “it depends on the lawyer, the judge, the time of day.” We ought to be able to know going in. And I say that as the proud parent of two kids who are likely to be using these services, and my interest is making sure that we know before they get in under the worst case scenario, are they provided for? I think that is our obligation. I do think -- government -- we ought to be clear about what that is before we give someone a green light to use a service that may provide substantial risk.

Conover: Right. But it sounds like they will be covered in the vehicle. It's when they're trolling that there's not going to be any coverage if they hit the pedestrian. When they're looking to hit the app to accept it and their eyes go off and they hit a bicyclist, that's where I see some of the issue. And when they do accept the app, they're limiting the coverage to only \$50,000 per person.

Novick: Ms. Conover, we've heard that the insurance industry is contemplating these new products that will only apply when the app is on. Are you saying that's unrealistic? Nobody will ever know if the app is on or not?

Conover: Well, no, it comes to the interpretation and arguing. “Oh, I meant to turn it on.” I mean, if you hit someone and you kill them and you didn't have your app on, what are you going to say? Oh, the battery went off. You're always going to try to find coverage. Deep pockets. City of Portland is a deep pocket. They sue everyone -- I think you mentioned that earlier. They don't try to figure out, they just go ahead and sue everyone.

And in the meantime, you have this person who's out of work, injured, in the hospital, and people are arguing, “you cover it” “no, you cover it” “no, I'm not doing it.” You know that child in San Francisco who was struck down? I kind of researched it, and what they'll say -- “oh, well, the insurance company for the driver, they took care of it.” Guess what? Of course they did. Maybe they had a \$50,000 policy. But you know how much you would spend to fight a coverage issue?

Initially, I think these companies are going to roll over, but I bet you in two years they're going to be all sorts of verbiage. There is right now in these policies that I have -- there is no coverage -- if you are charging for rides, there's no coverage under uninsured motorist or liability.

Fritz: Thank you so much for staying to testify. I really appreciate it.

Conover: You bet.

Hales: Welcome.

Wynde Dyer: Hi there. I'm Wynde Dyer with Green Cab and I'm sandwiched between two insurance people -- [laughter]

Hales: Don't be nervous.

Dyer: [laughs] This will be a little change of pace for you and I just want to thank you for being here and for the voices on Council who have mentioned the underserved populations, because that's what I'm going to talk to you about today.

It's pretty clear to me that not a lot of people care about saving the taxi industry or saving the taxi drivers. Pretty much it seems like all that anyone cares about is getting from point A to point B as fast as and cheapest as possible. We're in this era of electronic communication where that's what we want -- everything, everything, faster, faster, more, more. Dialing a phone number just takes too long. Why, when I can just push one button and I get an Uber? You know, having to count cash or pull out a credit card or heaven forbid I should have to sign a receipt? It's just too much for people these days.

What I'm hoping is not too much for people these days is taking into consideration the class warfare world that we're in right now and the topic of equity, specifically with regards to equity for passengers. There's just a lot of haves and have-nots, and it's a

April 9, 2015

growing gap and we have a lot of that in Portland. There are so many citizens who do not have smartphones or credit cards that do have mobility devices or guide dogs. There's so many citizens who live in less lucrative areas or take less lucrative short trips, and there's no equity for these people.

So, I ask you to keep in mind that there are folks who have wheelchair rides who need to get somewhere and I'm very suspicious as to whether or not Uber's plan is going to work, since it's failed in so many other jurisdictions. And those clients aren't going to get served by us -- by Uber -- like they will be by the taxi industry who's been in compliance historically. Who's going to take your mom, your grandma to the grocery store when it's a \$2 fare? Uber's base fare is \$5. Ours is \$2.50. So, this myth of them being so much more affordable? It's not affordable for grandma who is afraid of identity theft and doesn't want to use a credit card and has no idea how to use a computer or a smartphone.

And just to revert back to those statistics briefly, Ms. Steger said that 97% of Portlanders have a computer device and that I believe statistically nationally, 73% of the population has smartphones. What those statistics fail to acknowledge is that you can't take an online survey without a computer. You can't take a "do I have a smartphone?" without a smartphone. And so I want you to remember as a medical transportation driver working with salt of the earth people on the east side of town, most of them have Obama phones. If they're lucky, they go to the library to use a computer. They're not going to be able to order an Uber on the Obama phone or from the library.

So, I ask you to please hold the underserved people in Portland in your hearts. I know that I'm out there serving them every day and I'm honored to do so.

Hales: Thank you. Thanks very much. Welcome. Good evening.

Dan DeGrange: Hi. My name is Dan DeGrange and I work for Propel Insurance. And as a disclaimer, I'd like you to know I insure all the taxicab companies in Portland. But I'm also an expert in this commercial insurance versus personal insurance. I consulted with Mayor Kitty Piercy in Eugene and her risk managers and shared with her my concerns. That took two hours. In the next two minutes, I'm going to try to share with you some of my concerns.

First, there's been a question as to whether or not personal line insurance, auto insurance policies cover risk -- livery risk. And the answer is unequivocally no, it doesn't happen. I have a Safeco exclusion that reads, "we do not provide liability coverage for any insured's liability arising out of the ownership or the operation of a vehicle while it's being used as a public livery conveyance device."

I think that Uber -- as a result of knowing that these personal auto policies are not going to respond and pay claims -- they came up with this contingent auto liability coverage that provides what I think are minuscule limits -- 50, 100, 25,000 dollar limits for claims that occur before the passenger has already been picked up but while the app is turned on.

I've insured taxicab companies for 10 years in the city of Portland. So, we have a lot of actuarial data on the types of claims that they have. And the information that we have shows that over 60% of all accidents that occur would be during this phase one period of time. In fact, some of the most horrific accidents that have happened in Portland were when the driver was in transit to pick up a passenger, not while they had a passenger. One of those claims was settled for \$1 million and the other claim was settled for almost \$1.5 million. We are just grateful that our taxicab companies were carrying as high of limits as they were.

Fish: And sir, on that point, could you -- because we're probably going to want to impose on you to ask if you could give us some follow-up information in writing, because this is extremely valuable. And one of the things that I would like to know is what you consider based on the actuarial data to be a reasonable baseline of insurance. I'd also be interested

April 9, 2015

in knowing what is the marginal cost of acquiring the stepped up insurance? In other words, is it cost prohibitive or is it reasonable? As someone who -- because I have a 22-year-old daughter -- tends to opt for the highest end insurance limits because I'm worried about what could happen out there, I think low-balling concerns me. But it would be interesting to know what you think and what you shared with Mayor Piercy was the right mix and then what would be sort of the cost dynamic.

DeGrange: Well, I'm not going to sit here and propose what the City of Portland should have for liability limits, but in today's day and age -- and Cynthia can talk to this issue -- a few days in the hospital, you're going to exceed that limit of \$50,000.

Fish: Well, I'm not asking you to pitch a policy or go beyond your role, but to the extent that you've looked at some data and you believe that best practice is in a certain range or to the extent in insuring taxi companies, you made a judgments that there's a prudent level of insurance -- I think that's useful information.

DeGrange: Right. Well, I think a prudent amount would be what the City is requiring in the city of Portland, and that's \$500,000. But what I'll tell you is that most of the taxicab companies in the city of Portland actually carry higher than million-dollar limits. So, I think that's the prudent thing to do is to protect the public in the case of a horrific accident. And I think one of your questions is, how much more does that cost? And I think you'll be surprised that we recently got a quote for a half million dollar limit for a taxicab company, and the approximate cost was \$6000. To add the additional half a million dollars' worth of coverage, it only added \$800 to \$900 to the total cost to ensure that cab.

Fish: So, it's not cost prohibitive unless you have a lot of accidents.

DeGrange: It's not cost prohibitive. So, I think what's prudent is that everybody in the city of Portland that are operating a commercial auto should have at least \$500,000 limits. Most of the trucking companies that I insure carry \$4 or \$5 million limits. But livery -- I think \$500,000 is a prudent amount.

Novick: Do you think drivers should be required to carry that whether the app is on or off? That if you spend some of your time as a TNC driver, then you need \$500,000 coverage at all times regardless of whether the app is on or off?

DeGrange: When the app is turned on, right now, they're only going to provide \$50,000 and \$100,000 limit, and then \$25,000 for property damage. Those are too low of limits.

Novick: I'm just asking about whether there can be -- if you think there can be a distinction when the app is just off?

DeGrange: When the app is off -- and Cynthia has addressed this -- is the driver going to be forthright and say, "well, I meant to turn the app on." Right? Or are they going to -- are we going to have a personal auto carrier pointing fingers at the commercial auto carrier and say,

we don't want to pay this claim" We see that a lot. We see it too much.

Novick: Are you saying you don't think that is a reasonable distinction to make, that if you are spending any of your time as a TNC driver, then you need to have at all times a half million dollars' worth of coverage?

DeGrange: I think that's a sufficient amount of insurance.

Fritz: I agree.

Hales: Thank you very much. Thank you.

Hales: Welcome. Good evening.

Jake Oja: Good evening. I'm Jake Oja, and I work for Propel Insurance as well. You know, piggy backing on a lot of what Dan and Cynthia said, Uber is on a campaign to make City officials believe their new insurance product is going to address a lot of the concerns that have been raised today. Obviously, they're concerned as well, but as of today -- and any

April 9, 2015

time in the foreseeable future -- there's not an insurance product offered in the state of Oregon that's going to provide such coverage.

You know, all the companies we insure are required to provide certificates of liability to the City of Portland, who they name as an additional insured. And this provides the City of Portland with coverage arising out of the operations of these taxicab companies. It's also a requirement of the City of Portland to be notified by the insurance company if the taxicab companies' policy lapses.

So as Dan said, we insure taxicab companies not only in Portland but all over the western United States. We've yet to see Uber's insurance policy name a City as an additional insured, and I'm confident no personalized insurance company would be willing to name the City of Portland as an additional insured.

As a concerned citizen that also understands insurance, I suggest you consult with the excellent risk managers you employ and ask them if they believe Uber's limits of liability are sufficient to protect the public and the city of Portland. And I also humbly suggest contacting the City of Boise, City of Eugene, to find out why they required Uber to provide the same level of insurance protection that you require of the livery companies that serve this community.

I've heard the phrase that Uber is a technology company and not a livery company, but quite frankly, that's kind of a fancy sales pitch that I don't buy. They contract people to move people. That's no different than what Radio Cab or Broadway Cab or any of the other taxi companies do in this city. And that is all I really want to say -- there's a time limit here and that's as fast as I can do it.

Hales: Thank you very much.

John Orr: Hi, my name is John Orr. I'm proud to drive for Radio Cab. And I'm really concerned about the safety issues that have been -- just the tragedies that have happened all over because of Uber's powerful lobbying to be exempt from them. So, for example, we got a couple of phones here. Hypothetically, this could be my friend's phone or my friend's car and I could drive under my friend's profile. And no one would know. You've got a picture on someone's smartphone the size of a fingernail. As long as I look remotely like them from a block away, no one's going to know that's not their driver. I've got a two by two photo on my permit that's displayed in my cab at all times. Anybody can ask to see that at any time during the cab ride.

These TNCs act like safety is built into their app. They just have good PR people, it's not safe. It could be anybody giving you a ride. You can create an account and have your friend drive under it and completely bypass Uber's weak background check process that though lobbied to make weaker and different than the current cab industry background process.

As to the insurance "app on, app off" -- let me ask you, is this legal driving? OK, just turned my app on but I turned my cell phone on when I was on the road. Oh, I might have hit somebody. I mean, I think that could be considered negligent when they're to use their system, you have to use your phone while you're on the road. I don't think realistically they are going to pull over and find a parking spot to accept a ride. They're going to be on the road driving in traffic, and they're going to look down at their small screen and they're going to hit accept and "oh, the phone's not working" and they're going to kill people. They're going to cause accidents. There's going to be tragedies like there have been in other cities as a result of different, weaker special standards being supplied because they come in here and have slick lobbyists and try to get special treatment. I hope the City doesn't buy it.

Hales: Thank you. Thanks very much. Good evening.

April 9, 2015

Erica Jones: Good evening, City Council. My name is Erica Jones. I'm a driver for Radio Cab Company in Portland. The reason the cab industry is regulated in Portland by the City is to make sure that every cab is safe and that drivers are vetted. We play by rules that are set by the City and it insures that the companies follow rules and insurance and safety and making sure all their drivers are permitted and have a completely thorough background check.

It does not matter what licensed cab you get into, the cab has been safety inspected. They all have the same minimum safety equipment designed to protect the occupants as well as other road users, and the meters are all set to the same standard ensuring a fair price for the ride. Great -- excuse me --

Orr: The phone could do that while you're on the Uber app, also.

Jones: [laughs] This is called a level playing field. The only difference between the companies is the personality and integrity of the drivers.

When Uber arrived on the scene, they -- as you know -- were operating illegally. They did not have vehicles inspected for safety by the City. They did not have any of their drivers vetted by a thorough City background check. They did not have the same pricing structure as set by the City, and they did not have vehicle specially built to carry our disabled citizens like the City mandates that the cab companies do. So right off the bat, Uber told the City that we got 40 billion bucks and we're special and we ain't playing by your rules, we're going to do as we please. That's a giant slap in the face. Thankfully, the City stopped this business practice from being played in our fair city.

I'm asking you, City Council members, to please rethink that if Uber should be allowed to enter this market, given their past practices of not following the rules -- set by you, the City Council -- they cannot and will not be able to maintain service to an entire class of people who have special needs because they do not have the equipment. They cannot service the disabled, which seems rather discriminatory to me. And let me tell you, as a transsexual, I know quite a bit about discrimination. I live it 24/7.

Uber will rape the public with their surge pricing, they will not have City background checks, their vehicles will not be safety checked by the City. How is this fair? It's not fair. It's not right, and it's not just bloody good enough.

Keep this thuggish company out of our community and let the professionals in this room here today do what we do best. We serve Portland and its residents. We do it better, we do it safer, and we do it cheaper. Our community's safety, our jobs, and our local economy depends upon it. Please do the right thing. Keep it safe, keep it local, and keep it fair.

Hales: Thank you very much. Thank you. Questions for this group?

Orr: May I ask something?

Hales: Sure -- quickly.

Orr: The safety concerns I addressed would be easily covered, and with the capital these companies have they could easily afford what marked vehicles and cameras in the vehicles. And their practice is to pass the cost on to the drivers. But if they truly cared about the safety of their riders, they would be willing to cover those expenses themselves if they want to put on as many drivers as they do, and they would pay for a camera to be installed in each of their drivers' cars for the safety of the driver and passengers, and they would require and possibly pay for marked vehicles -- permanently marked vehicles so you couldn't have somebody pose as an Uber and take advantage of intoxicated people at bar close.

Hales: Thank you. Thank you very much.

Fritz: I do have one question. Erica, where in England are you from?

Jones: I'm from a small village called London. [laughter]

April 9, 2015

Fritz: Which part of London?

Hales: I thought English people could always tell!

Fritz: Well, I was going to guess, but which part of London?

Jones: I am from the northwest, Harrow.

Hales: A-ha.

Fritz: I was close!

Hales: [laughs] Thank you very much. Welcome. Go ahead.

Nona Carrasco: Sorry, got a little bit of a chicken scratchings here. My name is Nona Carrasco, and I am a driver for Radio Cab. I moved here in 1997, and I didn't really want to move here. I was a little nervous about moving to this city that I didn't know anywhere -- I didn't know anybody from. And it didn't take long for me to completely fall in love with everything that Portland is. And I'm going to touch base on the level that Portland embraces keeping local as a community, like buying local, supporting local businesses. This is one of the things that I have found has really set apart Portland from many of the cities I've lived in and traveled to.

The taxi industry is part of that local community that we have. All the taxi companies here in Portland are locally owned, operated, and driven by people in our community. Every dollar that comes through our local cab companies stays local. We service the public, our communities, and in turn we spend that money here in Portland as people in our community.

As a lease driver at Radio Cab, \$10 of my lease goes to Radio Cab, and the shareholder whose share is attached to the cab that I drive. That shareholder is a local driver, because we are driver-owned, and that shareholder also pays a weekly kitty to Radio Cab. This is local money and this is local economy. With Uber, 20% to 28% of every dollar that you give your driver -- depending on the service that you are requesting, plus that \$1 safe ride fee that they talk about -- this leaves our local economy and it goes to Uber, which is a \$40 billion company based in San Francisco, California.

If Uber is allowed to flood the streets of Portland undercutting the rates that cab companies have -- that are set for cab companies, they are not only taking business away from people in our own community who sometimes struggle to make ends meet with the rates as they stand, but up to 28% of that money is taken to California. This is by no means the keeping it local that Portlanders take pride in. So really to allow or even invite Uber into our community is not thinking about the community at all, nor the local economy, but the deeper pockets that Uber is filling in order to overrun our city.

Hales: Thank you.

Fritz: Ms. Carrasco, you said \$10 goes to Radio Cab. That's \$10 out of how much?

Carrasco: It depends on the night that I drive because I am a night driver. I drive Sunday through Wednesday, and my lease is \$95 a night. \$10 goes to Radio Cab. If I drive on a Friday or Saturday, my lease could be up to \$125. Still, only \$10 goes to radio cab.

Fritz: It's about 10% or less rather than 20% or 25%?

Carrasco: Yeah.

Fritz: Thank you.

Hales: Thank you. Good evening. Welcome.

Jeanette Thiebert: Good evening. My name is Jeanette Thiebert. Probably 12 years or a little better, I've been driving a taxicab. Before that, I worked with mentally ill adults in drug and alcohol treatment. I drive one of those very large wheelchair accessible vans that we talk about. I can talk about that at some other point.

Today, I just want to remind you that once upon a time, the citizens of Portland crafted one of the best citizen-owned electric companies in the country. We called it PGE. Utility rates were regulated and stable, and it was good for the people of Portland. One

April 9, 2015

day, someone exclaimed, “why is the City in the utility business?” So, PGE was sold. It became the crown jewel of Enron’s holdings. Rates went up, and the municipal utility taxes or user fees that Enron collected from the citizens were misappropriated and stayed in Enron’s bank account rather than being sent to the City. Local PGE employees took wage cuts and lost their retirements and then their jobs. Enron, like Uber, was an out-of-state corporation that refused to play by the rules. In short, Enron stole from Portlanders.

Let’s be clear, this isn’t about giving Portlanders new technology options. As cab drivers, we’ve been using similar cell phone apps to schedule and track rides for over a year, sometimes more. This is about an out-of-state company with \$40 billion of venture capital giving subprime loans to our neighbors to buy cars, with no promise to these new drivers that their income will meet their expenses.

This is taking from Portland. It’s about taking the data about who we are, how we travel, where we’re going, and when. It’s about taking the profits out of our local economy. And it’s about consuming our resources, our time, our energy. And they’re bullying our civic leaders to do so.

This isn’t the Portland I grew up in. This is the land of Oswald West and Tom McCall, two individuals who saw the future and recognized that sometimes being progressive means saying no. It means having the best interests of everyone in our community at heart, and it means standing up with courage to take action.

You have a choice today. This vote may be your legacy. It will certainly affect your family, your children, and your grandchildren, if you’re so lucky. I’m asking to you have the courage to vote this down. And of all things, the caps are there for a reason. We now have the tenth worst traffic in the country. Do you really think that adding another 2000 individuals who are hobbyists driving for people and doing the jobs that 500 to a couple thousand drivers have had living wage jobs doing? Do you really think that adding that many more vehicles on the road is going to solve our traffic congestion? The reason it’s going to be so quick to get another car is because they’re everywhere, and traffic is going to be that much worse. We’re not solving the problem. Thank you.

Hales: Thank you very much.

Thiebert: And if you want -- the fishing industry is a commercial industry near and dear to this community, and it is highly regulated and capped.

Hales: Thank you. Good evening.

Rob Brower: Good evening. Thank you for your time, I appreciate having the opportunity to speak and I just want to say that these young people are the people that make me happy. My name is Rob Brower. I have grown up in the city of Portland. I live and breathe Oregon. I’ve tried to search for things that people haven’t said already, so I’ll keep mine brief.

I challenge you to understand that maybe the task force can help -- there’s no numbers thrown out about the number of drivers that Uber is going to put on the street. They’re afraid to put their names on the permits that we fill out every year and pay our just dues. We’re proud to do it, we’re proud to be here.

We’re about to add 250 permits to the taxicabs. That scares me to death. I’ve been dealing with 500, I know who my competition is. I know how many limo drivers, the other types of drivers that are in this city. I’m going to have no idea how many people are going to be out there at night working part time, afraid to give their information to the City in the city that I love and the city that I grew up in.

I’m just about done. I’ve only got a couple more years to ride it through this. These kids, they love this city, they love the industry that they’re in. It’s a blast. I’ve been in there 20 years and I’ve had a great time. I hope the decision is right. I don’t understand what

April 9, 2015

Uber adds to the city. I get a little emotional. My dad was general manager at Radio Cab for 25 years back in the glory days, so I've got a lot invested in this -- 70 years.

Thank you guys for your time. I have to admit that I thought I was going to see closed ears, and it's wonderful to hear the questions and the concern you have about our city. Please question where the money is going to go, because it's going to leave. And how we're going to fill those potholes after it leaves, I'm not sure.

Hales: Thank you very much. Questions for this group? Thank you all very much. Appreciate you staying, too. OK, next three.

Fritz: And if folks are upstairs and are planning to testify, there are some seats down stairs.

Hales: Welcome.

Megan Conway: Hi, I'm Megan Conway with Travel Portland and here to testify. Good afternoon. Thank you having us, and thank you for being here.

Thank you for the opportunity for Travel Portland to present testimony on the recent recommendations from the private for-hire innovation task force relating to changes in code to allow TNC companies to operate in Portland. As both a consumer of services as well as demand-generator, the travel and tourism industry is an important stakeholder in the private for-hire transportation discussion. We're here today because we support the initial recommendations of the task force and want to share our industry's perspective on why it's important to consider regulatory change for Portland.

Portland is known for being first in many areas, in particular, areas that are related to innovation concepts and progressive policy. However, in the areas of technology and consumer choice in private for-hire transportation, we have lagged, and to date have not kept up with changes in consumer demands. Our experience is that visitors and the riding public have a time-relevant expectation that the transportation service they are asking for will be reliable, consistent, and safe. Unfortunately, the current performance results in Portland have not been consistent and perform is fair at best, as noted in the recent ECONorthwest study and the 3Q Global survey results.

Since 2010, when the last demand study was considered, there's been significant growth in the visitor industry Portland in the number of arrivals, conventions, and hotel demand. The majority of that growth represents visitors accustomed to on-demand data tracking options through smart phones that allow them to meet the needs and rate performances of service. This is something our tourism competitors have available and we do not, and it puts us at a disadvantage.

Specific to the task force. For the reasons stated above, we're in support of the transportation network companies entering the marketplace based on recommendations from the task force. We support the recommendations to encourage and promote innovation and adaptation to the changing consumer needs in private for-hire transportation and allow for competition so long as the public interest is served. [beeping] I know time is up. I'll just say, Travel Portland continues to support the dialogue with the City and to update the regulations and changes in consumer needs while protecting the public and providing the best in consumer service and fair market competition. We seek to be an ongoing partner through the changing in these processes.

Hales: Thank you. Appreciate your partnership. Welcome.

Jim McMurry: Hi, my name is Jim McMurry. I'm a minister of the Seventh-day Adventist Church on the eastside. In fact, I pastor a church in Boring so I am the Boring Pastor of the Boring Church. [laughter]

Fish: You know our good friend George Hocker?

McMurry: Yes, I do. He was on our staff before, yes. You know, the other day I saw in the news these kinds of opportunities were coming, so I applied to be a driver. My reason was

April 9, 2015

not for second income but it was a way that I could safely keep my fingers on the pulse of our community and get acquainted with people and just be out there. I probably won't be doing this a great deal, but it's nice to have the opportunity to do this some. And you know, it's safer than hitchhiking to get acquainted with people. I've been kind of nervous this afternoon that after my testimony today I may not be able to baptize as many taxicab drivers, and I'm concerned about that. Anyway, thank you very much for your hard work and your thoughtfulness. This whole afternoon has been extremely enlightening to me.

We moved up here about six and a half years ago. I have a background as a paramedic and a firefighter, and worked with the sheriff's department about 20 years as their chaplain in a community out of state. But I would like to use these platforms to help people out and to get acquainted with my community, and that's kind of what I wanted to share with you all this afternoon.

Hales: Thanks very much. Welcome. Good evening.

Woldmariyom Berta: Hi, my name is Woldmariyom Berta, I'm a Union Cab driver, fulltime driver. I'm just wondering -- nobody mentioned about the drivers, that City of Portland taxi drivers probably more than 80% of us is immigrant. And those families has probably three, four kids each individual. That's how they generate incomes. Most of our wives are like stay home mom with the kid, and all the income comes to drivers. If we put this much driver -- unlimited -- I mean, Uber is not giving you a number. They're going to put as much driver as they can recruit. Those drivers are not doing it full-time. Our taxi drivers -- we are the only job we have is driving cabs. That's our livelihood. Those people -- Uber drivers are like hit and run. When they need cash, they just come out, 20 minutes, 30 minutes, one hour, there's going to be that \$20, \$30 cash, they go home. Who's going to serve this community?

Also, our income is not going to be steady. So, we're going to be out in the street. Most of the taxi driver own homes. Now they are talking themselves because how they going to pay their mortgage? There is no supply and demand -- there's no study on it. I just want to concern you guys. I just want to emphasis this. I want you guys to think about it how many lives going to be affected.

We have more than 2200 drivers in Portland -- times four or five -- each have five family. About 6000 people's lives are going to be in danger because those jobs -- the only job they know that. Where they going to go? Where they gonna apply job? There's no job. There is no education background. Most of us, like, the only job we know is driving taxi. Making money, supporting our families. We just trying to create really good citizens.

I just want to give our kids opportunity to go to school. I'm just trying to give my kid the opportunity I never get. This was a dream life. This was a dream job because I see my kid every night. I see every kid every morning since I started Union. But now, I'm going to lose that. I'm going to work 24 hours on the street, because if I don't get enough money, I'm going to go home. I'm not going to see my family.

This is going to be a danger to the City of Portland, the industry of taxi business. I want you to consider that. Also, taxi driver -- to make extra money -- if I speed, you gonna see my number. Union Cab. You can call the police. You're going to see my number, my logo. If a Uber driver speeds, nobody knows it. They don't have nothing you can identify. I just want to you to think about it and how many lives that will be affected. It's going to be dangerous, it's going to be chaos. I just wanted you to make best decision for the city of Portland and the taxi industry, too. Thank you, I appreciate it.

Hales: Thanks very much. Thank you all.

Moore-Love: See is any of these people came down from upstairs -- [reading names].

Hales: Please, go ahead. Good evening.

April 9, 2015

Jim Pohrman: Good evening, Mayor and Commissioners. I have been hearing a lot of problems and -- my name is Jim Pohrman from Radio Cab. I'm a driver.

I've been hearing a lot of issues on insurance. It bothers me. There's a lot of safety problems on that. I kind of recommend if we're going to have this commercial insurance that every car have a sticker on their car -- commercially insured -- with their code number on there. Just like a tag on a license plate. It will ensure that when somebody is coming in to look at this car, that they are insured. Should have it on personal cars, too, down the road. But that's one of the issues I mean I was thinking about a long time ago, about this insurance.

But some of my concerns is the safety, the loss of income. There's going to be a lot of income that's going to be lost by a lot of people out there. I'm about ready to retire. I'm about ready to retire soon, I've got about five years or longer, I don't know yet.

My next one is, I wonder where is the demands for these cars and cabs? Can you show us the math? I haven't seen anything or heard anything. How many cabs do we need in Portland? Now, if we have Uber coming in, they're considered a cab is what I'm hearing. I mean, you're getting all the regulations, you're getting the license, and checking out their background and everything. That's a taxi. Very much. And I'm concerned about that because there's too many cabs. I mean, we don't need them every day. I mean -- does the police -- when there's a riot, right -- [beeping] -- for one day, are they going to come out with one thousand or two thousand police officers every day? No, just that day. They can't afford it. Common sense.

The only reason this is all being brought up is because the weekends, and you have a little concert or something. People call up, they can't get a cab. They ask me, why can't I get a cab? I says, it's heavy. You cannot stop it. I mean, there's just too many people. Those are at certain times.

I had some other things here to say, but I'm just going to drop that and I thank you for letting me talk about my opinions, concerns. I would say vote no. Be safe and smile.

Hales: Thanks very much. Good evening.

Thomas Mich: Good evening. My name is Thomas Mich, I'm former U.S. Navy chief petty officer. I used to be a resident of 1132 NE 131st Place here in Portland, and I'm currently a resident of Clark County. I would like to personally thank you, Mayor Hales, for having this forum. Because I originally came to the first task force meeting as a citizen, and I'll tell you right now, I got a dog in a fight because now I'm an Uber driver.

I can tell you the last 50 years, I've used taxi as a commute from my place in Vancouver to doing work down here on Ankeny Street and 3rd as an insurance agent. Every day I would come in here, I would spend anywhere from \$70 to \$90 as a round trip. So, Broadway taxi, thank you very much, your service has been appreciated.

What my thought was this -- as you know, this new technology is not embraced with open arms by traditional thinkers. The Portland Tribune has been a voice of [indistinguishable] for me for a long time, highlighting these hidden technologies. How this translates to "we the people" is simple and transparent.

We see our experience, our public transportation routes, rerouted and killed all together. In the last 18 years, I've owned my home and I've seen five bond measures to keep my bus routes open and running. I've seen seven bond measures for public schools. My home value has increased from \$181,000 in 1991 to \$295,000. My property taxes have gone up -- I have higher water and sewage bills, and fewer City maintenance and fewer garbage and questionable and unreliable bus schedules. The real kicker is taxis demand higher fares and there are no reasonable alternatives.

Then along came Uber. I had not heard of Uber, Lyft, or Sidecar prior to the article in the Oregonian about Eugene and its fines. My regular taxi company made no mention of

April 9, 2015

it. I did my due diligence and researched this TNC concept entirely. My naval career included a stint in naval analysis and in intelligence. I, like others, read company overviews and its technology. I found the concept of sharing your family vehicles with your neighbors refreshing and sensible.

I am not a good salesman but I am a good listener, which is instrumental in identifying the specific mobility needs of your riders. Uber encourages asking questions and helping disabled people feel wanted and accepted. I like that.

I ask this Council to consider the ride sharing concept, to be an equal partner and a peer with both Uber, Lyft, and any other company that wants to add their dimension and help to this community. I love the Rose City. And yeah, sure, I give 20% to Uber as part of my agreement, but it's the other 80% that comes right back here.

In Vancouver, I can't get any news about Washington State. I get it from my home here in Portland. So Mayor Hales, Council, please consider that I can help my neighbors in their very limited way to get to where they need one mile or two. I've taken groceries. In my little Toyota Avalon Limited, I've transported over four people with wheelchairs to destinations to do shopping and being with friends, and I've only been in business for 60 days. Actually, I started February 16th. And I feel really good about myself because I'm making a difference and contributing to the community as I contributed to the United States of America as a naval chief petty officer. Thank you for all you do because I know with you guys around, my world is safe and sensible. Thank you.

Hales: Thanks very much. Hear, hear. [Applause] Lightning, welcome.

Lightning: My name is Lightning, I represent Lightning Watchdog X. One of the concerns I have here is for the old school cab companies. We need to look at the situation that not just the drivers -- the drivers also -- but we need to also maintain the values of the old school cab companies that have invested a tremendous amount of money through this city. We need to understand Uber, Lyft, and other ride sharing apps are on their way. We're talking about wheelchair access -- Lyft will have their app coming out soon. You'll be able to hit that button and have a health professional drive up to assist you. These are on their way right now.

The reality is Uber -- and I'll point to the founder Travis Kalanick and Garrett Camp -- you've done quite well. You've gotten your unicorn status, you're on the way to become a super unicorn. That is what you value the most. In this city, you have the potential to hold the values of these local cab companies. You have the potential to offer a lot of opportunities to the drivers. You're a larger company now. You talk about becoming a statesman, being more diplomatic. Portland is the city to do that with.

We've watched what you've done in other cities. We're asking you in this city to come in and make a reasonable offer to these old school cab companies, how you can hold their value at this current time and how you can hold their value when you decide to do your IPO on either year seven or year eight. You have the ability to do that at this time and to raise these companies up at the same time. You don't have to come into this market and step on the local cab companies to add value to your company.

You're in the position right now. You have the amount of dollars, you have the angel investors who are already backing your companies that can step up at this time and preserve the values and offer a lot of opportunities to the drivers through this city and you can all rise at the same time. Portland is a small market, we're not New York like 13,000 medallions at \$13 billion a year going against right now. That's a true battle and I understand that. Portland is not that kind of market.

You can come in here and have the support of the cab companies and the drivers on your side for good PR, which will add more value to your companies when you do your

April 9, 2015

IPO than anything else you can do in this city. Think about it. You have the ability. You have the create-ability to do it and you have the resources to do it at this time.

Hales: Thank you all very much. Welcome. Good evening. Whoever is ready. Ms. Jones, are you ready?

Delilah Jones: I am ready, yeah. Hi, my name is Delilah Jones, I'm a driver and shareholder at Radio Cab. For the last six and half years, I've been driving for them. I'm a fourth generation Oregonian, I was born and raised here in Portland proper. I wanted to thank you guys for just such thoughtful consideration on this really complex issue.

I have a lot of different concerns, a lot of which have already been covered. So, just really briefly -- I think that safety is obviously the most important thing, the safety of the drivers and of course the citizens of our city. There's a lot of little things that these TNCs are balking at. Like, fire extinguishers. What does that cost, \$20? And if it saves one life, you know.

Also, why can't they just do the same thing that I have to do at the end of the month, which is pay \$100 and get a background check through the City? It's a very simple process, it takes me about 30 minutes.

It's a dangerous job. Not because of, you know, passengers attacking people -- although that has happened in the past, and of course cameras can help -- but also it's just a lot of driving, and insurance should be absolutely mandatory under every part of their operation, not just different parts.

Equity -- we've talked a lot about disability and the digital divide. I pick up -- not everybody takes cabs, but some of everybody takes cabs, and they need to get where they need to go any time of day or night. I'm there to pick them up. I don't care if they have a credit card or not. I don't care if they have a smart phone. I've picked up everyone from crackheads to millionaires, and a couple millionaire crackheads -- [laughter] -- love you, Portland.

The thing is the city of Portland, which I love -- I don't want to move -- is known for supporting local, small businesses, and if we allow the market to be flooded by an unlimited number of exploitative elitist TNCs and cabs become the domain of just the lower incomes, I will be forced -- among others -- to seek other employment. Oh, by the way, I am the coolest cab driver in Portland according to Barfly Magazine. And there's a reason for that. I'm educated -- thank you -- I'm educated, I'm passionate, and I'm knowledgeable about the city. If I get priced out of this and it no longer becomes a job for me to do that I can pay my student loans back -- thanks -- then I'm going to get a different job because I'm young and I'm adaptable and I'm intelligent and I'm educated. That is going to replace me with part-time cab drivers who are only vaguely supervised -- they never even see a supervisor. I don't think that's good. And they're going to be forced to work longer hours to fight over scraps and it's not safe. Basically, to sum it up, I find that Uber in particular but TNCs in general are very elitist, they're exploitative of drivers and passengers, foisting all liability on to the driver, and they should not be above the law. Thank you very much.

Hales: Thank you. Welcome.

Kirk Foster: Hi. Thank you. I'm Kirk Foster I'm owner of Wapato Shores Transport, which is one of the SAT or NEMT companies, and I'm also the SAT rep on private for-hire board. Raye and Dan DeGrange and Steve pretty much said everything I wanted to say, except for a few things, so I'll cut it real short.

I do want to say I really appreciate the Council's questions tonight. After seeing how quickly the task force went through and how there wasn't any input from those of us who have doing this for a while. I was discouraged at how quickly it moved, but I'm much more confident in the process now after having listened to your questions you're asking. It's

April 9, 2015

made me feel quite a bit better about the process and about the City in general. So, I thank you for that.

A couple quick things I want to touch on that didn't get addressed already is I really think it's important that the City maintain the background check process.

Fish: What?

Hales: What process?

Foster: That the City maintain the background check process and not submit it --

Fish: Move a little closer, will you? We don't want to miss what you're saying.

Foster: OK, sorry. The primary thing I wanna say is I think it's important the City maintain control of the background check process. I have tried to use some of the online companies as a small business owner to background check drivers, and I have background checked drivers myself and them go before the City or TriMet before that, and have had things pop from other states that were serious offenses that did not get caught. I don't know how thorough the onlines are, but the ones I have used I have seen holes in it just with my small company. And I only have 35 employees. Even with that limited number recycling through, I've seen holes in the online background checks. And I don't know why, but I have found them myself.

Fish: Hold that thought for a second? Steve, since we're keeping a list of issues, one of the things I'd like to know more about is is this third party certification suggestion born of the fact that we don't have the capacity to do this, or is it the result of the TNCs wanting to maintain confidentiality of their drivers? And I hope it's not the latter. If it's the former, I would be interested in what kind of capacity issue are we talking about and is it something the City could adapt to?

Novick: Sure. We'll have that conversation.

Hales: Good question. Please continue.

Foster: The other reason I wanted to hang on to was not just that, but when the drivers get their own permits, they actually have that, and that permit is valuable to the drivers that they get from the City. Because if the drivers are not happy with the treatment they receive from the company, whether it be myself or one of our competitors, they can take that permit and go to another company. It leaves the drivers a lot of flexibility. If their background check is tied to whatever company that performed it, if they have difficulty with that company and want to move, they would basically have to stop working and be unemployed for a while they wait for somebody else to do a background check. So, I think it's important drivers keep control of their own permits by having it issued by the City and not whatever company they work for. [beeping] -- just a few real brief -- OK, I'll stop.

Hales: Please, go ahead.

Foster: I want to say I think the task force rushed things too much by not talking to a lot of people. But just two little points that I think are good examples of a lot of the recommendations -- they recommended lowering the taxicab to 15 vehicles. How can you provide 24-hour service with 15 vehicles when you figure a good two-thirds of your fleet have to be off the road for service at any given time? It just wasn't thought out to drop it to that level.

And they're thinking about dropping fire extinguishers. Fire extinguishers are rarely used because car fires are kind of rare, just like car insurance is statistically rarely used because car accidents are statistically rare, but that doesn't mean -- well, actually, maybe we are -- but I don't think we should lower the bar. I think the fire extinguishers are the same thing. We shouldn't lower the bar for the new companies to come in. I lost my train of thought, I do apologize.

April 9, 2015

Essentially, I do think there needs to be a level playing field. When I started my business, I had to mortgage my house to afford the commercial insurance. And I don't see any reason why anyone else should just be able to skip through without it.

Hales: Thanks very much. Good evening.

Ron Knori: Good evening, Mayor Hales, members of the Portland City Council. My name is Ron Knori, president of EcoCab, the city's newest zero-emission taxi company. My business address is 3250 NE Yeon Avenue in Portland. Thank you for accepting public testimony on this topic.

It seemed just yesterday that I appeared in front of you requesting licenses for my environmentally-friendly cabs. Just before you approved those licenses, you asked if I was prepared for a tough competitive marketplace that could include giant companies like Uber and Lyft. I told you then and I'm back today saying if you create a level playing field, I am more than up to the challenge.

Commissioner Novick best described the level playing field I envisioned when he wrote, "it is critical that the City provide necessary safeguards and standards to protect consumers, ensure accessibility for all, and allow for a fair, competitive market for drivers and companies across all sectors of the industry." However, the inconvenient truth is that despite some very thoughtful work, the task force report contains serious flaws and will not protect the riding public, encourage a fair market, or ensure fair accessibility at all.

Here are four points. The unlimited dumping of TNC fleets into our community will not create a free market but a free-for-fall market. There will be little ability to control vehicle safety, driver qualifications, or pricing. A better solution would be to use phase one as a controlled experiment to impose a reasonable cap -- say, 100 TNC vehicles per entrant.

Two, dynamic pricing. This is a clever marketing term used by TNCs to hide price gouging and surging. Allowing this is a detriment to consumers, and unfair. A better solution would be to establish uniform rates that apply to all TNCs and taxis.

Three, fleet accessibility must be nonnegotiable. Allowing TNCs to contract away the responsibility externalizes the cost on to the rest of the market. This puts every taxi company at a distinct disadvantage. A better solution would be to require TNCs to provide accessibility services or pay an accessibility default penalty.

Four, driver licensing insurance and compliance sections must be made equivalent for taxis and TNCs. Penalties incurred for noncompliance or flaunting the disregard of rules in this community must lead to expensive and swift justice.

In conclusion, a lot of good will and thought has went into this report. I applaud City Council, staff, and volunteer task force for their best efforts. However, this report as is undermines the transportation industry's goals to be fair, accessible, and consumer-oriented. I respectfully urge that you accept the best work of this report and improve the parts that are flawed.

Fish: Sir, I have a request. Because you were very specific about changes you want us to consider and essentially amendments, would you mind emailing that to us or emailing it to Karla so she can furnish us with your testimony?

Knori: Certainly.

Hales: That would be good, thank you.

Knori: I believe you may have already gotten some of it.

Fish: It's in the packet?

Hales: Just in case, why don't you email it to us. We have copies. Yes.

Fish: If it's in here, that's great. But maybe if you email it we have a backup.

Knori: I'll get that to you as soon as possible.

April 9, 2015

Novick: Sir, can I just ask you a question about -- you said if we open the doors up there won't be a free market, it'll be a free-for-all market. But don't we have a free for all market for most things in this country? I'm not saying that this is good or bad, but do you think that we should regulate the number of grocery stores, and the cost of groceries and regulate the number of gas stations and cost of gas, regulate the number of coffee shops and the cost of coffee? And I'm asking that as a serious question. I mean, what I'm having a hard time figuring out with is why this industry is different from all other industries in requiring regulation of the number of participants and the prices.

Knori: Actually, what I asked was that -- I asked that during phase one, in this controlled experiment, that they have a limit, just like cab companies have a limit. That's all I'm asking is for the same treatment for cab companies and transportation network companies and see how it goes. I'm pretty sure transportation network companies can afford it.

Fish: I would also say, Steve, for me it's not so much the philosophical argument of deregulation, it's how you deregulate. And I am reminded that a precipitous deregulation of the airline industry almost killed it. It does seem to me the constant refrain is not so much "we resist technological innovation or change" but "let's have a transition period that's fair to all parties." And one of the concerns I have is that while we have said that a level playing field is a paramount virtue, we are essentially rolling the dice in a way that seems to me there could be conspicuous winners and losers and some of the losers may be people that played by the rules that we established, and that by changing the rules we put them at a disadvantage. That's the thing I'm struggling with. And that's different from whether philosophically or ideologically we think we should regulate.

Novick: I think that there's different issues. I think that some people have testified and suggested that there needs to be a cap, there needs to be price regulation. Not everybody has sort of conceded that those two things will go away. I think that that's an issue worth wrestling with. And if the idea is that those two things will go away we need to work towards that in a transitional period, that's a different question from "are we going to continue to have these caps and price regulation forever?"

Fish: Yeah, I agree with that. But for example, we wouldn't say that in the name of transition to deregulation let's suspend our health and safety laws just to see what the marketplace bears, because we've learned that the marketplace is not always the most equitable distributor of our values. I have a concern about how we transition this so that again, people who played by the rules under a new regime where we're trying to level the playing field aren't at such a disadvantage that we might as well actually find a way of just compensation for people that we are likely to fail in this rather than assume that we're creating a level playing field, because I have a hard time imagining this being very level.

Novick: Do I take that to mean you're open to the idea of phasing out the caps and price regulation ultimately, as long as we do it slowly and carefully?

Fish: Actually, I've heard from a number of people from the taxi industry who said they would embrace change as long as we don't throw the baby out with the bathwater. And what is that balance? I'm not sure what it is, because I've not been a regulator. I've actually heard more from people tonight that don't regulate and probably not enough from people who have historical experience regulating. But that's the question for me. And I haven't actually heard people completely -- I think people accept that technology is bringing change. But I think they want us to manage the transition of change wisely. And I think some of those questions about timing, what kind of insurance, what are some of the baseline standards, even down to whether someone should have a fire extinguisher -- I think those are serious things we have to grapple with on the path to change.

Hales: Thank you.

Jones: Commissioner Novick, may I speak to your question?

April 9, 2015

Novick: Please.

Jones: I think a major part of the reason that there are cabs -- and this is a bit of a speculation on my part, I'm not a regulator either -- is that taxicabs are generally considered to be part of the larger transportation network for the public. And so, we kind of subsidize in this way for taking care of the under-served, people with disabilities. You know, in people in the middle of the night when TriMet is not operating, people still need to get to work. And so in order to sort of balance out the fact that there's going to be people who have very not lucrative fares, we kind of cap the number so as to raise the income of the cab drivers to a manageable point.

Hales: Well said.

Fritz: And I'm sure I've finally come up with another industry that caps, and that's City Council members. There's a cap in fixed prices. [laughter]

Fish: Touché! I move to close this hearing. [laughter]

Novick: Commissioner, that's a good point, I think we should have an unlimited number of City Council members! [laughter]

Hales: God help us all. Thank you very much.

Fish: Charlie, can we get a 30-second break and get a sense of --

Hales: Yeah, let's take a pause. Thank you very much. We'll see how many folks are still here. Maybe just a show of hands of those still signed up and planning to speak? Looks like -- 10 maybe. We might be able to make that work. Let's keep going. Good evening.

Fish: By the way, folks, that happens regularly at these hearings. Strange women come up to Steve, embrace him, and then go back --

Hales: Yeah, we're all jealous --

Fish: It's called charisma, and the rest of us just don't have it.

Hales: Good evening.

David Gibson: Hello. My name is David Gibson. A lot has been said about protecting the little guy, about protecting people's income. I'm an Uber driver. I did the time here when Uber was working here in Portland was fantastic. My first rider hugged me and said, "welcome to Portland."

I'm a single father and a Marine Corps veteran. My mother, who's 74, lives with me and we have no other sort of support. I'm making the best I can in this world. Uber is doing pretty well for me. On occasions when there's been an issue where a rider complained that the ride was too long, it wasn't true, Uber said "forget it, we'll just give you both the money and we'll just take it and run with it." When Salem was free for a while, Uber was just paying the drivers to give people free rides just to get on board and has time and time again showed that they are very loyal to their drivers. I've had no problems in six months of having worked with Uber of receiving anything less one dime than what I have earned.

I've worked in Salem, Eugene, Portland and the Portland metro area and I have a 95% approval rating on 1500 rides. This is the only thing I do, it's my only job. I could in theory go work for one of the cab companies. They're better than they used to be, but they used to have a horrible reputation. I wouldn't have before I applied for one and my friends talked me out of it. In the '80s and '90s, it was not a good place to go. I'm sure they are much different than they were back then, but in those days I just didn't want to.

At any rate, that's my -- you know, I'm trying to put a personal face on our side of it. We didn't get a lot of people come out but overwhelmingly -- literally 2000 people have sat in my car and told me how much they love Uber. When we were leaving Eugene, the cab companies went to the college students at the University of Oregon and said, "what can we do to compete with Oregon? What can we do to get you back?" A lot of the college kids -- and this is relayed at [indistinguishable] said, "nothing, you've lost our trust. We don't like

April 9, 2015

you, we like them.” That’s a significant portion of the population. They don’t care what the cab companies do. They’ve made their choice, they want to ride with Uber.

Hales: Thanks very much. Good evening.

Guy Auker: Good evening. Think we’ll get out of here before midnight? We’ll see. My name is Guy Auker. I live in Scappoose, Oregon, and I am proud to be an Uber driver. I cannot wait to come into the city of Portland and serve the citizens of Portland, Oregon. I just want to make that clear.

Couple things I want to just cover here that I’ve heard. We’ve heard from several cab people that, you know, Uber in Houston, all these things happen. And they’ve happened. But I just want to make it clear, the cabbie industry in Portland, they do good but they’re not total angels either. They’ve had their issues.

Couple things I want to say is remember the Radio Cab driver that almost killed the DJ in front of the Jupiter Hotel? I don’t know the specifics of these but these things happened, and they were distracted drivers.

*****: [indistinguishable]

Hales: Please, let him speak.

Auker: The Green Cab driver killed the ice skater’s mother over by the airport, was involved in a horrible crash there. Then just recently -- this was not a crash but it was an incident -- the Broadway Cab driver that kicked out the gay couple on 84 because he didn’t like them, and just kicked them out of the cab. Those are three instances that happened in the Portland area. I just want to make sure -- you know, they’ve had their issues here in Portland.

One thing -- and this is why I can’t wait to serve the citizens -- is we have a big drunk driving problem here specifically in Portland. People lose their lives. We could sit here all night and debate on this, but one reason why I think there’s a high drunk driving problem in Portland is because we can’t get cabs. It’s hard to get a cab. Have you ever tried hailing a cab in the entertainment district on a Saturday night? It’s extremely hard, if not impossible.

So, let’s go back to the evening where that one gentleman drove up on the sidewalk and killed a girl somewhere near Northwest Portland, not sure the address, but we remember that incident. Maybe if we had Uber here and Lyft -- more drivers on the road -- maybe that driver would have chosen to go on Uber and get home safely and not kill that girl. That’s all I have. Thank you.

Hales: Thank you.

Fritz: Quick question for the two Uber drivers. Did Uber tell you that you could be putting your own personal car insurance at risk by driving for them? Are you aware that your personal coverage could be canceled if your company knows that you’re driving commercially?

Auker: They -- no, they have not. They have not told me that, no.

Fish: Do you have commercial -- other than your own insurance --

Auker: No.

Fish: You don’t have supplementary insurance?

Auker: No.

Fish: Do you know that likely means the passengers that you pick up would not likely be covered in the event you were involved in an accident.

Auker: It was explained to me that they would be under Uber’s million-dollar policy. One thing I have noticed is there are insurance companies getting on board with this Uber. They’re rolling with the change, like, hey, this is happening and there’s companies that will insure us.

April 9, 2015

Fritz: I really appreciate your steadfastness in staying here for this hearing and your courage in speaking up. I just want you to know that if your current company finds out that you're driving commercially there's -- you could be at risk for losing your insurance.

Auker: And that's fine, and I'm fully prepared to do that, however I will choose a company that will honor the Uber -- and there are companies out there that will.

Fritz: I would suggest you do that sooner rather than later.

Auker: OK.

Gibson: Quickly on that issue -- when I used to 10 years ago drive for Pizza Hut, we had the same issue. And any person that drives anything -- delivery, any number of things -- there are some companies that if you do professional types of driving, even so -- I used to deliver fire trucks, SWAT trucks, UPS trucks, stuff like that -- there were some issues whether if you were that kind of driver if you needed to declare that to your insurance company. It's a very complicated industry, and it -- like all of us -- needs to catch up with the times and be more fair and transparent. I mean, a lot of these problems are insurance industry problems where they're trying to --

Fish: Can I just say, no one is here to be an apologist for the insurance industry, but I think all of us are sincerely interested in knowing -- what's the minimum amount of insurance that protects the driver, the passenger, and the public? And that's a public policy question. The answer doesn't turn on whether we demonize Uber drivers or cab company drivers, that's a pure public policy question about how we protect people in the event something bad happens. And I think that's still an unresolved issue for us, of figuring out what should be those minimums. And I think if we have any role in government, it's to make sure there are minimum levels so people are safe when they are involved in that kind of commercial transaction.

Auker: Maybe I'm hearing this wrong, but I think that's been -- maybe I missed something -- but I think that's been covered today. I mean, there's a representative from Uber here that came up and answered those questions about the insurance.

Hales: We have work to do on those details.

Auker: Apparently we do -- you do. [laughter]

Hales: We sure do. Thank you. Good evening.

Frederick M. Jacobsen: Good evening. My name is Frederick Jacobsen. I have been an owner operator with Radio Cab for about nine years now. I could sit here and sling mud, but mud can be shrunk both ways.

My concern is at the fast pace that everything is moving, the right protections might or might not be overlooked. What I consider car sharing company or ride sharing company would be like Car2Go or Zip Car, where it is actually driven by multiple people, not a company that -- I own my vehicle. I paid \$23,000 for my last one two years ago. In another less than a year, I'm going to have to replace it. That's the average life expectancy of the cab.

I have a lot invested in the community here. I spend about \$1000 in just permit fees a year with the City of Portland to have that cab on the road. I am concerned about the passengers with disabilities who may or may not be able to get rides in Uber or Lyft -- even sometimes our own cabs, where it takes too long. But I know as an owner I've always given that effort to go forth, but now I'm seeing competition coming in and basically, I've heard taxi freefall for the next four months for two companies that come in who do not take cash who could put me out of business in four months if it isn't done slowly and wisely.

What's going to happen to those customers out there who don't have credit and who do pay cash when I go under or I can't afford to be on the road in my fulltime job, which I've chosen? That's who I'm concerned about, is ultimately the customer. Because one way or the other I'm going to survive. And I'm a survivor.

April 9, 2015

But there's people out there who need our help and that's part of what regulation has done over the years, is to make sure that everybody gets the help that they need. Everybody. Even if it took two hours to get an ADA person -- which is totally unacceptable -- they still got the cab and they still got that person out there. And what I'm concerned about is not just going under and losing my livelihood, but in the progression and as fast as things are going and things are not being looked at in a wisely -- or might not be looked at in a wisely effort, that the people who are the most vulnerable are going to be out there not being able to be helped because the taxi industry won't be here.

We're going to survive one way or the other. We'll adapt. And I'm all for competition. It makes us better. I can say in the last several months, it has made us better. It has made our response times better. It has made management more aware that we have issues and they're not as sluggish as they used to be to go after something who has done something inappropriate, or something that is not quite up to what Radio Cab considers proper standards.

And I'm not saying we're totally innocent -- we're not. But I can say we are here and we do service everybody. With the companies that come in, if you damage a working model -- and I've been all over the state and I can honestly say -- and I'm ashamed of it -- I grew up in Albany, New York, upstate New York, where Uber isn't there. But if they were, as a cab driver, I probably will call them. The cab service up in that section of the country is awful. However, here it isn't.

And if you damage it, who are going to help the people that they will not because they don't accept the cash? I guess I'm asking for y'all to sit down and look at everything and then wisely in your wisdom pick out the best options be it the insurance issue, be it the ADA issues, be it how we can all improve everything so we can welcome the new technology to come in without killing something that is vibrant at this time.

Hales: Well said.

Jacobsen: That's all I gotta say.

Hales: Thank you very much. Appreciate it. Thank you all. Good evening. Welcome. You can start.

Chris Hann: My name is Chris Hann, and I kind of feel like the peon on the street. And I'm not a potential driver.

I use a cab about four times a year and the last two times, the experience wasn't good. About three weeks ago, I called a cab, I needed a cab as soon as possible, and I was on hold for 15 minutes before the dispatcher came online. I was picked up on time after that, and I asked the cab driver if it was a busy night and he said, "not particularly." And I said I, "well, I was on hold for 15 minutes." He said, "well, that's because they laid off dispatchers because they have an app now."

Last November, I booked a cab a couple of days in advance and even called that morning, actually to reconfirm it. They no-showed me, and after half an hour, I called them again and they said it was very busy and it was raining and it would be another half an hour. After another half an hour, I called them again. It happened three times and then I called and canceled because I had missed dinner.

In San Francisco, on two different trips, I used them three times and it was seamless. It was instant and seamless. I have a neighbor who is 83 years old. She can't drive at night and probably shouldn't drive at all. She has stated that she would give up her car if she could have an on-call service at a reasonable rate.

I live in a dense neighborhood that's full of new apartments with no parking -- meaning there's 56 units and maybe 11 parking spaces. Not all of these residents ride bikes or are able to use mass transit to commute. So looking ahead, I see more and more

April 9, 2015

need for transportation be it taxis or a ride share. My experience with ride shares has been awesome.

As for fares being equitable, I agree with Mr. Novick that airlines don't cost the same. Hot dogs don't cost the same. Your cleaners don't cost the same. Jobs and businesses do change. Jobs go overseas. We don't have ice deliveries anymore. We don't have milkmen -- maybe very, very limited. Streetcars come, they go, and now, they're back. Thank you.

Hales: Thank you very much. Good evening.

Kevin Novotny: Good evening, Mr. Mayor, fellow Commissioners. My name is Kevin Novotny. I am -- an Uber driver is one of the many jobs that I have. I'm also a line worker up in St. Johns, and I joined Uber in order to make extra money and in order to use my brand new car that I bought six months ago and help myself maintain my livelihood.

I have family in the Seattle area who have also used the Uber service and they find it to be a great way to get around. They like the individuality of it, to have someone else come to you and pick you up in their own car. And I feel like Portland is all about individuality. That's why I love living here. I've been here three years and I feel like Uber can definitely add to it.

I know that the cab companies definitely have brought on some negative feedback on Uber, but you know, I'm just trying to make my own way here, you know, and hopefully Uber can provide me to insure my financial future in the months and years to come.

Hales: Thanks very much.

Fritz: Where do you drive for Uber right now?

Novotny: Right now, I've been using Hillsboro, Beaverton -- let's see -- Gresham, all of the surrounding areas. Some in Vancouver as well. I've heard from a lot of the people that I have picked up -- and they have all given me great experiences when they've used Uber in the past.

Fritz: So, do you go to those communities and sit parked waiting for somebody to ask for a car?

Novotny: Well, I have -- usually, I come to the place where they want me to pick them up -

Fritz: But how do you know where they want you to pick them up?

Novotny: Well, I get a ping on my phone and usually it's a 20-minute ride from my house in central Portland. Sometimes, I have to go from my house near the Lloyd Center out to Gresham or Beaverton or Hillsboro, and I'm willing to make those trips.

Fritz: Thank you.

Hales: Than, you very much. Good evening.

Mukfar Abdow: Good evening. My name is Mukfar Abdow, I'm one of the immigrant. I've lived here more than 10 years, and now I'm Uber driver. I used to be a taxi driver. There was too many problems we having in there, but they changed always we needed. We don't need one particular company to be holding the town, we need the town to be free to make money for everybody. It's not a one person to look at, we have to look at the interest of our society.

What I learned from Uber is like it's not one company we make money. The person or customer you're picking up -- it's easy for him to access and we're always changing. A long time ago, there was no cell phone. Now, there is a cell phone. Life always changing. We need change everywhere.

When I was working 450 for every week, and I can't go home and sometimes eat a lunch. So, I have to pay almost 280 gas. Plus, the first time they [indistinguishable] -- my third trip I get in Molalla. Sometimes I have accent, so excuse me for that. I'm born in Somalia.

April 9, 2015

I was navigating so I could not catch the address, the company fined me \$50. I prayed that day. I was feeling bad because that \$50. A lot of my friends, they ran away from the state because of that. I like Portland, I don't want to move. Whatever it is, I will be patient. I prayed that time god brings the change, another company to challenge this company in order we get to make a good life.

A lot of immigrant people, they can't talk because if they talk, they know they are going to lose this job. There are not going to find too many offers. It's good for immigrants, for everybody, for Portland. So now, I live in Portland. I [indistinguishable] drive like spending \$10. If I meet one person on Uber, almost I make \$600. It's my side. I pay 200 gas, 200 for them. It's like 600 going into my pocket. This is like -- I'm raising five kids. So, this is the best opportunity I see in my eyes.

And I know too many friends of my colleagues that used to drive with me, taxi, they ran away because of one particular person in the company making a fine, like, "oh, you made a 10-minute mistake, this, this, this" and they are collecting money. We can't speak English, or they scare you, background, or scare you or something from the company, all the time. But when you open the town, everybody will work wherever they want.

If I wake up now -- like every morning I can go, I can take care of my kid. Yesterday, I turn off the thing, I go to home and I was in a meeting they have at David Douglas, then I went there. And I enjoyed being with my kid any time I want. There's a freedom. Nobody tied up, pay this -- no. It's like we work together. It's like working, we make it together.

Plus, since I was driving Uber, I never seen any complaints. And for my customer is sitting next to me -- I don't have any cash, so I'm not scared of to harm me. It's like freedom friendly. Driving your ride, and you're having fun, you're friendly, you don't scare. When I was driving the cab, I used to scare, like, "he wanna take your cash or your things?" But he already has my picture, I have his phone, and he already knows me, who I am. Directly we see each other, and I know the person is coming.

For us or immigrant people, this is a way we can save money. We come to America to change our lives. If we don't come to support one company or one person. And I know the company I used to work, the representative was here and was talking, but there's too many problems inside the immigrants, the people driving the taxis. They can't talk their rights. We have to say now it's a challenge.

The challenge is good for us, for the society, Portland people. Now, I spend my time to pick up in Hillsboro, Washington County or Clackamas County I have to go. And I pay here. Even when we paid the DMV, we charge extra money for Multnomah. And now still, we don't serve here. And now I have to go Hillsboro all the time, spending my gas.

Now I wake up, I'm clean, my car is clean. I go my car and turn on my GPS and I'm waiting in front of my house. While I'm chatting with my kid and playing, I can go any time to the school and nobody on my back saying "you pay that money" and "plus, you make small mistakes, \$50 fine." No. It's freedom. Sorry, I take for long, I guess.

Hales: Thank you very much. [applause]

Novotny: If I might add something.

Hales: Very quickly, we have to get a few more people in before the Council collapses entirely.

Novotny: Of course. About the background check -- I know that was brought up a few times during these meetings. I remember going through that background check, and it was very extensive. I had to submit driver's license, insurance, registration, all of that information. And you know, all I had to do was submit a photo. And a few times, the lighting was wrong or something like that, so it had to be very clear. I really commend Uber for their diligence about that.

Fish: Do you have to give a fingerprint?

April 9, 2015

Novotny: No, no fingerprints.

Fish: Thank you.

Hales: Thank you very much. Thank you all, thanks for coming. Hey, you get the last word. Thanks for waiting, go ahead, please.

Kristine Wise: Good evening. My name is Kristine Wise. I do not drive a cab, I do not drive an Uber. I am a 50-year-old working mom in Portland and you are on my bucket list of things I wanted to do when I was 50 -- to come to a City Council meeting.

*****: Aww

Hales: Wow. [applause]

Wise: So, I've been taking copious notes during the meeting.

Fritz: Was it everything you thought it would be? [laughter]

Hales: No, don't answer that question:

Wise: Don't tell my boss, but I thought I would be here for like a couple hours and that was lots of hours ago.

Fish: You don't have to answer that in a public forum, we have anonymous questionnaires you can fill out.

Wise: I'm not going to tell you where I work, I covered my jacket underneath.

So, I think that I've learned a lot today. I've heard a lot of people speak, I went on the internet and got a lot of information about what I see happening.

And the things that concern me right off the bat are just the bucket list of things we don't know. And the things I kept hearing repeated today from your committees were, "I don't know," "I assume, "we'd like to see that happen," "our understanding is," "we didn't address that," "it's a good question," "we don't know," "it probably makes the most sense, "we could explore that" -- there are too many unanswered questions for me as a citizen of Portland -- a long time, 28-year resident of the same home in Northeast Portland -- to be comfortable with you making this decision today or even next week. I think a lot more needs to be done. Please take the time to do this right because it sounds like this is going to impact a lot of people.

I'm concerned about deregulating the rates. The impact that's going to have obviously on a lot of working folks in the transportation industry as well as those people that are getting in the cabs or the Ubers that need that ride that can't maybe afford these surge prices. Surge prices scare me. There are a lot of elderly people in my Northeast neighborhood that rely on rides to the grocery stores. If it does happen during a Timbers game, does that mean Eva down the street will pay \$50 to get to Safeway? I don't know what this means. Figure this out before you make a decision.

The mixed messages about insurance: Someone brought up these horrific accidents and the cab companies and this and that. That's just driving home the point that I don't think that it was a cab driver that was -- ultimately you can't say an Uber driver is not going to make that mistake, it was a cab driver. Anybody can make a driving mistake and have a fatality. And those insurance claims need to be in place -- the fact that we know these are insured drivers, that they are legally licensed, they've had background checks, maybe there's nothing in their past that could affect them on the road and be safe drivers across the board. That needs to be addressed.

The fact that if someone is hurt in one of those accidents that going to damage their livelihood or affect their family or they could lose their home or job, and they are getting \$25,000 as a maximum for that claim? That's not enough. That's not satisfactory. There has to be a level that is going to keep them whole.

I see this cap on permits -- if there's a cap on permits and we're saying that's why people can't get enough transportation, why is that not lifted? And you already have a company that you're regulating.

April 9, 2015

Terms of use clause, I heard that a lot today. That kind of scares me because I didn't see that as being addressed. I think I heard you know, fundamentally -- I'm concerned with the Uber statement that they will agree to the fundamentals of safety but not of business licenses. And I'm a huge advocate of licensing things. So, I think that the business license is a huge component. The drivers need to have business licenses. And this is not on you, but I pay a lot in taxes. And if you're making money you need to be paying taxes. You need to have that business license and you need to be up front about it.

I like the closed loop economy. I like the fact that we wouldn't be sending 20% to California. Nothing against California, but let's keep that money here in our local economy. Let's not ship that away.

This ID thing for the credit card information or whatever -- if you use the app or use your ID -- if you have credit card theft or somebody is using ID, I don't know who's getting in that cab with me if I'm an Uber driver. I would be concerned. I have four sons. My oldest is in Eugene at U of O and he was saying, "hey, this Uber driver things, maybe that would work for me picking up extra cash." I don't want somebody getting in his car with him that he doesn't know and there's no check-in. He's going to have to be FaceTiming me constantly. I'll FaceTime you when I get done dropping them off because I'm going to be a nervous wreck.

Fish: I'm so glad you said that because at some point, there's a human dimension to this.

Wise: Exactly.

Fish: For those of us who have children of a certain age, and we worry about insurance of a certain amount, a car that's working -- we're worrying about this and we say, well, hopefully when she's out with friends at a party and she gets in an Uber cab, or any other ride share, hopefully all that's taken care of. Hopefully. There's only one chance -- there's only one time you actually care about it, and that's when something bad happens. And bad things happen. That's where I come at this issue. If my 22-year-old daughter is going to get in an Uber cab going around in LA with her friends having fun, that's wonderful. But does it have the same levels of protections that I as her father insist when she's home driving her car or our car? That to me is baseline, and I really appreciate you putting it in those human terms.

Fritz: Ms. Wise, I would say just illustrated we should probably have like jury duty, that we would have unbiased people come in and listen to our hearings and really summarize many of the things you've heard and your perspective as somebody that was interested but doesn't have a dog in the fight. I really appreciate that.

Hales: I'm glad this was on your bucket list.

Wise: Thank you. And just couple more things, because I did take a lot of notes.

Wise: The roads -- 57th and Failing if you're in that neighborhood -- [applause] [laughter] -- my gosh. The potholes in that section of roadway. And adding more cars to the road -- and we already have this beautiful rainbow system of red line, green line, yellow line, blue line. I don't know where they all go because I'm terrified to get on them because I remember from Family Affair buffy and jody getting on the bus and never getting off.

Hales: [laughs] It's not that bad.

Wise: We have such a great infrastructure. And where I work, a lot of the 29,000 people that go there -- they use that great infrastructure to get back and forth with the buses and the trolleys and the c line and stuff. I'm concerned about putting more vehicles on the road.

Novick: I'm going interrupt you to share a depressing fact, which is that passenger vehicles actually don't impose all that much wear and tear on the roads. The weather imposes a lot, and big trucks, and unfortunately, buses impose wear and tear. And I actually as a good environmentalist liberal was hoping that if we just got more people to

April 9, 2015

stop driving their cars then we wouldn't have to spend anything on fixing the roads, but that's not true.

Fish: Steve, I don't wanna ruin your night, but I was at the port the other day, and they said with the two container ship businesses we've lost, they'll ship up to Washington and bring them down in heavy trucks --

Hales: Oh, great.

Fish: Lots of heavy trucks.

Novick: Thank goodness that those will mostly be on Washington's roads rather than ours.

Fish: Until they cross the river.

Wise: In closing, what I would just say is I would appreciate you taking more time and making a thoughtful decision and protecting not only the citizens of Portland, the youth of Portland that I think will be using this service. Just be mindful it's being echoed -- the decision you make -- it sounds like it'll have pretty long-term impacts. I don't think enough thought has been put into this yet to make it a competent, comfortable decision.

Hales: Thank you very much. We hope you don't make this a one-time appearance on your part. Thank you for being so thoughtful. [cheers][applause]

Todd Kreizenbeck: Hi, my name's Todd Kreizenbeck. I'm from Beaverton, Oregon. I'm a 35-year resident of Oregon. I'm a transplant from Idaho. So, I'm a north westerner, I've been here a long time. We're talking about insurance.

There are insurances out there -- you can cover everything that you want but it's never going guarantee it's never going happen. So, if you're going to live your life in fear you'll never let anything into your life. Uber is here to help, it's not here to harm. I'm an Uber driver. I go out at night. I've picked up people who are pretty messed up. They're drunk, they want to go home. They're not waiting two hours to go home. They are going to get in that car and they're gonna drive home. I've taken a guy out of his own truck on my own time and drove him home because he didn't have any money.

I'm trying to tell you the truth right here. You can't ensure everything in life and make sure it's going to work perfect. I want you to step forward like the trail blazers of this state. They didn't go out with insurances! They said, "we're going to go out west." They took their time, they went out, they did the best they could.

Let's do the same thing here. Let's take some time, let's do the best we can, and let's move forward. Uber is a good thing. Don't put up walls and don't close us off just because taxicabs are worried about losing income. This may even help them get more. Let not say no to it just because we're scared. Talk about a fair play -- most of these guys up there I've met. I've gone around -- I drive and get my little app and go find them and talk to them. Most of these guys are immigrants. My grandfather was an immigrant. I'm a fourth generation German here. My son, I, my father, his father, we're all vets. We all wanted a piece of the American pie. Don't close them out because the cab companies say that we're not helping them. They're there. They're just not speaking out. That's all I have to say.

Hales: Thank you very much, thank you. [applause]

Fritz: Sir, do you have a business license?

Kreizenbeck: No, I do not.

Fritz: Did Uber ever ask -- did they tell you that you needed a business license?

Kreizenbeck: They did in Vancouver where I started. But I [indistinguishable] drive over to Vancouver, because it's better just to work in Beaverton where I live.

Fritz: You probably needed an Oregon business license, though.

Kreizenbeck: Probably.

Hales: Good evening, welcome.

Patricia Montgomery: Hi, looks like I'm the last one.

April 9, 2015

Hales: One of the last ones, there may be other people that want to speak.

Montgomery: My name is Patricia Montgomery. I'm currently a Radio Cab driver, I've been in the industry for 30 years. I worked with New Rose City Cab for 25 years under the auspices of Mr. Arthur Palmer, as you recall. Too bad we weren't talking about this 20-some years ago, because Rose City never got permits in the 30 years I had worked for them. It's sort of nice to see the City looking at it but at the wrong time.

I'm concerned with accountability and enforcement. We came to Council back in 1996 when the City was doing the same thing -- they wanted shuttles to be unlimited at that time. If you recall, you were Commissioner at the time, and the town car is unlimited. We're still feeling the impact from that decision when they were all thrown out on the streets and they found out the business wasn't there. The drivers suffered, they weren't making the income, and now they're still paying the bellhops at hotels to get business. So, it was sort of a decision that was rushed, so it would be nice not to see this decision rushed because people were pushing through because they said there's a need for change.

And the change is going to be good. I drive a cab, I talk to a lot of people. People want Uber, people like taxicabs. A lot of the taxicab problems isn't necessarily because there isn't enough taxicabs, it's because we're a creature of habit. You'll have someone call a cab company and they'll stay faithfully with that company for 30 years. If it takes them three hours to get a cab, they're not going to call another cab company when there's actually other companies they can call and get picked up in a 10-minute span. So, it's not necessarily because we don't have the demand of cabs on the streets, it's because we're creatures of habit.

I think if we have this Uber come out and stuff, the City really needs to look at enforcement. Because there is no enforcement on the street at this time. I drive a cab at night, I see all kinds of gypsy cabs on the street. And we're talking about Uber can't hail rides. Well, how are you going prevent them from hailing rides? How are you going to prevent them from going down to the Amtrak station and sitting in line like the SAT cars do at this time? Because they do the same thing. There is no enforcement.

So, the City really needs to look at this aspect if they are going flood the streets with additional taxicabs, flood the streets Uber cars -- which people do want. They need to look at how are you going to regulate this? How are you going fine people for doing stuff they should not be doing? That's a big part of it.

Hales: Thank you very much, thank you all. I think a couple other folks who came and wanted to speak but didn't sign up. Do please come on up and we'll take your testimony. Then we'll have some Council discussion. Didn't want you to sit through this whole hearing and not get a chance to speak.

Dan Mark: Thank you, Mayor. My name is Dan Mark. I own a company called Mark Car Service here in Portland. I've been in the taxi industry since 2000. I worked for Radio Cab and I worked for Green Cab. I also am an Uber driver.

The thing that -- no one on the Council has used Uber, I tell by the way you've talked, you've never ordered one. Until you've done that, you have no idea what anyone is talking about. Any question you ever have about ordering a cab is answered in the app.

Everybody acts like Uber is the big bad party guest that won't go away. You know, in other cities -- I went on vacation in San Diego with my girlfriend in January. I didn't rent a car and I took Uber everywhere I went. It works seamless. It works great. One thing that I noticed in San Diego is there were taxis everywhere, and they've been there for three years. They didn't kill the taxi industry. There's not a cap on the customers. What the tendency with Uber is they grow the business. A yes vote from the board on Uber is going

April 9, 2015

to give the citizens of this City cheaper, more reliable, quicker, and more options in transportation.

We talked about cash. What percentage of the cab driver gets cash? Every Uber trip is taxable income, there is no cash. That's a thing that you forgot. Every Uber trip is taxable income that comes on a 1099. 20% of it goes out of town, the rest of it stays here.

The other thing we didn't talk about is that the voters, the citizens of this City love it. People have been getting in my car for years telling me about Uber. Everybody likes Uber. You know, if you don't like it, don't use it. If I come out of the Keller and I want to go home and it's busy and I call the dispatch and it's 20 minutes, 30 minutes until I get a car and I can order Uber and it's in surge pricing and the \$20 fare costs \$60 to get home -- respectfully, I ask you, what business is that of yours if I'm willing to pay that \$60? If I'm willing to go out with my girlfriend on Valentine's Day and pay a premium for a meal, that's no business of the City's, as long as I know.

So in closing, I would like to say to the Council, please -- and I followed this process for years. I was at the original for-hire transportation board meeting when Uber made their original pitch. I would ask the board to hold true to your word. And I was at the meeting where there was a deal struck with Uber and that if the rules weren't in place by the 9th, Uber could operate.

Fritz: When was that?

Mark: The liaison was at the for-hire transportation board in January, I believe it was. And the deal struck with Uber when they stopped operations, when they paused operations is that Uber was going to do a 90-day pause and they could resume operations the 9th of April whether the rules were in play or not. You were going to convene the board.

Hales: We've heard from them that that's not going to be the case.

Mark: Correct, I understand. They're playing by the rules. I'm asking you. The other thing, too -- and Mr. Mayor, we had a conversation about this on Twitter. This is going to make a lot of opportunities for citizens here for part-time employment that really, you know, have single parents, single moms, single days -- you know, it's a win-win for the City.

The cab companies are going to be here. You know, in the 1990s when Green Cab came -- holy cow, that was the end of the world, we're all going out of business. When 2012 when Union Cab came, it was the same thing -- holy cow, it's the end of the world, we're going out of business. It's not the case.

People leave their cars at home. We're going to grow the amount of riding people. And so, it's going to be good for the City and it's scary. But Broadway Cab, Radio Cab -- they're going nowhere. They have customers that have been with them for years that will only be with them. So, I urge the Council for a yes vote.

Hales: Thank you very much. [applause]

Fritz: Do you have a business license for your Uber driving?

Mark: I do, I have a Portland-permitted company, I have commercial insurance, I'm also permitted at the Port of Portland, and I have access to ground transportation.

Fritz: So you pay business income tax on your 1099.

Mark: Absolutely.

Fritz: But if you didn't happen to also own -- you don't have a separate license for your Uber driving, you use your current company.

Mark: It's under my LLC, yeah. Uber has different levels of service. They have a black car service and that's basically what I'm waiting for. They start with X and then they bring in the black car service in, and that's what I'm waiting for.

Fritz: Thank you.

Hales: Thank you, good evening.

April 9, 2015

Frank Choto [spelling?]: Mayor, thank you for a chance to express myself. It's daunting to follow so many eloquent people with brilliant ideas presenting themselves before you. My name is Frank Choto. I started out as a taxi driver. There were things before that, but in the transportation industry I did that for a while. Then I went into the town car business. So, next year I'll have spent 30 years. I had planned for two weeks. Things happened.

Here is my position. First, I have to thank Mr. Dufay and his staff over at licensing. This is a turbulent period. They have a new staff in there, and I've had a chance to use their services. They are far friendlier, very efficient. I hadn't seen that in my experience in the City the Portland. So, someone in personnel is doing something right and I think Frank deserves some of the credit.

Anyway, with regard to the situation at hand, I made my peace with Uber before you allowed Uber in here. I do not fear Uber as the owner of a town car company. In fact, I am moving to join Uber as one of their drivers to see if I can get a little more money, even if they do take some of it -- but I'll get some. I think that we all should consider like services, including the taxi industry.

The taxi industry tends to want to compartmentalize itself. Radio Cab, Broadway Cab, no cooperation. So, there is a traveler here a block away standing for two hours. There's a Radio Cab here, but they call Broadway. There is no coordination between Radio and Broadway to pick up this poor guy. In enters Uber. And Uber is electronic and it links you to the nearest driver. This industry needs to start talking to each other and start solving some of their compartmentalization inefficiencies.

Before I stop, I'm concerned about the driver because I've been a driver for 29 years. I do not have savings after 29 years. I do not have retirement after 29 years. I do not own a home after 29 years. I do not smoke -- nothing against smoking -- I do not drink or have habits. I work seven days a week. I have a college degree. I have a graduate degree. I stayed in this industry and this is where I am. I have buried, gone to funeral of drivers through the decades and watched their families walk away with nothing from this industry.

Portland is a brilliant place. I've seen Mayors here [indistinguishable]. What I would ask of you is find solutions so that these drivers can enter what the president said since he became president -- a way into the middle class through this industry. All of them. It can be done. You can lower the kitty. There are people here who have never driven a day who make more than a million dollars in this industry a year on this thing called the taxi -- whatever it is -- ownership thing. Find a way so that drivers can keep more of their income.

The technology is improving. I see more fuel efficient vehicles and I think that puts a little more money into the driver's pocket. I don't know if that's enough -- I doubt. I see electric cars coming in, maybe that will help save some of the money.

Insurance -- you talk about insurance here. Let me take an example from construction. The construction workers could not find affordable insurance. It was bankrupting them. So, they went do unto Salem to the insurance commissioner, organized, and they got insurance from the State of Oregon vastly cheaper. Insurance is a huge cost for drivers passed on to them through this kitty process. I deal with it because I own my own company. They might organize and try through the State of Oregon to get State insurance and make it cheaper and keep some of that money in their pocket.

There are things you could do. They may need changing rules and regulations. What is a 401k? What is a Roth IRA? I studied some of these things. These are immigrants, many of them. English is maybe a third language for them. And there are many who just do not see these financial instruments well for one reason or another.

It is not beyond the pale for the City of Portland to look for a way to allow these drivers to join some kind of financial planning, investment pool, so that when they come to

April 9, 2015

the end of their natural working life, like my friend Jim Pohrman -- who has aged so much better than I have, I saw him testify earlier -- they have something to retire on. What is our country, the United States, going to do with a whole bunch of retired people who are called independent contractors and have nothing at the end of their natural working life? This is a question that we can debate, some of us as we drink coffee, but ultimately I believe and I trust and I pray that if it does not begin here at the City of Portland where bright people reside, where our Mayor is a genius, huh?

Fish: Please don't say that, sir. [laughter]

Choto [spelling?]: If it does not begin here, if you don't pioneer this and become the example for the entire country, who will? Who will? I'm challenging you to do this and to change the rules and allow these people to also have a retirement of sorts -- a meaningful retirement so that they don't walk into the sunset with a heart attack -- is what most of them die of. I might go on, but it wouldn't do much good.

I might suggest ways of working healthy because most of them spend eons in the car. They forgot what walking was. They forgot what jumping was. Forget jogging. There's none of them. They puff and puff and puff and they go poom! And they're gone. And the children are here, the spouse he is here, and we just kind of let it go by. But I am hopeful that this time a trend has begun, beginning with the last Mayor who did so many good things for us and now continuing with this Mayor. And believe me when I say I know how good you people are. It's because I transport your friends who talk about you in my car. [laughter] [applause] [cheering]

Hales: Thank you very much. That's a hard act to follow, but you have to follow it.

Owais Alazo [spelling?]: Good evening, Commissioners and Mayor Hales. My name is Owais Alazo [spelling?]. Real happy to be here. I'm very, really excited with it and I will let you know about that. I want to say a little bit about my background and I would conclude -- I will just come to the conclusion in a bit.

I'm here in the United States for four years now. I truly am an immigrant. I hope you don't have a problem with the immigrant accent. Actually, the first time I came to the United States, I remember I was looking for a good life. There was a time I was a refugee in Kenya, that I was living a very, very hard life. But when I came to the United States, really I have had a big change for the life.

My first job I had to work at Mayo Clinic. And I made real progress for the first year with them. I moved after that, I had to move here to Portland, and I worked at Legacy Health. I really met with the dream that I had because I made a good progress for that. When I came here to Portland, I get a job from Legacy Health, and you know, I was freely and very happy and I made a big change for the life.

Still, I have a dream to make my life better and just to make progress. Now, I need to go to school so that I can still develop my future. And you know, sometimes it's hard to go to school and do a full-time job. So, I really just couldn't find a job that is flexible, which I can go to school. So I have heard that -- I'm an Uber driver now. I have heard that Ubers and good flexible job. I really felt that my dream is coming true so that I can go to school and I can get a job which is flexible.

I really just applied over at Uber, and I had to wait a little bit for the background check and after a while, they accepted me as an Uber driver. I started with them and now I'm an Uber driver. I'm on my way to go to school now. So, it's helping me a lot.

If I remember the times a refugee and the progress I make, I really thank god a lot. I made really a good development for the life. I'm in Oregon, I'm just -- I have a job. I'm here now in front of the Portland Commissioners, in front of the Mayor. It just really gives me a good motive for development. Thank you for you guys. I'm now an Uber driver. I know

April 9, 2015

there are regulations that need to be fixed yet, I know a lot of stuff that needs to go through.

In my experience, I'm really very happy to be Uber driver. I pick up a lot of different people and they were all happy. I have seen different people and everybody was happy and they're smiling. When you see a different faces, you feel really happy. You learn new people. So, I would say at the end of my words thank you, everybody, and if there's any questions that you want to ask me about Uber, I'll really just hoping to answer about it.

Hales: Thank you. [applause] Thank you very much, thank you all. So, we'll open it up for Council discussion. Thank you very much, we really appreciate everyone who's been here speaking today. This has been one of those hearings frankly that makes me amazed and proud to be a Portlander. We've had just eloquent testimony from an amazing variety of people. I appreciate the Council's diligence and patience in having a long hearing.

Although the private for-hire board has had public hearings on various subjects and although our task of course was open to the public, this is the first City Council discussion of this issue. Of course, we've confronted this problem with the Commissioner-in-Charge and me back in December, and then had this opportunity to take some time as a City and start to look at this issue.

In my opinion, this task force has done an amazing job of getting into those issues and addressing them, although we've heard a lot of questions and concerns today that I think we need more information about. I want to call on Commissioner Novick, but we have in front of us a report the Council can accept. That, by the way, does not mean we accept every single one of its recommendations or that we are programmed for any particular action as far as I understand it. But we've had a task force, it has delved into these issues, it's given us a set of recommendations. We've also heard six hours of excellent testimony. So, I think the options before us are more than one, but one of those is to accept the report and then set a timetable for what we're going to consider next. With that, I'll ask you, Steve, for your comments and thoughts about where we go from here.

Novick: I really, really appreciate the work that the task force did. They were given a tight timeline and a lot of issues to work on. I'm amazed that they were able to meet as often as they did and go over the issues as thoroughly as they did. I also really, really appreciated - - as the Mayor said -- everything everybody had to say today. It's been an extremely thoughtful discussion. And as the Mayor said, there are a number of questions we need to follow up on. I think among them, for example, Commissioner Fritz's question of can we get absolute assurance from the insurance company that they are not going to be cancelling people's policies during the time people are not on the app because they find out somebody is driving for a TNC?

One thing I have to note is on the issue of insurance coverage, the basic Oregon requirement is for \$25,000 for the injury or death of a single person, \$50,000 for the injury or death of multiple people in a single accident. And all drivers are dangerous and if we have a concern about those limits, we might want to consider asking the legislature to raise those minimums in general, not just for TNC drivers.

Fish: Can I just ask a procedural question?

Novick: Yeah.

Fish: I have a hunch we could spend the next hour talking about issues and I've already missed dinner, I don't want to miss putting my son to bed. Could we instead focus for a moment on just how we're going process the issue? Because I think each of us could spend a half our identifying issues of concern --

Novick: That's true.

Fish: -- and we could even begin a preliminary debate. But I think we may actually have alignment on some next steps. I'd be interested, Steve, in what you'd be open to for a

April 9, 2015

process whereby the Council could get some answers to the questions raised tonight and that each of us have a chance to have perhaps a work session or some other gathering where we could get feedback from professional staff and really feel like we've digested it, and then a chance to come to Council and debate a resolution.

Novick: Absolutely. I think what we can do, what our staff can do is make a list of all of the questions they heard tonight, and identify ones for which we know we have answers and ones for which we'll need to search for answers, and then we'll send that list to all the Council members and say, "did we miss anything?" And you can tell us what we missed. I think that's the appropriate next step.

Fish: I assume we could do that fairly quickly, because we've all been taking lots of notes. And assuming we get a list of questions -- and some of them may involve bringing legal counsel in --

Hales: Certainly will.

Fish: Despite the good briefing I had earlier, I still have big legal questions about what laws apply and what don't and what that means to us. Once we get to that point, though -- I speak for myself -- I think it would be helpful to have another group gathering -- and maybe a work session, whatever you want to call it -- where we can talk about those issues, get input from staff, and then present a resolution. The challenge of doing a resolution at this point is it may be subject to substantial amendments based on further testimony, in which case that process is harder to circumscribe. I think the five of us discussing in a work session could narrow issue dramatically. That would be my suggestion.

Novick: I think that's a fine suggestion. Also, in the meantime, since my impression is everybody involved with this has a great respect for the group of Lewis and Clark Law students that looked at this issue, I'm going to see if we can have a meeting of the Lewis and Clark Law students and the taxi industry and the TNCs and see if maybe they can thrash it out in a custom hours.

Fish: Mayor, would you open to that concept perhaps?

Hales: Yes, let me make some specific suggestions. One, I'm going to close the public hearing on this, on this report. And again, I believe what we should do as a Council both to close this phase of the work and to thank the task force for its work is to accept the report. I'll entertain a motion to do that. No one should either panic or celebrate if the Council accepts the report because all we're doing is accepting a report. We're not making the decision that we agree with everything in it and we're not rejecting it, we're saying thank you for your recommendation. Or we can not do that and simply leave the report on the table. But we do this all the time. For those not familiar with this process, we get Council reports all the time and mere acceptance doesn't mean anything in particular.

Fish: Mayor, can I speak to that for a second? As someone who is highly skeptical of both the timeframe we're on and a number of the issues I think we still have to sort out, I will move to accept the report and I'll tell you why.

It is the tradition of this body to accept reports from citizens we impanel to give us recommendations. I can only think of one example where we didn't, and that because of a fundamental disagreement about some national security issues and the extent of the reporting. But from my personal point of view, if we don't accept the report, what we're essentially saying to a citizen group is that we don't value the effort sufficient to just transmit the report to us. That's all it is -- it's a ministerial act, it doesn't give it force of law, it doesn't say we're up or down. You can accept the report and still reject the recommendations. I think it's bad form not to accept reports, particularly when you've asked people to work you understand such constrained time limits and to do as thorough a job as this. I'm going move to accept the report even though I have enormous reservations

April 9, 2015

about some of the recommendations and I think the Council has some work to do before we can get to a resolution that I support.

Hales: Is there a second for that?

Novick: Second.

Hales: Before we take action on that motion, let me make some suggestions. I think I want to take your suggestion, Commissioner Fish -- and it sounds like you agree with this, Commissioner Novick -- that we ought to have some kind of a Council work session, probably a week from now --

Fritz: Oh, I think that's way too soon.

Hales: Well, let's consider that. One of the things we heard in this hearing is very important, and that is although maybe no one regards this as particularly miraculous, the City of Portland is unusual in that a transportation network company entered this market, we told them to stop and they did, and they have been a participant in this debate here today. But no one is threatening to begin operations while the Council deliberates. And frankly, compared to hundreds of other cities around the world, that's a good thing that that's where Portland is right now. So, I believe we've got a little time to do our job right rather than being rushed into doing it too quickly. So therefore, I think if we could set a timetable of a Council work session to hear back from our professional staff and your staff, Commissioner Novick, in a couple weeks --

Fish: I think a couple weeks -- that would work for me, Mayor.

Hales: That would be sane and practicable. Brian, what do you think?

Brian Hockaday, Office of Commissioner Novick: So, there's a resolution filed [inaudible] --

Hales: I would recommend that we have the work session first and delay filing the resolution.

Novick: Yes.

Fish: And we should not have a resolution with the work session because then we would stray into deliberating, which we're not allowed to do. This is really for the purpose of crafting a resolution.

Hales: Right. And again, I want the public to understand -- we actually do this fairly often, which is that we have a Council work session in which we bring in our professional staff and ask them questions. It's not a public hearing where we take testimony like this. Before we actually do anything, we will have a public hearing again. Sure, I'll let you ask a question.

*****: Do the public get to attend those work sessions?

Hales: Yes, they're public. Whenever there's more than three of us in a room -- in Oregon, whenever there's more than three decision makers in a room working on a decision, it's a public meeting. In fact, it'll be in this chamber and it'll be on TV.

*****: Can you announce those, though -- [inaudible]

Fish: It will.

Hales: It will be. In fact, we may even -with our Council Clerk's help pick a time when we might do that.

Fish: This is a Tuesday, Mayor?

Hales: This is a challenge because we are also in the middle of our budget process.

Fritz: Spring BMP in two weeks.

Hales: Yes. I am thinking that perhaps the afternoon of Tuesday the 21st might be practicable for a work session. We have a work session on the budget that morning. So, that's one option. Another one would perhaps be --

Fish: Do we have a Council session, Karla -- we have a hold for Thursday afternoon, but is there is a Council session?

April 9, 2015

Moore-Love: I don't have anything else that day.

Fish: Mayor, we actually have now that Thursday freed up.

Moore-Love: Oh, no, not the 23rd, the 16th. There 23rd has two land use cases.

Fish: In the afternoon?

Moore-Love: Yes. And it's hard to schedule work sessions without your schedulers. I don't really schedule those, so.

Hales: We won't necessarily arrive at this precise decision but I will ask our Council schedulers to try to make the afternoon of Tuesday the 21st work.

Fritz: Looks like it would work for me.

Hales: For at least a couple of hours for our staff from the bureau and from the City Attorney's Office and any other resources we want to call on to look at the questions that got raised in this hearing and come back to us with some answers.

Fish: You and I have a meeting that afternoon we can reschedule, and I think I have another related thing we can reschedule. Why don't we put that down?

Hales: We're going to tentative select 2:00 p.m. on April 21st for that work session. I would advise the Council to try to make that 2:00 p.m. to 5:00 p.m. in your calendars, just in case we need that long to work our way through the issues we've heard. If we get lucky and we get answers quickly, it won't take three hours, but that will a Council work session in which we work our way through the complexities that again this great citizens committee has already partially dug into for us. And they've done a lot of work in a short time, but obviously this hearing has illustrated one, how complex this is; and two, that there's still a lot of questions.

Fish: I'll move the report.

Hales: So we had the motion and the second. Any further discussion on accepting the report, which will be the action before us tonight? OK, roll call on that place.

Item 270 Roll.

Fish: Thanks to the Mayor and Commissioner Novick for leading the process at the Council, thanks to the citizen task force for the work they did probably in record time -- I can't think of something this compares to -- and then a thoughtful presentation. Thanks to all the professionals, particularly at the Transportation Bureau, who have been briefing the Council and guiding this process.

In accepting this report, I have serious reservations about a number of key recommendations. On the other hand, I will say -- I want to echo what the Mayor said, I think this is one of the better hearings we've ever had. And my litmus test is I go home and tell my wife I'm surprised I get to do this job. And it's a privilege to have a seat here. We sit and we look at the people testifying, and it's a privilege to have people come forward with such passion and thoughtfulness and share their views. So, it is our honor to be here tonight.

For me, Mayor, I'm going to be looking in the next phase of this particularly through four lenses. Equity -- and it does trouble me that the TNCs believe ADA does not apply to them, so I think we have to be very intentional about how these rules apply.

Two is safety. I think -- the insurance business is not something I understand well, but I think people have raised some concerns and I'll look forward to the follow-up discussion about what are the responsible limits that apply across the board.

This notion of a level playing field, which we've all committed to, that's very important here, that's a very important value. But I fear we may be creating a separate but unequal system and I want to be convinced it's truly a level playing field.

And finally, the enforcement piece I think we have to get right. And to those who think we spend all of our time thinking about ways of enforcing laws in a random way, I just want to say, our job once we get it right is to enforce community standards, not just to hire

April 9, 2015

people for the purpose of harassing people -- it's to enforce community standards. And the ultimate test we do is are people safe in accessing services when we say they can be safe? And I have been somewhat discouraged by the track record in the short-term rental discussion, because we've had people who come before us saying they want to do the right thing but they have had difficulty getting them to do the right thing. So, I would say trust but verify ought to be our approach to this and any of these other things.

Finally, I'm all for innovation, and I compliment Silicon Valley for coming up with endless apps. But remember, the TNCs are very clear in their litigation. They say they are not transportation service providers and they are not public accommodation. Well, that means they are something we've not understood before and we have a special duty to get it right when we regulate something that so conspicuously doesn't fall into the categories that we're used to regulating.

So, I really appreciate this hearing. It has actually helped move my thinking forward, and I look forward to working with my colleagues to get consensus on this. Aye.

Saltzman: I want to thank the task force for their work and all the staff that helped support the task force and the public that has spoken to us tonight. I think that I'm a little mystified about all the insurance issues, but concerned. So, I want to make sure we try to get that right. I am concerned that we don't have perhaps adequate coverage limits, and I don't know if that requires us changing state law or just requires us putting it forward if we move ahead with a regulatory scheme for the TNCs. Don't know why fire extinguishers were taken out of cars, I think they should be part of the cars.

Hales: Says the Fire --

Saltzman: As the Fire Commissioner, yeah --

Fish: Mayor, can we just put that back in, for god's sakes? We knew that was coming.

Saltzman: The spare tire I can see being taken out, you can save some weight there. But yeah, it's really insurance issues and my concern earlier in the afternoon of how the entrance of TNCs will affect people's wages and what they earn. We've heard testimony pro and con I think on behalf of the TNCs, and people are making livings -- or so it seems -- driving for Uber or Lyft. But I also know it seems like more full-time people are working in the taxicab limousine industry, so that's something I'll ultimately weigh in whatever decision I cast.

And I thought the concerns about the accessibility and the recommendations of PEAP -- I think that was the acronym -- deserve further scrutiny as well. So, those are things that I'm concerned about.

And just on the insurance issue, I think it's making they are we have good coverage, liability coverage I think as somebody said from the time the app's on until it's off.

The background checks is the other issue I'm concerned about, and the third party versus the City doing its own background check. I think there were good points about perhaps a broader more, thorough background check being done by the City -- Portland Police Bureau -- than might be gleaned from a third party, but I'm willing to learn more about what third party background checks are all about. I'm happy to accept this report. Aye.

Novick: I join my colleagues in saying this is a proud night. I'm very proud to be a Portlander tonight. I'm proud of the work the task force did and the PBOT staff did and Brian Hockaday of my staff in particular. I'm very proud of my colleagues, I'm proud of Commissioner Fritz for continually pushing these insurance issues, and the Fire Commissioner for being concerned about Fires, and Commissioner Fish for his attention to the terms of use agreement which I think is an interesting thing to explore. Again, thanks to the Mayor for helping to bring this issue to the floor, and his staff has devoted a lot of time to it. And again, I think he made a very wise choice making it clear that the taxi industry is

April 9, 2015

part of the transportation industry, as much as I would like to avoid being embroiled in this controversy.

So, I think this has moved the discussion forward, and again, I really, really appreciate the work of the task force. I mean, normally you appoint task forces that meet once or twice a year, and this task force met repeatedly and intensively over a short period of time. I'm extremely grateful to them. Aye.

Fritz: Commissioner Fish explained very nicely what we're doing here in terms of accepting a citizens group report. Thank you for your report. We're not saying that we agree with anything in it, never mind all or most of it.

I do appreciate how hard the task force worked. I also appreciated Ms. Wise's comments that there are so many questions to be answered before we move forward that we need to take the time. Yes, we can come back in two weeks, and that still may not be enough time to be sure that we have looked at everything. We should still be deciding whether we are going to allow this rather than how we were going to allow this. Because there are people right now who rely on driving taxis for their living, for a roof over their head, for food on the table, and we need to be figuring out how we may allow this new technology to come into Portland in a manner that doesn't put people out of their homes and devastate their businesses.

This process has made clear that there are some things we need to do to look at the current taxi system. I appreciate the Commission on Disability and their proposal equal access and also Broadway Cab and others' embracing of that concept. I think that's something we should be able to do in fairly short order, too, and I would suggest we should not move forward on the other issues. It always seems like for the issues of disability – "we'll get to that in our next phase." Well, how about we get to it as soon as possible?

I do believe we should ask the risk manager to assess the City's risk in all of this in terms of insurance. I'm glad you were going to do that.

As far as insurance, we should not allow Uber or Lyft to operate until the insurance question is settled. Until there is a state law, until there are mandatory coverage, and until there is a mechanism for the TNCs to require that their operators have told their insurance companies that they are driving commercially.

The limits -- right now, I'm moving to add to our next legislative agenda in 2017 or even the short session next year -- \$25,000 per incident is nothing. You pretty much spend that once you get into the emergency room. When you're looking at a significant crash where people die, even \$300,000 -- if there's four people who are impacted -- is not going to provide you with the amount of coverage that you should have. So, we need to figure that out before we say, "go forth and prosper" on this.

Particularly, we need to have notification of lapses in coverage. As was pointed out, private insurers can forget to pay their policy. I absolutely remember bursting into tears, realizing I had not paid our policy because I was campaigning at the time, and that was pretty much a crisis. Happily, we were able to hurry up and pay that policy, but I would not want that to happen to somebody who was in a taxicab or a Uber or Lyft situation to find out oops, the policy lapsed.

I do think that driver permitting should stay with the City. I want the City doing the background checks, I want the City having the permit. I thought that was a great suggestion to have the sticker.

We also need a mechanism to ensure that they are driving for profit need to have a business license in the city of Portland, and there needs to be a mechanism to be absolutely sure that that happens. So, I was interested -- it's a very similar conversation to what we had on Airbnb -- that we need to know who the drivers are. Not just random checks. If we're going to make sure that everybody who's gotten an Airbnb license if

April 9, 2015

following the policy, we need to have a mechanism, and that to be is you don't get to be on the app as a driver unless you can show you have your license and you can show you have your insurance. So, I'd like to see that.

I do want to quote from Robert Reich, the labor secretary from President Clinton in mid-1990s. "New software technologies are allowing almost any job to be divided up into discrete tasks that can be parceled out to workers when they're needed, with pay determined by demand for that particular job at that particular moment. Customers and workers are matched online. Workers are rated on quality and reliability. The big money goes to the corporations who own the software. The scraps go to on-demand workers."

And if we're going to permit this activity, we need to make sure that people who want to drive fulltime are able to do that, but also those who want to drive fulltime for taxis continue to be able to do that.

I do know that the task force has put in a lot of effort. In this next phase, I want some of the taxi drivers at the table. As you suggested, I'd like the Lewis and Clark Law students at the table -- others to be part of the conversation so that people don't feel like they have to come to the City Council in order to be able to correct misinformation.

I also want to see more civil rights protections, the fines for the corporations if a driver misbehaves -- or indeed a passengers misbehaves -- it shouldn't be, "oh, you can no longer use our platform." It should be, "no, you were actually responsible in part for getting these two parties together." And if one party or another is aggrieved, there needs to be some consequence for the corporation that set that up.

I'm very concerned in what Commissioner Fish termed separate but unequal. As you may have noticed, I'm the one woman on the Council, I can tell you in response to "oh, you've never used Uber" I am never going to use Uber. I have been taught since I was so high that women do not get into strange cars, and I am m never going to do that. So, I'm going to be relying on the taxicabs. And I don't want there to be two systems where there's one system which may dwindle because of the supply and demand where women and people with disabilities have to wait for long periods, and where everybody else can take Uber. It was interesting, we had a little poll in my office on who was going to take Uber, and the three women over 50 were either "hell, no" or "probably no." The two younger women were " oh, yes, I can see the picture and this gives me some sense of who's going to be picking me up." So, there is definitely a divide. But until I and my generation die off, we're going to need rides that are safe, secure, and I know the company and I can complain to the corporation as well as to the person who is providing the ride.

Thank you for this conversation. Thank you to all of you who have stayed this long, and I appreciate the task force's work.

Hales: Thank you. I just have to say, quoting one of other favorite Brits: "we're all not dead yet." We're not going to die off anytime soon.

In addition to the thanks I've already expressed to the task force and to the Commissioner Novick's staff and to the bureau folks and my staff who have worked hard on this issue in a short time, I want to thank Commissioner Steve Novick. I'm often called on to summarize my colleagues with a sentence or two, one of the greatest things about each of you -- I won't run through the whole list, but I'll talk about him for a minute -- one of the things I love about Steve Novick and that I cite to people all the time is that he's courageous and that he's willing to wade into difficult issues that maybe other elected officials in other places would run away from or stick their heads in the sand about. And Steve, I appreciate that, that you are willing to take on a difficult, complex issue where not everyone will agree with what we're able to come up with. Thank you for that willingness to dive into this and try to make sense of it.

April 9, 2015

Let me talk about three words that I want to stress just for a couple minutes: change, innovation, and democracy. We're in a time of great change in this city. We had a land use hearing yesterday where people were palpably worried about changing their neighborhood. We're going to have more of those because Portland is growing once again and very robustly. When I ran for office as Mayor, there were two tower cranes in the city of Portland and both for public works projects. Look around -- that's no longer the case. And so, there's a lot of change upon us. This technological change is yet one more that the pace and amazing change we see all around us seems to be accelerating and proliferating, and this is one more example of that.

Innovation. Portland has a history of figuring things out earlier and better than other cities, and we've been challenged again here tonight to try to equal that record. Other cities didn't know much about light rail until we built some and proved that it was great. Other cities had never heard of urban growth boundaries until we put one in place and saved our farmland. Other cities got rid of their streetcars just like we did, but we put them back first. So, we're an innovator. We pride ourselves on that. And these new economy models that come with the sharing economy are an opportunity for us to be innovators once again. And I'll talk more about exactly how I think we have to do that.

Democracy. One of the greatest things about today's hearing has been people who came and said, "I was really worried about this issue, I wasn't sure if I would have a chance to have my say." And they were on both sides of this discussion. And I think I heard a few of our fellow citizens say, "well, it looks to me democracy is working in Portland" and I hope you all -- and anyone else who's paid attention to this discussion today -- believe that, that this is a chamber where people get to be heard, where the Council hasn't made up its mind, where we learn things, where we carefully work on them, and we then try to do the right thing -- again in a way that may be more innovative than other places.

I believe that there is a place in this issue where we can accommodate the new economy but also do so in a way that practices justice and fairness to those who have rightly invested in the system that we have today. And that's going to be difficult, and we have a lot of questions to answer and nuances to work on north in order to go to that place. But I don't think this is a zero-sum game in which we are either the last holdout against the new economy or we surrender as other cities have done. This is not easy, as we have heard in this discussion today, but I believe we can do this.

I was very close to my father, and he told me lots of stories which I enjoyed -- and I practice telling stories, and I promise I won't tell too many more tonight because it is late. But he worked right after World War II as a cab driver in Washington, D.C. while he was putting himself through college on the GI bill, and I heard some great stories from him about his career as a cab driver. And so, I remember that about him. But the other thing I remember about my dad -- which I think really relates to what we're doing here -- is he taught me carpentry and then I put myself through college as a construction framer. And of course, what he and every other carpenter always says is "measure twice and cut once." That's what we gotta do on this issue, is measure very carefully and then make it right the right away. I believe we could do that.

I appreciate everyone's engagement in the discussion so far. There's obviously more to come, starting two weeks from today when we gather back in this room with some answers to the questions that have been brought up today. Thank you all for an excellent hearing. Aye. And we are adjourned.

At 8:16 p.m., Council adjourned.