



CITY OF  
PORTLAND, OREGON

OFFICIAL  
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **14<sup>TH</sup> DAY OF OCTOBER, 2015** AT 9:30 A.M.

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

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Lory Kraut, Senior Deputy City Attorney; Ben Walters, Chief Deputy City Attorney; and Jason King, Sergeant at Arms.

Item No. 1041 was pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

<b>PORTLAND CITY COUNCIL AGENDA        City Hall - 1221 SW Fourth Avenue        WEDNESDAY, 9:30 AM, OCTOBER 14, 2015</b>	<b>Disposition:</b>
THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fish, Fritz, Novick and Saltzman, 5.	
<b>COMMUNICATIONS</b>	
<b>1031</b> Request of Joe Walsh to address Council regarding the coming winter and people still on the streets (Communication)	<b>PLACED ON FILE</b>
<b>1032</b> Request of Krista Barron to address Council regarding Right to Dream Too, houseless issues (Communication)	<b>PLACED ON FILE</b>
<b>1033</b> Request of Mike Summers to address Council regarding houseless issues (Communication)	<b>PLACED ON FILE</b>
<b>1034</b> Request of Julian Pineda to address Council regarding sidewalk for NE 148 <sup>th</sup> under I-84 (Communication)	<b>PLACED ON FILE</b>
<b>1035</b> Request of Lisa Marechal to address Council regarding Headquarters Hotel (Communication)	<b>PLACED ON FILE</b>
<b>TIMES CERTAIN</b>	

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<p><b>1036</b> <b>TIME CERTAIN: 9:45 AM</b> – Declare intent to pilot the Community-Initiated Neighborhood Trails Process to allow community organizations to identify and improve undeveloped right-of-ways to trail standards (Resolution introduced by Commissioner Novick) 1.25 hours requested</p> <p><b>Motion to amend Exhibit A, Step 4 to change “standards” to “guidelines” and Step 6 to add to second paragraph language “with a representative(s) of the applicant”:</b> Moved by Novick and seconded by Fish. (Y-5)</p> <p><b>Note: As announced at the October 15, 2015 Council meeting, the continued to date is rescheduled from October 28 to November 4, 2015.</b></p>	<p><b>CONTINUED TO NOVEMBER 4, 2015 AT 9:30 AM AS AMENDED</b></p>
<p><b>CONSENT AGENDA – NO DISCUSSION</b></p>	
<p><b>1037</b> Reappoint Jessica Engeman to the Historic Landmarks Commission for a 4-year term to expire October 1, 2019 (Report introduced by Mayor Hales and Commissioner Saltzman) (Y-5)</p>	<p><b>CONFIRMED</b></p>
<p><b>Mayor Charlie Hales</b></p>	
<p><b>1038</b> Appoint John Branam to the Mt. Hood Cable Regulatory Commission for term to expire May 31, 2018 (Report) (Y-5)</p>	<p><b>CONFIRMED</b></p>
<p><b>Office of Management and Finance</b></p>	
<p><b>*1039</b> Ratify a Settlement Agreement between the City on behalf of the Portland Water Bureau, American Federation of State, County, and Municipal Employees, Local 189 and Operating Engineers Local 701 regarding premium pay for working underground or in a shored excavation (Ordinance) (Y-5)</p>	<p><b>187372</b></p>
<p><b>*1040</b> Update Procurement Code to conform to new state law and make technical corrections (Ordinance; amend Code Chapters 5.33, 5.34 and 5.68) (Y-5)</p>	<p><b>187373</b></p>
<p><b>1041</b> Authorize a five year lease extension with UPI Commonwealth LLC for the Housing Bureau lease premises at the Commonwealth Building through October 31, 2021 (Ordinance) <b>RESCHEDULED TO OCT 14, 2015 AT 2:00 PM</b></p>	<p><b>PASSED TO SECOND READING OCTOBER 21, 2015 AT 9:30 AM</b></p>
<p><b>Commissioner Dan Saltzman Position No. 3</b></p>	

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**Portland Housing Bureau**

**1042** Authorize application to U.S. Department of Housing and Urban Development for three Continuum of Care renewal grants in the total amount of \$999,611 and submission of the Consolidated Continuum of Care application on behalf of the Portland/Gresham/Multnomah County Continuum of Care (Second Reading Agenda 1018)  
(Y-5)

**187374**

**REGULAR AGENDA**

**Mayor Charlie Hales**

**1043** Authorize a grant agreement with Legacy Health to support the construction of the Unity Center for Behavioral Health in an amount not to exceed \$500,000 (Previous Agenda 1021)  
(Y-5)

**187375**

**Bureau of Police**

**\*1044** Accept a grant in the amount of \$1,189,790 and appropriate \$300,000 for FY 2015-16 from the U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Assistance National Sexual Assault Kit Initiative FY 2015 Competitive Grant to address the issue of unsubmitted sexual assault kits at the Portland Police Bureau (Ordinance) 10 minutes requested  
**RESCHEDULED TO OCT 14, 2015 AT 2:00 PM**  
(Y-5)

**187376**

**City Attorney**

**1045** Authorize the City Attorney to intervene on behalf of the City of Portland in Oregon Public Utility Commission Docket UE 300 (Resolution)  
**RESCHEDULED TO OCT 14, 2015 AT 2:00 PM**  
(Y-5)

**37156**

**Commissioner Steve Novick**

**Position No. 4**

**Bureau of Emergency Management**

**\*1046** Accept a grant from the Oregon Military Department Office of Emergency Management for their Emergency Management Performance Grant Program in the amount of \$387,782 to administer an integrated all hazard emergency management program for the City (Ordinance)  
**RESCHEDULED TO OCT 14, 2015 AT 2:00 PM**  
(Y-5)

**187377**

**Bureau of Transportation**

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<p><b>1047</b> Authorize the Bureau of Transportation to acquire certain permanent and temporary rights necessary for construction of the East Portland Active Transportation to Transit project, through the exercise of the City's Eminent Domain Authority (Ordinance) <b>RESCHEDULED TO OCT 14, 2015 AT 2:00 PM</b></p>	<p><b>PASSED TO SECOND READING OCTOBER 21, 2015 AT 9:30 AM</b></p>
<p><b>Commissioner Amanda Fritz Position No. 1 Office of Neighborhood Involvement</b></p>	
<p><b>1048</b> Amend regulations for marijuana license procedures and requirements to provide a process for converting existing medical dispensaries to recreational retailers and amend hours of operation (Ordinance; amend Code Subsections 14B.130.040 D. and 14B.130.080 B.) 30 minutes requested <b>Motion to accept Fish amendment 14B.130.040 A 2. to require licenses to be issued only by Office of Neighborhood Involvement to persons demonstrating they have a current, valid license from the State to operate either as a medical dispensary or as a marijuana business:</b> Moved by Fish and seconded by Saltzman. Motion withdrawn. <b>Motion to accept Fritz amendments as revised:</b> Moved by Fritz and seconded by Fish. (Y-5) <b>Motion to accept Saltzman amendment to exempt the Central City Plan District and Subdistricts from the distance requirements:</b> Moved by Saltzman and seconded by Hales. (Y-1 Saltzman; N-4) Motion Failed.</p>	<p><b>PASSED TO SECOND READING AS AMENDED OCTOBER 21, 2015 AT 9:30 AM</b></p>
<p><b>Commissioner Nick Fish Position No. 2 Bureau of Environmental Services</b></p>	
<p><b>*1049</b> Extend contract with GSI Water Solutions, Inc. for CERCLA and Risk Assessment technical assistance at the Portland Harbor Superfund Site and add \$500,000 (Ordinance; amend Contract No. 36324) <b>RESCHEDULED TO OCT 14, 2015 AT 2:00 PM</b> (Y-5)</p>	<p><b>187378</b></p>
<p><b>*1050</b> Extend contract with GSI Water Solutions, Inc. for Source Control technical assistance at the Portland Harbor Superfund Site and add \$300,000 (Ordinance; amend Contract No. 36325) <b>RESCHEDULED TO OCT 14, 2015 AT 2:00 PM</b> (Y-5)</p>	<p><b>187379</b></p>

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<p><b>1051</b> Authorize a contract with the lowest responsive bidder for construction of the Columbia Boulevard Wastewater Treatment Plant Influent Pump Station Transformer Addition Project No. E10669 for \$562,000 (Ordinance) <b>RESCHEDULED TO OCT 14, 2015 AT 2:00 PM</b></p>	<p><b>PASSED TO SECOND READING OCTOBER 21, 2015 AT 9:30 AM</b></p>
<p><b>Commissioner Dan Saltzman Position No. 3</b></p> <p><b>1052</b> Amend Affordable Housing Preservation Code to add Portland Renter Protections (Second Reading Agenda 1028; amend Code Chapter 30.01) <b>RESCHEDULED TO OCT 14, 2015 AT 2:00 PM</b> (Y-5)</p>	<p><b>187380 AS AMENDED</b></p>
<p><b>Portland Housing Bureau</b></p> <p><b>*1053</b> Authorize subrecipient contract with Urban League of Portland for \$391,000 for housing placement services (Ordinance) 15 minutes requested <b>RESCHEDULED TO OCT 14, 2015 AT 2:00 PM</b> (Y-5)</p>	<p><b>187381</b></p>

At 1:38 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **14<sup>TH</sup> DAY OF OCTOBER, 2015** AT 2:00 P.M.

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

The meeting began at 2:12 p.m. with Mayor Hales and Commissioners Fish and Fritz. Commissioner Novick arrived at 2:13 p.m. and Commissioner Saltzman arrived at 2:16 p.m.

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

		<b>Disposition:</b>
<b>1054</b>	<b>TIME CERTAIN: 2:00 PM</b> – Establish a tax on the demolition of certain residential structures in the City of Portland (Ordinance introduced by Mayor Hales; add Code Chapter 6.08) 3 hours requested <b>Motion to amend 6.08.080 to remove language after Housing Investment Fund:</b> Moved by Fish and seconded by Fritz. (Y-5) <b>[Clerk note: This item was subsequently continued to November 25, 2015.]</b>	<b>REFERRED TO COMMISSIONER OF FINANCE AND ADMINISTRATION</b>

At 4:57 p.m., Council recessed.

October 15, 2015

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,  
OREGON WAS HELD THIS **15<sup>TH</sup> DAY OF OCTOBER, 2015** AT 3:00 P.M.

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

Mayor Hales left at 3:29 p.m.

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

		<b>Disposition:</b>
<b>1055</b>	<b>TIME CERTAIN: 3:00 PM</b> – Adopt the recommendations contained within the Division-Midway Neighborhood Street Plan (Resolution introduced by Commissioner Novick) 1 hour requested (Y-4; Hales absent)	<b>37157</b>

At 3:56 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.

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## Closed Caption File of Portland City Council Meeting

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

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

**OCTOBER 14, 2015**

**9:30 AM**

**Hales:** Good morning, and welcome to the October 14 meeting of the Portland city council. Please call the roll.

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

**Fritz:** I am here, I would like a point of personal privilege, I was checking my emails and there was a request forwarded by my wonderful staff from the office of neighborhood involvement, information and referral service. Who had received a request from the bbc in England for someone from the county or the city to talk about the proclamation of indigenous people's day, I was on radio 5 live talking with a city council member from Seattle about their proclamation, so I wanted to honor the council. Particularly mayor hales for your leadership, as well as chair kafoury at the county for making that change, which is so significant that it's rippling across the world, and I was able to text my 85-year-old mother, and she was very proud of me. Let's hope the day does not go downhill from there. Aye.

**Fish:** Mayor, since we're going down this path.

**Hales:** Oh, no.

**Fish:** Today is my 26th wedding anniversary. My family lives in another country, but on the odd chance that they are watching this Session online, I want to say I love you patty and thank you for 26 wonderful years. Aye.

**Saltzman:** I can't top either one of those, I am here.

**Hales:** Me, either, I am going to punt, I am here, welcome, everyone. We have a full agenda today and we want to welcome your participation in it. We have folks signed up for council communications, which we will do. First we'll follow that with the regular calendar that includes at least one time certain item. A consent calendar. If you are here to speak on a regular council item, you just need to let the council clerk know, and she will put you on the list. We allow three minutes for citizen testimony. We sometimes have invited testimony on items. If you are here to speak on an item, you need to give us only your name, unless you are representing an organization, and then you do need to let us know that, please. We follow the rules of decorum, if you agree with someone and want to show support, you are certainly welcome to give them a thumbs up or a wave of the hand. If you disagree and feel like you have to show that, a polite hand gesture to the contrary is fine. We ask we not make vocal demonstrations in favor or against our fellow citizens so everyone can be heard. That's about as complicated as that gets. With that, we will proceed. I have one request for an item to be removed from the consent calendar so far, which is 1041. Any other requests to take things off the consent calendar for purposes of the testimony? I want to welcome our youth delegation from a combination of our sister city, Khabarovsk and franklin high school. We are welcoming them here today. Are you here? Yes, welcome. Welcome, I will talk about them a bit, but, let's welcome them to the city. [applause]

**Hales:** This is a people-to-people exchange, like our sister city program is all about. This is a youth delegation, who are here as part of the student exchange program, between



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franklin high school and [inaudible] no. 5 in Khabarovsk, which is a magnet school for the study of English. This is a product of our sister city association. All our sister cities are supported by volunteer groups here in the city that work hard to maintain the friendships and build these kinds of exchanges. So, I want to welcome the students, and their administrator, Tatiana solena, welcome and stay as long as you would like in our council chambers. We hope that this proceeding makes sense to you. Sometimes it makes sense to us, but we appreciate your huge effort in learning the English language and your help in teaching students here in Portland, the Russian language, to build understanding between our two cultures and our two countries. So, welcome. And thank you for coming. Let's hear it for them again. [applause]

**Fish:** Mayor, one observation about Khabarovsk that I learned, it is, essentially, one of the jazz capitals of Russia.

**Hales:** Right.

**Fish:** And so it's wonderful that we have this relationship. We think of our city of Portland as the jazz capital of the west coast. And this, this particular city is very famous and rich in its history.

**Hales:** That's right. Welcome. Great. Thank you, sir. And let's move into communications and begin with item 1031.

**Item 1031.**

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

**Joe Walsh:** For the record, I am Joe Walsh. I represent individuals for justice. I gave you a written statement, also. An article that you should be aware of. This morning, I was reviewing some stuff. Two weeks ago, you had a neighborhood organization come and speak to you. My interest in that was perked by Commissioner Fritz, saying things that I would say. Also the mayor said stuff that I would say, so my pointed this morning is look, we screwed up the ten-year plan because it was not working. And you constantly, constantly rely on affordable housing that has nothing to do with people on the street. Let me say that again. It has nothing to do with people on the street. I live in a complex that just got raised, their rent. People are being evicted. People are being evicted for no cause. And I know you are handling that. Last week. The week before, people came before you. They said, you have to help us. We've been waiting for ten years. I've gone through three mayors. From potter to Adams to you, mayor. Nothing is happening. We still have 3,000 people on the streets. Your figures. My figures are about 5,000. We don't know who is on. We don't know who is in the garages. We don't know who is hanging by the fingertips. Our complex got a 10% raise. Ours was about \$80. So, we have a one bedroom apartment. Patty and I can do that. I'm a retired civil service, so I can do that. People are hanging by their fingertips. Would you please understand that affordable housing is not low income housing? And it means that, it is a percentage of your rates. 25% for the federal government talks about, about your mortgage or your rent. That's what you should be paid. That's affordable housing. The people on the street, had no money. You have to address that. It's hard. You say the right things, but you don't do them. And I know this is a political season, the three of you are up for re-election. I am asking you. Begging you, this is my third mayor. I don't know if I am going to be here for the fourth. But, do it. Don't talk about it. You talk about the emergency, do it, use some of your property. Go outside the box. Those four items that I have out there, you said that you couldn't do an ordinance because you would run into a problem with the city attorney. If you did 120 days, stop the evictions. This is a sense of our city, that we don't want people on the streets. You can do that.

**Hales:** Thank you, Joe.

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**Walsh:** Please read that. That article is really good. And if you have not read that article, from mercury, why not. You should have.

**Hales:** Thank you.

**Walsh:** You are welcome.

**Hales:** Item 1032, please.

**Item 1032.**

**Krista Barron:** Hello. Good morning, everyone. My name is Krista Barron. I've been homeless now for about four years. I am originally from New York, but I have also lived in Idaho, Montana. Washington. I am here to be a homeless advocate and talk about how I feel about the sweeps, which, as you all should know, is criminal. Central city [inaudible] everyone on the whole block [inaudible] right before it let people in. Why? So, central city concern. Is the other people. Others, yeah, could make money. Every day in the morning, I see central city concern waking up the homeless people and bothering them. And just to be clear, I feel that as people, as anybody, are hungry and naked and sad. You know, pour and homeless, we should help them. Not hurt them. So, why, then, is the [inaudible] being swept to get rid of food, not bombs. I also, before I am finishing, talking about what the sweeps and what i'm talking about, wanted to say that this isn't the only state that this issue is happening. And it's like all over. It's where I lived before. I know like in my life, the cops have always been harassing me and trying to get me to move my van and my r.v. So, in closing, people have the right to exist. The public needs a place to do that, without harassment. So, please stop your sweeps. Thank you. Thank you for listening to me today.

**Hales:** Thank you. Thanks very much. Ok. Let's take 1033, please.

**Item 1033.**

**Hales:** Good morning.

**Mike Summers:** Good morning. I was here about a month and a half ago. Was wearing a different hat than I am going to put on today. There is a couple of issues that, you know, basically, the federal government has weighed in on, as far as you know, how -- houseless people are criminalized. One was the house, or the housing bureau, federal housing hud, has you know, asked for municipalities to, if they want to continue, their continuum of care money, that they are getting from the federal government, that they would have to explain to the federal government how they planned to deal with the criminalization of homeless people. Mike, my question to you is, how would you answer that question? Is this you know, this is a rampant thing going around the country. The other one that I would like to talk about is the department of justice, statement of interest in the case, I think, it was bell versus the city of Boise, Idaho, where I believe a bunch of homeless people brought suit to the city, and it went to the supreme court. Or some you know, some higher court. They have -- this letter of interest is by no means binding for any municipality. But, what it does do is frame -- it makes clearer, the framework, where this can be challenged in a higher court, for the criminalization of homeless people. In closing, I would like to also cite one other thing. I can't remember right off the top of my head, what the court case was, that the department of justice used in framing their letter of interest. It was the court case that I believe, it was in los Angeles, that the question was raised, how do you criminalize the behavior. Not criminalize status. What I mean by that is, if a homeless person is breaking the law, how can you not criminalize the status of that breaking that law? Where another person that's not housed, or that has a house, could break the same law. Not be criminalized on their status. I would like you know, to -- you guys to ponder that question a little bit. I do believe that you know, that criminalizing the houseless community is not only the wrong thing to do, it's the most expensive thing we're doing that where if you can save

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that money, from the criminalization. Putting them in housing, we could, you know, maybe come up with another funding source for affordable housing. Thank you.

**Hales:** Thank you.

**Hales:** Ok. Let's take 1034, please. [modem disconnected/reconnected]

**Item 1034.**

**Julian Pineda:** Thank you very much for this time. I have provided a handout for you to look at while I look this over and read it. This is to the city of Portland and mayor of Portland. My name is Julian Pineda. A major transportation project has been included in the transportation system plan under the project name NE 148<sup>th</sup> Ave safety improvements. I am advocating that a portion of this project be started as soon as possible, so that safety can be improved in so far as the line of site for traffic just north of I84. The project number is 5009 what is required is special grating on a dangerous slope on NE 148<sup>th</sup> Ave where development is expected to occur in a very short time. This special grating is approximately 300Ft in length so a clear line of vision is established as cars and other traffic move onto NE 148<sup>th</sup>. The closest intersection is NE 148<sup>th</sup> Ave place in addition the sidewalks on either side will considerably add to safety. I've noticed individuals trying to get too glendavire park to do walking and there is absolutely no way that it is a safe journey for many of those living just north of I84. In other words a portion of this project may be allowed to move forward so the traffic turning in from this address and this address 3001 NE Ave is an apartment project that is being looked at right now can safely navigate into NE 148<sup>th</sup>. This will mean that other streets such as NE Rose Park way can be left alone and then the traffic move straight into NE 148<sup>th</sup> which is a fast moving corridor. So again all in asking is that the grating be done so that this improvement can be made and there's no disruption in so far as NE Rose Park way that neighborhood is very concerned over increased traffic. The traffic can now move safely into NE 148<sup>th</sup> and all it takes is that line of vision kind of grating and it can be done. Thank you.

**Hales:** Thanks very much for bring this to our attention. Thank you. Ok we have one more and that's 1035 please.

**Item 1035.**

**Hales:** Good morning. Come on up.

**Lisa Marechal:** So um my topic is the headquarters hotel and everyone has a brochure that I assembled. I want to begin by saying that I'm not here flippantly I did not just decide to pester you all. I understand that there are many important issues that you are dealing with right now, however as those materials will show I've played a very substantial role in bringing this project to where it is today. As many of you know it's been quite a long time in the making, this is the third attempt over a span of 20 years to try to get this project built. It has enormous economic potential for the city, it has the potential to create good paying jobs, increase tourism, increase the hotel tax, I can go on and on but that's not why I'm here. I've been trying to resolve my matter discreetly for a few years now and I have been unsuccessful at that so Mr. Hales I have benefited from a brief conversation with the city ombudsman regarding the position that my letter dated August 17<sup>th</sup> would put the city in a difficult position. Mr. Tony Green took some time to speak with me and he suggested that I appear here today to ask for help. And what I'm asking for is an half an hour of your time, I believe that I have a remedy to my situation, but I cannot implement it without some help. The remaining options that are available to me are not good for this project and it's not where I want to go. Projects are a little bit like kids and you want to see them move forward and prosper so Im asking the mayor's office to get back to me by the first of November and I promise not to take up to much of your time and I'm sorry for being so emotional, but I have to keep it under three minutes.

**Hales:** That's ok, thank you, thank you very much.

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**Fish:** Mayor can I ask commissioner Novick a question?

**Hales:** Sure

**Fish:** Steven on 1034 about NE 148<sup>th</sup>, its, I'm just a struck. We don't often have council communication about specific transportation issues and so. I don't know that area looking at the map. I don't know whether there's a park nearby, a school, whatever, but I'm assuming Leo will respond to him.

**Novick:** Yea

**Fish:** and copy the council

**Novick:** Yea, absolutely

**Fish:** Thank you

**Hales:** Thank you very much, So lets take the consent calendar and then we'll move to our time certain item. We have one request to remove an item 1041 from the consent calendar, any others? Then a roll call please on the balance of the consent calendar.

**Novick:** Aye

**Fritz:** I just want to thank those who are volunteering to serve including Jessica from the historic landmarks commission, in particularly John will be serving on the Mt. hood cable regulatory commission. Aye.

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

**Hales:** Ok let's take item 1036 please.

**Item 1036.**

**Hales:** Ok commissioner Novick.

**Novick:** Today we're considering a resolution for a pilot process in which individuals and organizations can work with their neighbors to develop and designate a formally recognized trail. Before staff gives their report, I want to recognize the thoughtful feedback the community has offered the bureau and council offices. Thank you for your ongoing advocacy. It's my sincerest hope that the community continue to be engaged in this pilot process because we'll all be here again in a year, after the process goes live. Again, this is a pilot process. Pbot is not the only bureau looking forward to what information, methods and partners can come out of this process. I want to particularly acknowledge Sara schooley for her hard work, patience and desire to craft a pilot policy that that balances diverse desires and needs of the community and various city bureaus. She's the only person at pbot that works solely on pedestrian, ada and trails policies. Her dedication to this project and stakeholders is admirable. I want to thank Erika nebel from my staff who has worked long and hard on this issue with many others. And I'd like to thank Kurt Krueger for showing up today even though he's sick. We don't normally approve of people showing up to work sick, but in this case we appreciate it and hope he goes home right afterwards. I'd be remiss if I didn't also recognize staff from other bureaus that Sara worked with. It's important to note that while this project originated under pbot, the resolution strives to streamline this process for other bureaus as well. This has been a collaborative process. Before I turn it over to sara, I also want to say that it's a great thing when a community organization steps forward and says that they want to maintain a trail and we should put it up on our maps and announce to the community this is a trail we want you to go to. And there's good people maintaining it. Some people might ask why do we need a process? If a community group comes forward and says we want to maintain a trail, why don't we just say go to it? Well, the truth is I've learned over the last few years that people feel a real sense of ownership to the public right of way near them. They say if you build a sidewalk on my side of the street in Hillsdale and I didn't walk that sidewalk and I didn't think there was sufficient public outreach (although there was public outreach, but they didn't think it was sufficient). So we need to have some outreach to people in the neighborhood of a new proposed trail before we put it on a map and say here's the people

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who will be running it. And we frankly don't have much capacity within pbot to do a lot of outreach. One of the things we're asking for in this pilot process is to ask people who are proposing a trail to contact people in the immediate neighborhood. And they will actually have a big selling point for the adjoining land owners. If the community group takes over maintenance, that relieves the adjoining property owners of the maintenance responsibility. So we think that community groups that engage in this process should find a lot of support from the people to engage with. But we do need to have an outreach process. Now I'll turn it over to sara—but first there are a couple of amendments to exhibit a. If you look at exhibit a, under step 4, which is on page 7, currently, it says any proposed trail must, at a minimum, meet existing City of Portland trail type b standards. We would like to replace standards with guidelines. On the next page, step 6, the second paragraph which starts, the trails organization shall inform pbot once construction is complete we want to replace the next language with so staff with the representative(s) of the applicant, have an opportunity, so cross out the words "to allow staff."

**Fish:** Second.

**Hales:** Ok. Those amendments on the table. Any questions about those? Roll call to accept those amendments, and then proceed.

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

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

**Hales:** Ok, thank you. All right. Anything else, commissioner, before the staff takes it away.

**Novick:** Nope.

**Art Pearce, Portland Bureau of Transportation:** Art Pearce, I manage the policy and planning. Sarah works for me. I am here to give a quick introduction, in no small part because Sara took on commendable leadership to take on something that has been an ongoing and very dynamic conversation for many years. Try to bring to it a rational approach in no small part to bring this conversation to a transparent and logical place, rather than one that needs to come to city council for every arbitration. So, this process was called for in the southwest trails plan in 2000, has taken us 15 years to get this before you. We're following through on a commitment, at that time, when we designated the most important trails within the southwest area. And it's very important in terms of us balancing the needs of the public right-of-way, with the safety of the traveling public. It is a compromise. This is a proposal that will give us a logical transparent way for trails advocates and property owners to understand how to navigate this balancing act between their needs. It's also important, as the commissioner stressed, this is a pilot project. This is a test of laying out this new rational process. It is one that we will be tracking the progress coming back and reporting on it to make the process work more effective over time. Lastly, even though you will hear today, that the most interest in the process lies in southwest Portland, is not applicable only to southwest Portland. There is interest from inner southeast, north Portland. Outer east Portland, in using this process to move their trail projects forward, and it certainly, if we are able to demonstrate the efficacy of this process, it's one that I am committed to follow on with funding to help make it more effective over time. Once we have demonstrated that this process is effective and can work to deliver trails. So, I will pass it onto Sara, who will go deeper into the background and details, and we're here, and kirk is here it answer more questions, as we go into the conversation.

**Sara Schooley, Portland Bureau of Transportation:** Great. Thank you. Good morning, mayor and council. So, once again, I am Sara Schooley. I am the pedestrian coordinator. Ada coordinator for the bureau of transportation and had the, I Guess you could call it honor of being 15 years late to this process, 15 years after when we said that we were

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going to put together a neighborhood and community initiated trails process. So, before we jump in, I want to reemphasize a couple of points that commissioner Novick said that really, this is a pilot process. So, we're really looking at this as a chance to learn about what works and what doesn't. We've been having theoretical conversations about what might work and what doesn't for about 15 years. And there's been a lot of conversation on all sides of the issue, so we're really looking to get something in place so we can start evaluating a real thing and start having conversations about what works and what doesn't. So, on that note, I want to start off with really defining what we are talking about and what we aren't talking about. I think that this is a very, very important kind of framing of the issue, as we move forward. And as I am sure a lot of you know, the discussion of what happens in the public right-of-way is no small discussion, that there is a lot of moving pieces. And so, this is just one of those that I think can help out some of those other pieces, but isn't going to be the complete answer to all of those questions that come in your doors. So, the first point, just a reemphasis, this is a pilot process. Pbot does not have any process right now, for allowing community groups to build new trails, so as a result, no new trails have been built for years on pbot right-of-way because there is no process. So, we're looking to put in something so that the community groups can start really focusing their energy and harnessing their skills to help us to build out the system. So, this is how to build new trails that we're talking about. We're also talking about a way to transfer the liability and maintenance responsibility of existing, unpermitted trails from adjacent property owners to a trail-building organization, or as I will be referring them, the applicants for this process. So, what we're not talking about is kind of broader, encroachment policies. Once again, a big issue, lots of folks involved, both community members and various bureaus, and so this is just a small piece of the encroachment policies. I think can be a tool to help the conversation move in other pieces but will not answer all the questions. What we're also not talking about is funding nonprofits to the main trails. This might be a conversation further down the line, but this is the first step, and then the other thing that we're not talking about is a specific trail, or a specific right-of-way. I think that a lot of folks that have contributed to the conversation, of course, bring their knowledge of what's going on near their backyards or front yard to the conversation, but we're really looking to create a process that would work for many rights-of-way throughout the city. So, just want to make sure that we know what we are talking about and what we are not talking about as we move forward. So, art mentioned a bit of this, how did we get here, so there is two main, two main things that brought us to this point of putting to go a pilot process. The first is that southwest urban trails plan, which was approved by council in 2000. There's this line in here that's really, really the nexus for why we're putting this process together. So, the line states, residents and adjacent property owners need to be notified about the proposed improvements, and should be supportive. Opposition to the improvements should -- could require a more formal public process requiring city staff participation. So, that more formal public process has never been developed. And so, that's what we're looking to fill in here. And then the second big step that's happened, since 2000, is ORS 105.668, adopted by the state legislature in 2011. Legally, it's called, immunity from liability, or injury, or property damage arising from use of trail or structures in public easement or right-of-way. More casually, it's known as recreational immunity. So, what this means is that if you are on a trail, that the property owner isn't liable if you fall into a wrinkle or a four-year use. A big step in this process is making things official trails, so that we can start using that law and start transferring that liability away from the property owners, and so a trail system is now held on the users, most of our recreational system is, instead of those adjacent property owners. So, these are the two things that really helped us to get to the need for the process that I will be

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talking about today. So, art mentioned. Also, commissioner novick mentioned, we had quite an extensive public outreach process for this. Just a side note, this whole pilot process, actually, could have been done, as an admin rule, so we realized that this issue was, kind of bigger than an admin rule even though it could have fallen under that and went out and did public involvement like it was a bigger project. So, we worked, we worked really hard to try to engage a wide range of opinion, wide range of stakeholders. The process started actually about last year in November 2014 when I worked with staff from various bureaus, including bes, bds, oni. Especially, Portland parks and recreation to put together the first draft of the trails process. Between November and February, we had our first comment period. This period was fairly targeted. Outreach with folks that expressed interest in this issue before, so I met with the Pedestrian advisory committee, with Sweeney. We had the lead article in southwest news, in December. I went and presented at the southwest trails meeting. In addition to target some of our harder to reach populations we went out through our safe routes to school network. Sent out information through there. I worked with the advice of Sylvia from Sweeney. She suggested that I work with the libraries in southwest Portland to reach more of the non-English speaking populations and those that might not necessarily be reading southwest news, and then lastly, also, contacted the property manager at Stevens creek crossing, housing development, out there, because they are potentially going to be connected by a trail, in the upcoming future, so just wanted to make sure that they were aware of the process and were hopefully getting a connection between the city and the city staff that maybe they were more comfortable with or trusted a bit more than you know, the monstrous Portland bureau of transportation. So, really, looking to make that connection. So, from the first public outreach period, we have about 3,000 website views and 175 comments. So, not too shabby, I would say, for a topic such as this. March 2015, they took the common facts and, incorporated them, and then in April, 2015, we rereleased an updated draft and sent out over 8,000 mailers to Folks across the city, re-contacted the groups that we did the first time around, and then also, went to, or also talk with the neighborhood coalitions and the neighborhood associations. It's important to note that these 85 -- it was 8500 mailers that went out, went out to property owners and residents among the unimproved right-of-ways, so these included people that, actually, owned the homes and folks that were renting them. It also included quite a few multi-family housing units and businesses. So, just kind of whoever was living along them, whoever might really directly kind of adjacent-wise, be impacted. We contacted directly. From this period, we got almost 5,000 website views. 150 more comments. So, also, I think pretty impressive. We were going to come to you, in June. That got delayed, because the neighborhood association, especially, Sweeney and also southwest trails, wanted additional time over the summer to kind of check back in with their neighborhood associations per some changes that were made in the draft, and so thus, we are here today. And with that, I will go over just a couple of the comment things that we have gotten during the outreach periods. During that first period, we heard a lot about how we decide which rights-of-way should be eligible for the process. Liability. Maintenance concerns. The cost to pbot with resources and staff. The balance between environmental degradation and improving access. What the approval process should be, design. Just overall promotion of trails. From that second comment period, we had two main themes. One was removing one of the community outreach options. I will talk about that. The next theme was what we should do with the existing trails, so those were the two from the second one, so a wide range of comments, and also, a lot of people that were involved in this process. So, with that, I am going to quickly go over the process. I think that -- and I hope that you agree, that it's, actually, pretty, a pretty simple process. To encourage you

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to think that way, I would like you to go to one of your handouts, that's called the checklist, so you should all have it in your packet. And it goes kind of step-by-step through what the applicant would need to submit. So, everybody, also, has this kind of larger more tech heavy document. This goes into why we're asking for what we're asking for, but, as far as what the applicant would be looking at, we're really thinking that checklist is going to be the main communication tool. So, the first step is an internal check. So, as I said before, we worked collaboratively with a number of Bureaus in putting this process together, but a lot of bureaus, even though it's pbot right-of-way, either own property adjacent to it or are directly impacted by what happens in that right-of-way. And so, the first step, as you can see, is, in the checklist, is to have the applicant email us, when, and there is a form letter in there, just saying what right-of-way that they are interested in improving. What we'll do, we have contacted all the bureaus, is send that out to the contacts and say, there any fatal flaw in making this into a trail? One of the questions that we get a lot from, or that we have gotten from Portland parks is if there is a sensitive natural area around it, sometimes they are hesitant to provide access into that area or just want more say in how that access is provided. And so, this is our internal check to make sure that the applicant doesn't get too far down the road, and then we, at the city, actually have kind of an internal issue to work out before it goes forward. So, this is mostly on the city, in collaborating between the bureaus. The second step is looking for a transportation nexus. As I said, this process will be managed by pbot, but as commissioner novick said, does not necessarily have any additional resources to support the program. And so, we want to make sure that before we use some of our prized resource, we make sure that there is a connection between the workout there and transportation. And so, we're asking the applicant to show us through the narrative, through a map, however they want to, that one of the connections is made for the trail, between a neighborhood and either transit, places of work, schools, parks. Open space, or other services. These are the locations that are identified in the transportation system plan. Also, the pedestrian master plan, as places that were really highly valuing connections. Another comment at the bottom of the slide, was on the advice of the pedestrian advisory committee, they also wanted an option where a trail would allow a connection that is difficult to make due to limited parallel access. So, that I think really, applies to neighborhoods that don't have a full buildout street grid. Are really looking for some routes that are safer and provide greater access. So, this is just an internal check for pbot to make sure that our limited resources are being focused on transportation. The third step, I would say, is where we got the most feedback. And this appropriately is the public involvement in the neighborhood support section. So, pbot, as you probably know, they have the final say about what we do with our right-of-way. But, we believe having community support for a trail is an important piece of this process. So, pbot will not be building or maintaining the trails that are proposed in this process, so as such, we think that it's important for neighbors to trust the applicant who will be the maintainer of the trail, because they will also be helping to serve as the eyes trails, the ones that are checking on it and probably using it the most since it is right by their home. That said, there are two avenues for this requirement, depending on the current status of the right-of-way. And so, there is kind of for, two choices here. The first one is if that right-of-way is on a council-approved map, so, in the pamphlet, you have map 3.1. That's a map from the southwest urban trails plan of the adopted proposed urban trails network. And what we're proposing there is that if the trail that the applicant wants, is on that map, they don't have to do any community outreach as far as making sure that people want it or they are ok with it, all they have to do is notify it because it is on a council approved plan. That's an easy route to go. If it is not --

**Saltzman:** That's the dashed lines on the map?



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**Schooley:** Yes, some of the dashed lines and the solid lines, as well.

**Saltzman:** Ok.

**Schooley:** The dashed lines are ones where the route hasn't been exactly defined yet. But, they do provide a general idea of the connections that the trail is trying to make. So if the second part, we have rights of ways that are not on a council-approved trail map. And so for those, we're looking for a bit more in that venue of community support. As an aside, to go back a bit, on the council approved maps, right now, really, the only ones that we're talking about are on map 3.1, but there are a couple of upcoming plans that I think will also contribute to this, with broader networks as council adopted. One being the Stephens Tryon Creek Watershed Street Plan. There is a lot of words in that plan. I don't know approximate I put them in the right order but I think that they are all in there. The other one, that is probably going to be coming up in the next couple of years, is the Southwest In Motion Plan, so both of those will be identifying some trails, and then we'll get added to this council approved network.

**Pearce:** Division Midway Street Plan, which is coming this afternoon, includes some additional connections that could apply for this, as well.

**Saltzman:** So, if it's a council approved trail, or on the map, then the adjacent property owners do not have veto power?

**Schooley:** Correct.

**Pearce:** Correct.

**\*\*\*\*:** Exactly.

**Pearce:** And even in the other instances, they don't have veto power but a voice in the conversation, along with their neighbors.

**Fritz:** Could I ask a question about that? It does appear from the report that they do have veto power.

**Schooley:** Actually, Commissioner Fritz, I will be talking about that in the next slide, so if I can go through it. Let me know if it's not clear, if you have any additional questions. So the next step would be, once again, if the trails or the right-of-way is not on a map as an approved trail. And it's important to note, as I think that Commissioner Fritz brought up, that PBOB really has the final say in whether we allow a trail to go forward or not. And so, we're really looking for the process, given the kind of complete absence of resources for staff, for the community group to show us that the neighborhood wants it, instead of PBOB pushing it through coming from staff. So, even if the decision doesn't turn out as somebody would like, I mean, PBOB could also reverse it, if we needed to. This is considered an advisory step, as is really the rest of the process. It's all advising PBOB on how to move forward with the right-of-way. So, we put forward the three options for applicants to use when proposing an unapproved right-of-way to become a trail, and really we put together the three options in order for them to kind of choose which one is the easiest for them to achieve. So, the first option we give them is to be able to get 75% of adjacent neighbors to sign a petition in support of the trail. So, if they can get that, they have, they can breeze right through that step. For option 2, we're looking for at least 50% of the households within a quarter mile. Thinking that most of these trails are small connections. Those within a quarter mile will be the most likely users of those connections. So, we're looking for a lower percentage, but kind of broader support, so even if the neighbors adjacent to the trail are not directly supportive of it, I think that this option shows us that there is a demand from the broader neighborhood. And then the third option is, to be honest, a compromise option. From the comments that we have heard over the two comment periods. So, we're asking for 50% of the adjacent neighbors and an approved letter of support from the neighborhood association. Just to give you some background, the third option was present in the first draft, or in the second draft of the

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document, that went out, and then in that second comment period, we heard a lot of feedback, that folks didn't feel the neighborhood association was representative of their concerns. Either you know, maybe because they did not participate in the neighborhood association because they could not make the meeting or they did not feel like it was completely representative, so they wanted to have some balance between that neighborhood association and the folks that they felt maybe were more impacted by the trail because it went right by their house. So, we took that option out, When we took the neighborhood association option out, we got a lot of comments saying hey, where did the neighborhood association option go? We want to see that again? And so, we put in option 3, as an attempt to balance the desires that we got from the public of lowering the percentage of adjacent neighbors that we needed, but then offering, also, that involvement from the neighborhood association.

**Saltzman:** And again, this slide that you are showing us, applies only to new trails? Not on the city approved map?

**Schooley:** Yes, so these are only for proposed trails not on the council approved maps, and I think that's a really important distinction to make because these are the trails that have not gone through any public process. Haven't been approved in any public process, thus far. Does that answer your question, Commissioner Fritz?

**Fritz:** It begins to address the concern. It shows that with the neighborhood association approval option, you still need 50% of the adjacent property owners. In the example, commissioner novick brought up at the beginning about the sidewalk in Hillside, we don't require adjacent 50% of adjacent property owners to be in support of a sidewalk. We say it's needed. I certainly appreciate the burden of the outreach should be on the group wanting to do it. And the last paragraph of the report states, we also hope that if a trail is not approved through this process, that the, that the applying trails' organization will respect the voices that denied the trail's development, whether those come from pbob, the adjacent property owners, or the neighborhood. If a trail is not accepted for improvement, we would hope the trail's organization would not advertise the unapproved right-of-way and not encourage large scale use of the area. Instead, we would encourage the trails' organization to look for a valuable connection that would improve transportation options that have brought in neighborhood support. That's the end of the report. It does not go on to say, however, despite the paragraph, of the proposed trail has broad support in the community beyond the quarter mile, because in southwest, in particular, we have regular walks that go miles and miles through neighborhoods. It was not in the southwest trails plan, for example, it should say at the end the commissioner in charge of pbob may decide to allow the trails to be built. Otherwise, so -- could we add that?

**Schooley:** That could be added, yes. Just to make a little distinction between the example you brought up of the sidewalk, and kind of you know, that we did not need the neighborhood support, I think that an important difference between something like a trail and a sidewalk is when we're building a sidewalk, we have -- we're Building it up to pbob standards and there. They are responsible for that construction. And so, we know that if we are going in to build it, we're building it up to ada standards. Building it up to kind of the, this set of standards that have been adopted by the city, as a pedestrian, accepted pedestrian infrastructure. With trails, there is a bit more trust involved. That it's a community organization that's building the trail. And maintaining it. So we want to make sure that conversation is happening. But, to your point of putting in a line saying that the pbob commissioner, has the final say, we can do that and make that a broader point.

**Pearce:** The other point about a sidewalk, that is included in the plans, so that sidewalk connection is something that we went through a public process and prioritized, even at the transportation system plan level. So, we have gone through a public process and have

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gone to the city council to get endorsements, that's an important, so similarly, any trail that has gone through the similar process like that, is able to go right through.

**Fritz:** Public rights-of-way are public rights-of-way. I don't get to decide who parks in front of my house and everybody has the opportunity. So if we could accept a friendly amendment to add something to say notwithstanding the above, the commissioner in charge may decide to allow the trails to be built.

**Saltzman:** Certainly. The way I look at this, we're telling people, if you are able to go and do this process successfully, you can expect that your trail will be approved. You don't have to go through this process, but if you are not using this process and come to us to ask for approval of the trail, you need to understand we'll be limited by our ability to do outreach for community support.

**Fritz:** I think you have to go through this, but the charter, ascribes the council, to make decisions not adjacent property owners. Would you be willing to accept that as a friendly amendment?

**Novick:** Yes.

**Fritz:** Thank you.

**Schooley:** Thank you, Commissioner Fritz. Step 4 talks about design guidelines, and it looks at the trail building guidelines that we're looking at. We have proposed guidelines from the city's resident trail building experts. Portland parks and recreation. We did not see any reason to come up with our own since they know how to do it better, so we selected b. I don't know how familiar you are with their different trail standards. They go through a and d. A is considered a high challenge trail. C and d are considered more acceptable trails. And we were trying to find a medium ground where people could use it to get to the bus stops and go to work and not look like they just went on a morning hike. So, we're trying to find that middle ground here, and we'll continue to work and communicate with Portland parks and recreation about meeting these standards. We're in conversations with them about either learning from their inspectors or there, you know, approvers of the trails to make sure that we're getting it right, and this will be something that we'll be looking at over the year. I think that this is one of the easier, easier steps for us as pbob because we already have guidelines put together. We already have expertise in the city on this category. And then the last step is permitting and review, and so as many of you know, having the appropriate permits in line for a project is essential to ensure that liability and responsibility is covered. And that any structures are safe and the environment is protected. These that are up on the screen, the encroachment building, building permit. Environmental review and permitting are the three most likely categories that would be touched by a trail. So the first is an encroachment permit, so this is, basically, just a permit to say something is happening in the right-of-way. This is issued by pbob. All trails would need this permit. And the bureau, of pbob has said that we would offer to wave the fees for this permit for a group, for the groups that go through this process. So most trails would only need this permit so there would be no permit fees associated. The second permit that may be needed would be a building permit, and so this would depend on if and what sort of structures would be on the trail. We would be working with the bureau of development services for this permit. While I know a lot of community groups wished and sometimes we wished, as well that we could just get our bds permit fees waved, we cannot and don't have much control over that conversation. So, we also, in the document, put that it's up to the bureau that requires the permit, how they want to deal with the fees as they go through this. And the last thing that we could see some trails running into is environmental review and permitting. As you might expect, many of the trails run through the most beautiful areas of the city. Also, some of the most environmentally sensitive parts of the city. And so, environmental review and permitting is

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just a requirement of the city code, also, issued by bds. And but, one important thing to note is while you can imagine many of the trails go up and down the slopes and maybe would go through sensitive environmental areas, in city code we do have trails, excuse me, trails for, for going through environmental areas, so, They in more detail in the larger process. You can see them on page 7. There are five of them, and they just look at kind of what a trail would have to look like and what would they meet, and if they met those, they would not have to go through can environmental permitting.

**Fish:** Let me ask a question on that. Let's take the interest that the bureau of environmental services may have in this process. So, I can imagine that those interests could be many. Let's take three examples. A trail that goes to a natural area. And so there is questions about how to, how to place the trail. There a -- there a preferred, alternative route, and how do -- do we have to put a bridge in to get over a natural area, or a stream or something. So, that's one example. Number two is, the bureau of environmental services may be interested in the impact of a trail on storm water run-off. How does it impact somehow the existing system? And number three, the bureau of environmental services may have, actually, a dog in the fight. They may determine that trail has other benefits to the system that they exclusively are responsible for, so they may end up being a funder in partnership with others to fund that trail. So, where in this process does bes assert or protect its interests through this process?

**Schooley:** So that's in the first step. And so, that first step where we put out hey, this is the right-of-way that we're looking At, we'll be sending that notification to bes, so Jennifer is our contact at bes that we would be sending that to, so from knowing where that right-of-way is, they can decide if there are any issues that come up or if there is any opportunities that come up through that.

**Fish:** So. At the back end, step 5, what, what is bes's role as you have established this in terms of the environmental review and permitting?

**Schooley:** In the environmental review and permitting, even though bds issues it, bes is the advisor. So they are in the room advising bds on what sort of permit to issue, what other things might be added to the permit or just kind of how to do it in general. So, a great example, that's happening right now, is there is a trail that was funded through the mayor's office bump, last year that we'll be connecting to Robert gray middle school. Looping at that trail, we worked with bes to tweak the routes a bit of that trail. In order to avoid some really expensive permitting. So, bes was able to use their expertise and say, if you are ten feet over, we're safe because you are not by the water, we don't want you to be by. It's a better opportunity. It makes more sense for our system. There is also the conversation of you know, if by going into an area, that opens opportunities for replanting, or some other storm water protection and watershed protection, that you Manage, and so bes is very involved in the environmental review and permitting, even though the final document comes from bds.

**Fish:** I am glad you played that point, bds sees itself as a full partner in this process. You gave an example of where early engagement led to a less expensive alternative. Again, there is always the potential nexus between the mission of bes and the trail where there potentially is funding. I am looking at don because that's not -- it's a case-by-case situation, but, the earlier consultation and discussion might, actually, reduce the cost as well as open up potential funding sources. That's why it's so important.

**Schooley:** Exactly. Thank you. So that's the process. Five, hopefully, fairly easy steps. We have that internal check, checking on the pedestrian connectivity. Looking for neighborhood involvement. Support, or notification, as the trail is on a council approved map. That design check, and then the last step, is permitting. And journalist to note that permitting step is a really -- what puts the recreational immunity into place, so that makes

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this an official trail. So, that step is what takes us over the edge into the next territory. As I mentioned before, for our community outreach, in that we did -- I went to the advisory Committee twice to talk about this. The second time I went, we talked mostly about the pilot project evaluation. What questions we should be asking ourselves. As we go through this process to improve it. The three that really came to the top was how many, how many times does the process get started versus how many times does it get finished. That leads to the third question on this slide. Thinking about where the hiccups in the process are and where are the parts that are really hard to get through? And so, we can learn from where those pickups are and try to make them easier while still meeting the needs of the bureau of transportation, or other bureaus, or the law, or you know, whatever else we have to think about when going through this. The middle question was brought up by the pedestrian advisory committee thinking about how much staff time and resources does the process take? And we, you know, there are a couple folks within the bureau that will be working together to deliver this process, both from the permitting group and then myself, as the pedestrian coordinator. My fellow staff, and so thinking about how many resources from what groups, so we can make sure this is an efficient use of the time. Some may argue it's outside of our realm of kind of vision zero safety projects. We want to make sure that it does do what it needs to do, while letting the limited number of staff also focus on their other work. And for project, pilot project evaluation, there was some discussion within the council members about putting together an evaluation committee. There is a little hesitant from myself and my workload to think about running another committee, but luckily, I already staff one, so I staffed the pedestrian advisory committee. I think that they would, they could serve as the evaluation committee coming back to them in six months with where it is and a year later. They have been involved in commenting on it, and I think that an appropriate. Also existing committee that we could be tapping into, to be more efficient. So lastly, as I mentioned at the beginning, this trails process is this little piece of a lot of bigger stories. So, these are a couple of, of the bigger stories that this process may help. So, the first is encroachment, so I am sure that many of you, if not all of you have gotten phone calls to your office about random encroachment in the right-of-way somewhere around the city. And while this process doesn't answer all of those questions, what it does do is it will put more trails that the community wants to use on the map if they go through this process. And so, what that means is that if there is an encroachment in the its -- right-of-way, whether it's permitted or not, once we have a trail that goes through there process, that's there, we can ask for those encroachments to be removed. We have some teeth to do that.

**Fritz:** Why don't you have teeth to do that now?

**Schooley:** Because there are so many around the city. I could have Kurt Krueger talk a bit to that after I get through this since his group is really the ones that make the decisions on this and runs that process.

**Novick:** This might be helpful, the -- the relevant portion of the code that says all alleys, unimproved streets and other public row must be clear of obstruction that may hinder traffic. [inaudible] current and necessary use. So, I think that can raise questions about ok, what is normal, what is the current and necessary use. And if we are designating this as a formal trail, we're sort of -- it's a strong case that it is the necessary use for a trail.

**Schooley:** Because there is also kind of a weird and potentially confusing relationship between pbot and bds. Bds is the enforcement for these sorts of things so they are the ones going out to judge what that current and necessary use is, that commissioner novick talked about. So if we say it is a trail on a map, like certainly a trail, we can very easily get either things trimmed back or encroachments removed.

**Fritz:** The way that bds operates for a number of things, is by complaints.

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**Schooley:** yes.

**Fritz:** So, I am concerned that even if there is not a trail, but a human taking of the public right-of-way, the bds doesn't feel like it has the authority, neither is pbot to say, you have got to take that fence off.

**Schooley:** Right, so we're hoping that this process helps to define that authority. Helps to give us that oomph to say, this has to be removed.

**Fritz:** What I am concerned about, is that -- I am not a lawyer, nor do I play one on tv, but I am wondering, thank you, commissioner Fish, I appreciate that. My understanding is that after an encroachment has been there for a certain time, it becomes, well, nobody asked me to move it so it's mine now. So, aren't we potentially, by allowing encroachments that are maybe not on trails to continue to be there, are we not giving that property back to the adjacent property owner?

**Pearce:** As long as it's in the right-of-way, that's why we have got all these people nodding in the back there, yes, as long as it's still in the right-of-way, our authority is unchanged.

**Fritz:** We can get rid of it at any time in the future and even if its 20 years down the line?

**Schooley:** Right. This also helps on the front end, so if something is designated as a trail. Somebody goes through the correct channels. Says, I want to build a fence on this right-of-way, can I get a permit? When we go to look, we'll see that it's a trail. Be able to right up front say no. This is the reason why. So it helps to protect that public space.

**Hales:** So speaking of people nodding in the back, I want to urge you to finish up because we have a lot of people here to testify and a crowded agenda.

**Schooley:** You have got it. So maintenance, a quick point that we're working on, on discussions with Portland parks and recreation, about their community agreements and thinking about allow we can work, maybe, more similarly to them in encouraging and helping to target maintenance along these rights of ways for existing trails. And then lastly, the neighborhood voice piece, there's been some confusion about what and how neighbors can give their voice through this process. We feel that what we're proposing does have a pretty defined way for both the applicant and the neighborhoods to contribute. So, lastly, just wanted to give a quick shout out to the website, which has gotten over 20,000 views over the last year. I think is impressive. A couple of the important documents that are on there, that are tangentially related to this project. Questions that we knew that people wanted answered. So, I would say that the two most important ones, the ones in front of the slide and the trifold that you have in front of you, called a path to trail safety. I will have to give a lot of credit to jenny. Stephanie from the office of neighborhood involvement, that helped me to pull this together. Actually, they pulled it together, I should not take much credit for it at all. But, it talks about allow to build trails. Also, how to be a property owner next to the trails. And feel better about your safety. So, I think that it's a good read. Has gotten over 1,000 views on the website. The other one that I feel is helpful is the unimproved rights of ways, what to do. It's a two-sided document. One is for folks that live adjacent to the rights-of-way, unimproved rights-of-way, and the other side is for folks that want to use unapproved rights of ways for walking, so it defines what the roles and responsibilities and possibilities are for working with the adjacent property owners. To offer you know, the maintenance services. What, in general, responsibilities, everybody has. That's it for the presentation. Just want to reemphasize that this is a pilot that we're going for. That we want to pilot something, because the conversation has been going on for a long time, so you will be hearing, I am sure, a lot of different testimony, you will be hearing probably a lot of the wide variety that I have heard over the past year. I want you to realize that this process is not going to make

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anybody 100% happy. But, we're looking to find a starting point that makes sense. A starting point that we can work from and evaluate over the next year.

**Saltzman:** I apologize if this was asked while I was out of the room, but so, the trails' organizations must maintain liability insurance?

**Schooley:** No. They would not.

**Saltzman:** I thought that you said that they would be liable.

**Schooley:** What this process does is it transfers that liability away from the adjacent property owners. So, right now, if it's undeveloped, the adjacent property owner is liable. Once it becomes a permit, or once it gets a permit to be a trail, it falls under that recreational immunity law, in which case it switches to the user, so it would be like a trail in a national park where you are accepting that responsibility.

**Saltzman:** So the trail organizations do not have to maintain liability?

**Schooley:** Correct.

**Hales:** Anything else before we turn to the testimony?

**Novick:** I think that Jennifer from bes was here to offer additional comments?

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

**Jennifer Devlin, Bureau of Environmental Services:** Good morning, mayor hales and commissioners. I am Jennifer devlin. I am the staff from bes watershed services division. I was hoping my testimony will answer or address some of the questions that commissioner Fish brought up. Let you know how bes has been working with this process. So, bes has been working with pbob. The community interested in trails, for well over a decade. We welcome pbob's community initiated neighborhood trails process, it provides guidance for the projects. Encouraging walking in our community has positive health impacts. Pedestrian trails can reduce the car miles. Thereby, the pollutants that wash off into the streets and into the streams. Pedestrian elements can and have been integrated into bes properties, as well as our capital, grants, and maintenance projects. Some successful examples of this partner are recently the bes partnered with the darma rain center on Siskiyou on a trail along bes's storm water facility. This trail now serves members of the rocky butte community with an east-west off street walking trail. A 2006 community watershed stewardship project grant helped to protect a wetland at Stevens creek used to create the pedestrian crossing. We are very proud of that project, too. Bes recently secured a metro capital grant award to help create a pedestrian under-crossing for regional trails used along tryon creek. This will happen during a culvert replacement project at Southwest boones ferry road that you heard about a couple of weeks ago. While protecting a sewer exposed in johnson creek, bes protected the wetlands there by developing a boardwalk for student water quality studies and pedestrians as the spring water trail. As you might know, bes has been partnering with pbob to create walkable shoulders along southwest streets that don't have sidewalks, while we're converting the ditches into roadside swales. Along the Columbia slough, bes has supported grant projects to control erosion by doing trail work, and collaborated with pbob and epa to build the 47th avenue bridge, suitable for passage for storm flows, Fish, pedestrians. Paddlers, paddling trail there. And in summary, we collaborated frequently in the past and bes is interested in continuing to work with pbob staff and the community in a formal way on trails and undeveloped right of ways for a variety of reasons. There are environmental impacts from trails and trail users that should be considered in the citing of trails. Having a formal community initiated trails process that would require review of the environmental impacts and work with the appropriate city staff, is an important part of the insuring that the trails are sustainable, functional, and environmentally responsible. Undeveloped rights of ways have potential for citing storm water facilities. In these cases bes can be an active partner in developing the Projects that meet the trails and storm water needs such as ones that

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we're working on, on southwest 19th. Any sort of development has the potential for being opportunistic, and the collaboration design into the trails' process could allow pbot and bes to continue to improve our work together. So thank you very much.

**Hales:** Thank you. Ok. Let's turn to the public testimony, please.

**Moore-Love:** We have 24 people signed up.

**Hales:** Ok, we will ask you to be brief, as you possibly can.

**Hales:** Good morning. I think you are first.

**Arlene Kimura:** Thank you, good morning, mayor hales and commissioners. I want to comment on the proposal. Not the proposal, itself, but how this was done. I feel very uncomfortable with the fact that none of the outreach was done to the non-English speaking members in east Portland. Most of it was focused on southwest Portland. I am also a little concerned that there is no equity from having community members continue to do all of the processing as opposed to having paid staff assist us and provide resources. I have no translation dollars. Do I pay it out of my pocket so that I can get the current in the community who do community gardening as part of their culture? To help us to do this. There are not many community trails that connect transit or whatever, in fact, most of our natural areas, you have to drive to. If we are, as a community, trying to lower our use of carbon fuels, we need to provide more of them. And somehow, I don't know that this process is going to help. What I would like to have is a review of this process within six to nine months on an ongoing basis. I would like to see more staff, resources, put to helping us do the outreach to our non-English speaking communities because they all walk as a culture, most of them, from place-to-place. And, we don't provide any walking-abilities as a health measure for our children. I went to a trail conference earlier, the city of San Jose has an urban trail planner on the staff. What happened to Portland? Thank you very much.

**Hales:** Good morning. You are next.

**Kenner Swain:** Thank you. So --

**Hales:** Put your name in the record.

**Swain:** Kenner swain, recently moved to Portland.

**Hales:** Welcome.

**Swain:** I was told it was a place that young people come to retire but I got here, and it was too late. So I see that I am the same age that you are. Pedestrian walking is important just to try to keep things as stable as we can. So, I am new enough to Portland, a few months that I don't know all the personalities in the 15-year history or the history going back to Benson and Pitaker, or whatever else, but I did have the strong sense after reading the opinion piece, that the Portland bureau of transportation, or board of transportation is, as commissioner Fritz has suggested, has misconstrued and misinterpreted what is the public spirit to the point where the retail term is a gratuities shrink and shatter of the public space so I was offended by it. I thought, what I was going on here. I am sure that there are conflicting interests, but I think that the way that they have conceptualized it is a misunderstanding. Of course there are conflicting interests. The way they construed it, the gentleman said, people feel a sense of ownership over a right-of-way. I am sure that they feel it but I am sure that the koch brothers feel a sense of ownership over all kinds of things. You know. But, it's not the way to think about it. I assume the city council, at least from what I have heard, the city council could take simple actions, the lady said, this is a fairly simple process. I beg to differ. It's not a simple process. [inaudible] couldn't understand it, frankly. It's, it's way out of control, in my opinion. The veto issue, to me, again, it's a gratuitous shrinking of the public sphere. So, you have a stewardship responsibility. They have a stewardship Responsibility. And frankly, the southwest trails people, I am sure that you should not just let them do anything



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that they want. But, the gentleman said, some people think why should there be a process? Why should we waste public resources when, to me, it's a bunch of people older than I am who are pillars of the community and we have corporate sponsors probably should let them do more or less what they want to do with some oversight, absolutely. But, I think that the base issue about the presentation of the bot is insulting to the southwest trails people, the way that they said the public has chimed in, and this and that. I thought, their tone is off. So thank you.

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

**Elizabeth Morantz:** I am Elizabeth Morantz, I live in Arnold creek neighborhood in southwest Portland. Our neighborhood is really lacking in pedestrian connectivity and pedestrian safety. All our major connecting roads, pretty much, have no sidewalks. Some are very dangerous to walk on. There is very little possibility of getting some sidewalks in on some crucial connections, in the foreseeable future. I climb southwest 35th, which connects Jackson middle school to Stevenson school and is a major connector in our neighborhood. The smaller streets, which also often don't have sidewalks, are safer to walk on. A lot of them do not connect because of our topography and Natural streams that come through, so, what this means is that in Arnold creek, you pretty much have to drive to go to Tryon creek park, [inaudible] park, Jackson, Wilson, you know. New seasons, even. So, if there is any opportunity to get some better connectivity and safety in our neighborhood, I would encourage the council to pursue those avenues and trails, clearly, as a very important one, wherever there is an opportunity, on public property, to put in a trail, I would like the city to pursue that. I would just like to say, like for somebody like me, who has a profound hearing loss, the fact that I can look up there and see some closed captioning helps me be an active participant in these civic affairs. That's a pretty high-tech thing. Putting in a trail is not a high-tech thing. You know. As long as the environmental things are taken care of and, you know, the city, all fashioned kinds of technology. I don't understand the opposition from the bureau of transportation.

**Hales:** Thank you. Thanks very much. Thank you. Thank you all. I am going to ask people to try to hold their testimony to two minutes because we're going to have a time problem this morning. We have another fairly signature issue on the morning calendar and on the afternoon calendar, and at some point, we need to give the counselor a break. It's 11:00. I would like us to keep moving on this item and probably go until 12:30, take a half an hour break, and come back, but we'll see.

**Fish:** Mayor, are you inclined to move 1048 to the top of the agenda since we do have a lot of people here for that.

**Hales:** Yes, yes, we'll take 1048 next after this item.

**Fish:** Ok, good.

**Don Baack:** Commissioner, I am don baack, I from the southwest trails. I want to start with a proposed amendment and focus on three things. You have got this in front of you and you have seen it. Basically, we feel it's important the adjacent property owners be informed by anything, correspondence, in every correspondence from pbot about the law relating to the responsibility that we have for the right-of-way, you will see that on item 1 of the proposed amendments. We propose to replace 1-3 where it requires a lot of citizen work in outreach to the community with a process where a staff person and pbot would receive anything, review it, and ask for comments. Issue a decision, I have got it spelled out there. Finally replacing this mutual respect thing, which is kind of suggests we don't have a trail there so you should not walk there with a statement of what the law is. John Gould will talk about that more. And Glenn [inaudible] is not able to be here so I will summarize his comments about the public involvement outreach. Glenn has been -- was on the founding committee of the citizen involvement task force and commission or

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whatever it is in the city has been working on this. Basically, it is suggesting that number one, the trails are important. A lot of people use them. Particularly, the lower income when they have not got alternatives. And the public involvement outreach going through the 8,000 post-cards without telling the full story of the issues that were involved was inappropriate because they did not tell them about the liability and so on, so we have a lot of biased views. And finally, the program fails because it hasn't met the equity goals of the purpose of the policy. We want to establish and carry forward with our volunteer efforts. This is a real downer, very strong downer. It tells people, you have got to jump through a huge amount of hoops before we can do anything, is totally inappropriate. I would like to urge you to eliminate steps 1-3 and go with, for the first year, the staff approach, at the end of that year, if we have a big problem, we can go to the staff approach, other than the other one where we have a lot of work to do. I urge you to go the easy way first I know it's going to cost something, it might cost some budget money, but it's going to get a lot more done. There are going to be a lot happier people. Thank you.

**Hales:** Thank you.

**Novick:** Don I just have to say your one of the more energetic and persuasive people I know and I think your selling yourself short I think that in the course of six months you could talk to every adjacent landlord around the city on any topic.

**Baack:** As a matter of will it takes two people to negotiate and we're not interested in getting into that ball game. Quite frankly we're interested in getting going on with making these things happen. And for you to dictate to us that we should go out and go call on all these people and spend all this time doing that is not in our interest.

**Hales:** Thank you. Good Morning

**John Gould:** Good morning I'm John Gould. I've lived in Hillsdale for 45 years and practiced law downtown for 40. I wanted to emphasize four things. The last one has become preeminent because of the colloquy between Commissioners Fritz and Novick. This manner of the implied veto is hugely important. As you point out. I think you acknowledge, both of you. And the way the draft is currently framed, as you pointed out, simply gives that veto. And it should not. Should not. So, that amendment is critical. The additional words that Commissioner Fritz gave to Sara are important. Important legal legs for this whole proposal are three. There is the -- already been cited by commissioner Novick, but city code 29.20.010.k.3 puts the duty on the adjacent land owner, abutting land owner to keep up the unimproved public right of ways next to their land. That's important. The other important thing is that -- is the state law ORS 105.668 which Sara pointed out establishing a critical immunity from liability for simple negligence in the pursuit of these construction of these trails. It's important to note that that goes on to say, as I show in my piece called trails of city, not to grant immunity to gross negligence would be -- which would be something like ignoring your right of way, and wanted or intentional misconduct which would be actually constructing a physical impediment has been done in the city. Land owner should know that those immunities do not exist and it is in their great benefit to cooperate. Thank you.

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

**Dave Manville:** I'm the vice president for southwest trails. I would like to thank Sara and Erica for getting this pilot to the current point. I'm a volunteer working on maintaining the trails on our fabulous trail structure in southwest Portland. I maintain out in ash creek, 16 and a half block long trails. I have been involved in this process for approximately six years working on trails. I absolutely support the recreational ORS 105.668 living liability it is a very good idea. About five years late in getting started, but getting started is really good. The trail process needs to have a method of dealing with the approximately 200 trails that are currently in use in southwest Portland. Recently Erica replied back to us that the policy

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would be looked at -- if we don't get some method of getting the bulk trails permitted quickly, you know, this is going to drag on forever. The comments about talking to adjacent, you know, land owners and the entire bureaucracy of the policy as it now exists is very burdensome. I don't think our trail situation is going to be served well by the complexity and convoluted nature of policy as it is now written. I would request that we simplify that thing in a large extent, maybe involve a staff person has don suggested to make it an easier process. I've done this work for a while now. The policy as it is now written is extraordinarily complex. I think I will leave my comments at that point.

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

**Moore-Love:** The next three. [names being read]

**Hales:** Good morning.

**Hans Steuch:** I live in southwest Portland and have so for 24 years. Commissioners, I was delighted when I browsed through the transportation section of the draft 2035 comprehensive plan. There I find policy statements like create more complete networks of pedestrian facilities. And improve the quality of the pedestrian environment. Another goal improve the pedestrian safety accessibility and convenience for people of all ages and abilities. That's great, I thought. My active transportation goal is aligned with the cities, and indeed also with the Trans organization that I am a member of. Unfortunately I feel after careful study that the trails process in its current form will prevent the city from meeting these goals. The trails process needs to be amended. I support the amendments proposed by southwest trails. Thank you.

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

**Patty Barker:** Good morning. Hi, my name is patty barker, speaking on behalf of southwest trails. Southwest trails, leading trail building nonprofit group in Portland and over the past 20 years we've created 40 plus miles of urban trails to help respond to pedestrian and bicycle infrastructure shortfalls, all for just \$50,000 of city funds. Over the past 15 years, it seems there has been a paradigm shift in the city's thinking concerning urban trails and the process seems weighted in favor of the desires of individual property owners at the expense of public needs. Here is how. One of them is the approval process, which essentially gives unprecedented veto rights to adjacent property owners to halt proposed transportation improvements on public land, giving them the ultimate decision-making is basically giving away public land without any public benefit. Southwest trail supports a public input process that notifies adjacent property owners to seek their opinions and comments. But the final decision-making should be left to pbot and partner bureaus, not property owners. Another issue plan includes a complicated restrictive and costly process to do any trail work. This city should have streamlined user-friendly criteria and strive to minimize out of pocket expenses for nonprofits who seek to partner with the city to create safe pedestrian connections. Also the draft process does not enforce -- does not address the problem with right of way encroachments. The lack of enforcement entices adjacent property owners to block the public spaces and on top of that might have veto power to prevent proposed improvements. Net result loss of public rights of way and fewer transportation options. Draft policy does not seem to promote the goals of vision zero nor the comprehensive plan. Several other compelling reasons why southwest trails does not support the draft policy and outlined in our written testimony. We also offer some amendments to the draft policy and I hope you will fully support them. Southwest trails wants to help solve the problem of pedestrian infrastructure deficits. We have the expertise and hands-on experience to build and maintain trails, and we're ready and willing to do the work. But this draft policy is way off the mark. Please review our written testimony, and proposed amendment so that we can work together to develop a reasonable trails policy that prioritizes pedestrian connectivity and safety. Thank you for your time.

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

**Craig Christy:** Hi, we have a foot path in my neighborhood that's been blocked off. The foot path was in use for decades. It is on a public right of way. Several of my neighbors have been threatened, I have been threatened. I have been even asked for a fight. I think this ought to be brought to an end. Public property. These folks are not paying taxes on that property and it does create a safer foot path rather than the kids using Sunset Street. And that's it.

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

**Moore-Love:** [names being read]

**Hales:** Good morning.

**Maripat Hensel:** Good morning. Maripat Hensel. Thank you for the very long process that I know Sara and other pbot staffers have gone through along with Jennifer devlin and others. One thing that I want to say is I think the five-step process they have put together has been well thought out and I don't see that it differs very much from other processes for permitting that development has to go through in the city of Portland. So I think when we talk about a good, fairway of having five steps that this process actually goes through all of those steps quite clearly, and really is quite a simple process. I would like to see the pilot get started as soon as it can. And also make sure that we try not to make the cost owners when trails are put into place and some vehicle for maintenance.

**Stephan Lewis:** Transportation chair for the Maplewood neighborhood. My family has been living in the Maplewood neighborhood since 1957 when my grandmother moved to the community as a widow with five children. Two years ago my wife and I bought this house as a place to raise our four-year-old son and continue the family tradition of community involvement. We have an on-street bike route in front of the house and urban trail that runs along a utility easement on our property. Note about my grandmother, she was definitely an anomaly in southwest Portland. She has never been a driver. She used to take trimet downtown and back for work to get where she needed to go. And this bus service over the decades has been reduced significantly. And in recent times she actually has been isolated within the community and this is something that has affected a lot of other members of our aging population in Maplewood and other places in southwest. Likewise, youngest are affected. If a parent wanted to take a walk with their children outside of the neighborhood, dangers associated with existing pedestrian infrastructure lead a majority of residents to drive for lack of any other safe options. Across the street from Maplewood, the community center, vast majority of people in the neighborhood actually drive to get there because there is no other route. This is a real big problem. We in Maplewood applaud the efforts of the city as working towards vision zero. We understand that the majority of the resources are going to be focused in other parts of the city. Just because of the statistics and the numbers, and there is an overall mentality in southwest that is not even possible to use other non-motorized forms of transportation and that really needs to change. As a part of the community initiating the neighborhood trails process in the current draft state suggesting that adjacent property owners and neighbors within a quarter mile from the proposed trail be notified and have a disproportionate amount of the influence of the trail's feasibility. It simply doesn't make sense for the pedestrian infrastructure this southwest Portland. Other parts of city with a quarter mile, multiple options. In southwest, there are frequently no other options for parallel pedestrian access. For the sake of time, I will skip a lot of my examples and just say that we applaud the work of southwest trails and view them as a great community partner. Likewise, we hope the city continues to value the partnership and works towards increasing the efficacy of this partnership, citizen, who is not here right now, said neighborhood plan, city support and

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partnerships, that's the Portland way. Approval of this process, support of southwest trails and other volunteer organizations does not let the city off the hook.

**Fritz:** Your time is up. Thank you very much.

**Moore-Love:** Thank you. [names being read]

**Dale Sherbourne:** Good morning your honor and council members, and belated condolences to you, Amanda. I am here to support the trails process and the work that the staff has put in. Sarah has met with countless individuals and groups to help develop this plan, and it balances a lot of different balls in the air at the same time. The city has many obligations to the environmental concerns and especially in the southwest and I would like to see a review of all of the right of ways to make before these trail processes go into limit some of the things that a trail group has to do so that they already know beforehand what they have to go ahead and do like if you have a southwest Portland environmental survey that has overlays that you've already put into the codes that restrict property owners that are right next to a right of way where they wouldn't be able to put in a trail from one house to another because it is in an environmental sensitive area that contributes to the health and welfare of the stream or in the area. And lastly, that this is a problem that has caused the degradation of the environment of the city of Portland, urbanization and it has been noted in the southwest environmental survey as required by goal five. So, this is the major problem, and trails going through natural areas can have an impact on, especially salmon bearing streams.

**Hales:** Thanks, dale. Good to see you. Who is next?

**Doug Rogers:** Hi, I'm Doug Rogers, volunteer with the neighborhood association and southwest trails. I support all of the various testimonies given today on behalf of southwest trails. I know my neighborhood well. I exercise just about every day, I'm retired. And 80% of the streets in southwest Portland have no sidewalks. So I walk on the street. Not safe. That's the reason why these undeveloped right of ways are so important for your neighborhoods. We have a lot of them and they can enhance the quality of life for all who live here. These right of ways belong to all citizens in our city and should be utilized where appropriate for the benefit of all of us, not just those who live next to them. Neighborhood volunteers we frequently become involved in concerns about people have about their streets, neighbor development, nuisance problems, etc. One thing I found out most people have no idea where their property lines are. They think it is a hedge or fence over there, but not sure. Many of them think like I did way in the past that their property goes out to the center of the street, at least to the pavement. But that's not true. The neighborhood -- tax map, they have no idea where it really is, and they have no idea either also what a right of way is. So, there is discussion of -- when there is a discussion of improving the streets adding sidewalks, they think the city is going to take over part of their private property. They think it belongs to them never realizing that the front hedge, parking strip has been on city property, the right of way, for all of the years that they live there, but they do not own it. Years ago I lived in the Westmoreland neighborhood and had a sidewalk in front of my house. I never questioned the right of the people to walk across my front yard on the sidewalk. They're all over the place. It is a right that we all have. Friends had an alley in their back yard. Kids went back and forth across the block and alleyway. Nobody ever questioned that. Simply a given that is the way it is.

**Hales:** Get you to wrap up.

**Rogers:** Almost there. Idea being that sidewalks, alleys are visible. They can be seen and been there for years. Public right of ways are not visible. People don't know they're there. They think it belongs to them. Our city needs to protect the public's right of access to use these public right of ways for the constructive benefit of all citizens. Thank you.

**Hales:** Thank you. Good afternoon -- or good morning.

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**Marianne Fitzgerald:** Marianne Fitzgerald, and I live in southwest Portland. These are my personal comments. Southwest neighborhoods, coalition has not taken a position on this policy. I want to note that it is a citywide process and it applies to any community initiated trails proposal. Southwest trails is just one group, also boy scouts, girl scouts, community organizations, church groups and a lot of groups that could initiate a trails process. In the matter of the maps 3.1, I would like to point out, I agree with Amanda, a public right of way, but some of these dotted lines on that 3.1 are private property. So, I talked with Sara at length about the distinction between public and private right of way and she assured me that this process is specific to the public right of way and there would be a different process for private property owners. So, I just want to say that I really believe that staff have balanced a lot of input as they put this proposal together. They did an excellent job. A lot of competing interests that you are hearing about today. The best way to assure that the trails are built safely and manage water runoff appropriately is to have some oversight through the permit systems. I don't believe that the process is overly bureaucratic. I'm asking you to adopt it as-is. Don't change a thing. It is a pilot program. Give it a chance to succeed. Thank you.

**Hales:** Thank you all.

**Moore-Love:** The next three. [names being read]

**Hales:** We're doing a little agenda planning. Go ahead, please.

**Eric Sorensen:** Good morning. I'm always a little anxious after following Marianne Fitzgerald. I have done it once before.

**Hales:** Just give us your name for the record.

**Sorensen:** Eric Sorensen, live on an unimproved dead-end street in southwest Portland. There are two unimproved right of ways that meet at my property. I have lived there 57 years in a house built by my parents and grandfather -- this is a street where truly everybody knows your name. I would like to express my support, and that is a cheers reference, by the way, express my support for the current draft. Many letters submitted and much debate. This draft allows for both approval and disapproval. Some neighborhoods will support a trail. Others for safety and environmental or other concerns might oppose. Many people do not desire becoming a destination for people drawn by maps and signs. In my case, I support the short open right of way that serves local people. The other right of way is secluded and has had trespassing parties and a camp fire in the last several years. Two police officers, trails can and do have problems. Abutting property owners and neighbors who will be most affected must have a strong voice in this process. Neighborhood associations are full of hard-working people. I include those that I might strongly disagree with. However, neighborhood associations in -- average about one half of one percent attendance of a total neighborhood population. These numbers in no way can be representative of the entire area. Bylaws in neighborhood associations are being rewritten, voting will be by boards and they do not have to follow the wishes of those in attendance. Many neighborhood associations have voting requirements such as attendance like twice in a year. This further limits accessibility of people. Also if you are a new neighbor just moved in you have no voice at all. Going back to trails, 2000, property owners and neighbors, people most affected should be the strength of the decision process. Thank you. One side note, in addition, Arnold creek, over the last 5 months I have cleared over 3,000 linear feet of street shoulders where invasive have prohibited people from walking and they forced out into the street.

**Hales:** Thank you for doing that. Appreciate that.

**Sorensen:** It keeps you in shape.

**Hales:** Takes care of your neighbors, too. Thank you. Peter -- i'm sorry, go ahead.

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**Peter Finley Fry:** Peter finely fry, planning consultant, here on behalf of three families. These families did support urban trails, the question is not if, the question is how. Pbot has done a very good job in creating a process that creates public interest. After hearing the presentation, I was more impressed by what I had read. The proposed policy protects environmental values and avoids adverse impacts like tryon creek and other watersheds in southwest. Trails need to be accessible to these who are disabled. The connectivity and strategically enhanced and the trails do need to be maintained. I'm just briefly going over our comments. Right of ways need to be surveyed to ensure that trails are not built through private property and also to deal with the encroachment problem that has been raised. Last point is we did hire an attorney at dunn carney and their letter is in the packet, and their opinion was that state law does not shift the liability for property owners to users as cleanly as people have been arguing. It is a much more complicated situation. I am going to add that to -- a few more minutes -- I do a lot of private projects in Portland. We do a lot of sidewalks. We do a lot of street -- we go through pbot. And all of these things are there to enhance the safety and connectivity of people that are utilizing our streets and we are rebuilding sidewalks, add landscaping, all of that is important to the safety and the public welfare of our citizens. Thank you.

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

**Elizabeth Duncan:** Good morning. My name is Elizabeth Duncan, a resident in southwest Portland. My property is next to an unimproved right of way. I've worked as an appellate lawyer in Oregon for over 25 years so I know how to analyze a statute and the legislative history supporting that statute. I can tell you in no uncertain terms that ors 105.668 is no magic cure to avoid liability. First, it only offers immunity for negligence actions. Not other series of liability that can be brought against adjoining property owners. It is not retroactive. It does not apply to existing trails, many built illegally, hazardous when built have and only deteriorated with time. I have a picture of a handful of examples for you. If the clerk would pass those out. You already have them. There are many, many more examples. I refer to these trails as illegal because they were built by southwest trails in violation of the 2000 southwest urban trails plan. That original plan required southwest trails to do two things. One to get the permission of adjoining property owners and to that date Don Baack refuses to acknowledge this was ever a requirement, and consult with pbot where stairs were required oversight was necessary to make certain that the right type of stairs were built for each location. That is on pages 21 and 22 of the 2000 plan. Southwest ignores this requirement simply because it doesn't like to be bothered with the rules and the city failed to enforce the rules. Existing hazardous trails that need to go through the new trails process before the adjoining property owners are immunized from negligence liability. pbot's trail process acknowledges this problem at the bottom of page two. Many of the adjoining property owners still don't understand their liability. It is criminal for southwest trails to put good citizens in that sort of jeopardy. Southwest trails should be required to go through the trails process detailed in pbot's draft plan on all existing illegal trails before it is allowed to build a single new trail in Portland. Force southwest trails to clean up the mess it has created by refusing to follow the rules and never loosen the reigns on that organization again. Thank you.

**Hales:** Thank you all.

**Moore-Love:** The next three. [names being read]

**Hales:** Good morning.

**Dave Barberis:** Good morning. I'm going to keep this short and sweet. My name is Dave Barberis, and with my wife, I live on the end of seymour drive. We moved there in 1959. Since then we have raised a family in that location. And next to us we have what we use to call a paper street. Historically people in the neighborhood have called them paper streets,

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lands where platted remote from the actual geographic awareness of the city of Portland. First we appreciate what the city has done and Sara to the outreach of concerned residents in this process. We need the council to understand that this, and I believe they do understand, not a one size fits all type of situation. Adjacent property owners need to be consulted and there needs to be a physical assessment of some of these rights of way. Some are on inclines like this. Some of them go within feet of kitchen windows, and bedroom windows. Some of them in the middle of deep forest areas, and while we understand that these are rights of way that are owned by the city, we have always maintained them for the use as play areas for our children. In some cases driveways, only way to get to the person's home. There are gardens. Whatever. We have always maintained the safety and kept them free from hazardous conditions knowing full well that we were liable being adjacent property owners. When southwest trails came in and put up a hazardous stairway, we did the research to find out that we are on the hook for serious matters here. In closing, take time if you would to read the testimonial and media that I have included. It really is important. We do appreciate the effort that has been made and it is critical that adjacent property owners be a major part of the decision making process involved in any trails building in the future. Thank you.

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

**Ivy Stovall:** Good morning. Ivy Stovall, a friend of Baltimore woods, which is a remnant made of like oak watershed and Cathedral Park and St. John's and our small friends organizations working to acquire and restore this thin lane between riverside industry and increasingly dense residential area. We have been successful thanks to a dedicated staff and we have been friends with parks, bes, Columbia land trust, Audubon and many others including the city and metro. As a result of our efforts we have seen an increased flow of dog walkers, bikers along this watershed under restoration, a community asset according to the vision that we set out 10 years ago when we started to work on this plot of land seeing the potential. The corridor continues to attract dumping and camping, a lot of activities that make nearby residents, adjacent property owners for the right of way quite nervous about the way things are going. We support getting the pilot program started, plan to utilize it as soon as possible. We think it is well thought out and fair. And we see a lot of benefits to educating adjacent land owners about liability and maintenance issues and gray areas as it has been mentioned. Adjacent land owners really have no idea about. We plan to get started on this trails process as soon as we can, and we see it as a way to really increase safety of the corridor so that we can realize an important part of our community vision in making this not just a wildlife connective corridor between natural areas but a human connection corridor as well. Thank you.

**Hales:** Thank you very much.

**Rick Nitti:** Mayor, commissioners, I live and work in southwest Portland where I live there are no sidewalks, the streets are curved and hilly. My wife and I walk the trails every day. I don't feel safe competing with cars while walking neighborhood streets. As executive director of neighborhood house and the sun system for southwest Portland, I have a particular concern for the safety of children, low income people and particularly our neighbors of color walking to school and community services. Trails provide a safe alternative for children and other pedestrians. As a lead partner with home forward for Steven's creek crossing, I know how valuable the Stevens creek crossing -- the trails are for them in their access and walking safely to Robert gray middle school. While I feel the public process is important, I would urge that the pilot protect public rights of way and not allow a small group of property owners with veto power that will restrict the development of new trails my property is adjacent to an unfinished public right of way. I enjoy the benefits that that provides me but as a property owner, I know the public has the right to use it.



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That right predates my property ownership. I believe I should have input into plans that change it, but I also believe that I should not have the right to veto that planned use. Others like me should also not have that right. I support the trails amendment. Southwest trails amendment and urge you to consider them. Thank you.

**Hales:** Thank you. Thank you all.

**Moore-Love:** The last three. [names being read]

**Hales:** Good morning. Go ahead while they're getting settled.

**Trudi Raz Frengle:** Okay. We have been around southwest Portland for, I don't know, 130 years and dealing with trails and whatnot, but I want to make the point --

**Hales:** Put your name in the record first.

**Raz Frengle:** What is that?

**Hales:** Put your name in the record.

**Raz Frengle:** Trudi Raz Frengle. I'm just going to make this point as my dad -- as we all have felt through the years, Oregon beaches are for public use available for all. As Oregonians, we are proud of that fact. This same -- this same principle must continue to apply to Portland right of ways. Right of ways in Portland belong to the public. Adjacent homeowners should not have the right to -- to veto power. Homeowners should not be able to land grab. It is for the public. Thank you.

**Hales:** Thank you very much. John, I think you get the last word.

**John Gibbon:** Yes, my name is John Gibbon, southwest Portland. I am giving you a map that shows you a Google map of the Quail Creek -- Quail Park Creek Trail, dotted line across it, that's a private homeowners' association trail but it relies on right of way, unimproved right of way on 30th for access on the west end. My concern is we need -- we are in the process of doing repair and upgrade to this trail. We're getting ready to go through, early advice with all of these agencies. What I'm concerned about is that West Multnomah Soil and Water Conservation District has committed to help us do additional work in the creek, which adjoins the trail and one of their concerns is the way that some parts of the trail cross the creek, and they have suggested that it might be better that part of the trail or all -- a portion of the trail be put on the unimproved portion of southwest 30th. I don't think that this kind of a project should get sucked up into this important but different kind of situation, and I would like to suggest that if you're dealing with a private trail being repaired and staff in that first bubble says maybe you ought to use southwest 30th, that we get it cut down to no more than just simple notification through the neighborhood associations that we're going to use the right of way and beyond that, I would say if you want to go farther, that then you ought to put the burden of proof on the adjacent owners to show that they really have an interest in the right of way. The properties that would be along southwest 30th adjoining mine are not the only right of way that exists as right of way dedicated from our subdivision, the other properties were developed on a flag lot on the other side and they were not required to dedicate. I don't see how owners that don't have any dog in the fight, so to speak, didn't contribute anything to the right of way ought to have the veto power. That's my concern and I appreciate the opportunity to speak to you.

**Hales:** Thank you very much. Okay. Commissioner Novick, do you want to bring staff back up for any questions or --

**Novick:** Sure. Sara?

**Hales:** And questions from council.

**Fritz:** I have a suggestion. I think it is another friendly amendment, Commissioner. I was intrigued by especially Arlene's discussion of how difficult it can be to notify adjacent neighbors and I'm looking at the southwest trails policy requests, their number one requests, and I'm thinking it might be -- the city has -- relatively easy for us to find out the addresses of homeowners because we do it all of the time in land use and such. When

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commissioner Fish did his policy changing the surplus property sales process, we added a clause that said -- that the notice would be mailed in languages common to the area as identified to the -- by the office of neighborhood involvement. I'm wondering if a friendly amendment might be that when the trail proposal has been approved by city bureaus, a letter will be sent to each property owner adjacent to the right of way, explaining in languages common to the area as identified by oni, owner's responsibility, blah, blah, blah, the rest of the paragraph. Giving a little bit of the burden on the city to send that notice as well as then give the trails group or adjacent neighbors and would also include and giving information about when neighborhood meetings are. I think that that would maybe strike a little bit more balance with the city having a little bit of responsibility and assistance without changing the balance of what you have proposed too greatly.

**Novick:** Do we think we can do that?

**Schooley:** I think that is definitely possible. In developing the community involvement section -- I can continue to work with him to make sure that I have the right language down for the right areas and follow probably the model that oni has been fabulous at doing throughout the neighborhood.

**Fish:** I like the spirit of that friendly amendment, but i'm not entirely clear after looking at the exhibits what the liability is of the adjacent property, and, if anything, I think the legal memo we have been given muddies the water greatly. I would want to be sure that if the city is putting someone on notice that they may have liability, that that is a very carefully constructed document, because the memo that Mr. Fry put in the record raises a host of questions. I understand generally plaintiffs and torts, plaintiffs' lawyers sue everybody and they throw the kitchen sink in. I think we are going to have to be very careful what we describe as potential liability because I don't think this is a very settled area and I think we will see lawyers testing the limits. We have to be careful that we are not appeared to be giving legal advice or misleading advice when it comes to --

**Fritz:** I would defer on one of the lawyers on the council about that. The advantage of us sending the letter, we can be carefully have a city attorney review it before it is sent so that it is in our opinion what is legally defensible versus somebody like me going to somebody's door and paraphrasing without the legal background.

**Hales:** Commissioner novick.

**Novick:** I hope we can come up with language which is informative and cautious. I think we do need to address the liability issue. And we will have to work closely with the city attorney to figure out whether there is something we can say that is definitive.

**Fritz:** I'm not -- when I say blah, blah blah, not necessarily use the rest of the language. A mailing to let them know this is your proposal, go to the neighborhood association and possibly have something in there about --

**Hales:** We have some agreement about additional amendments here perhaps. We have a legal issue that I think needs a little more work. I would rather not act on this today unless you're very eager to do so, commissioner. But instead give them a chance to capture what commissioner Fritz has written in to her copy of the testimony and come back with this revised, but what's the sense of the council? Do you want to act on this with the friendly amendments and other amendments on the table or do you want to continue it and give staff a chance to digest that a bit.

**Fritz:** First the commissioner in charge.

**Novick:** Well, we've waited 15 years. I guess maybe we could wait a little longer. Staff, what do you think, do you think we can reasonably take time to ponder some of the issues a little more?

**Schooley:** Yeah, I think most of the amendments proposed would be easy to complete fairly quickly or we would be able to identify these are the people that will be working with. I

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think the one commissioner Fritz just proposed about the language and working with the attorney, I think that is one that will take a little more work than some of the others. That said, the resolution does have us starting January 1st. We have a couple of months between now and then to address these amendments.

**Fish:** Mayor, if we follow that path, we will be coming back with just a single exhibit of amendments that have a sense of the council and only testimony taken at that point, any specific evidence about the drafting of those amendments.

**Hales:** That's correct. We would not simply continue the hearing. We would close the hearing on the resolution as proposed. Come back and take action on the amendments, and if someone wants to testify on the amendments, they would be able to do so. Does that suit?

**Saltzman:** Yeah, two questions I want to get clarified before we move on. So, when commissioner Fritz and commissioner novick had the dialogue about adding a paragraph at the end of the report saying that the bureau of transportation has the ultimate authority to decide whether a trail is granted, so that means if there is not 50% petition support or 75% petition support, bureau of transportation can still issue the permits.

**Schooley:** Correct. In essence, really this process, you know, like most city processes, purely advisory to help you all as council and us as staff makes decisions. I think that last paragraph would be explaining that, that we are using this process to help direct staff as to what direction to take on these unimproved rights of way but ultimately pbob director and commissioner have final say on what goes forward.

**Fish:** Testimony of Ms. Duncan about the paragraph in this report that says all existing trails must get permits in order to come under the liability exclusion. So, that's our position.

**Schooley:** Well, that's true.

**Saltzman:** It's true.

**schooley:** That's true.

**Saltzman:** Nobody disputes that?

**Schooley:** Correct.

**Saltzman:** Okay.

**Hales:** So, maybe two weeks hence -- what do you think?

**Novick:** That should do it.

**Schooley:** I think two weeks we should be able to either address them or tell you what steps we're taking to address maybe some of the bigger tasks.

**Hales:** We will ask that those amendments be prepared. We will schedule this for two weeks hence for council action on the amendments. I want to thank everybody for testifying on this today. Obviously a lot of great interest in the community about how to do this right. I hope that the council's effort on this today has helped persuade at least more of you that we are trying to do it right but we appreciate the good dialogue and huge amount of effort that people have been putting into trails in our city. Thank you very much. We will continue this for two weeks for that purpose. [gavel pounded]

**Hales:** Thank you. A couple of items in which we have people here to speak and I want to try to take those in turn quickly so that they can get back to their lives and so that the council can deal with those. 1043 and 1048. So, without objection, i'm going to take 1043 first and then we will jump further into the regular agenda from there. Let's take 1043 please.

**Item 1043.**

**Hales:** Folks, I know there is a lot of discussion, but if you can have it outside, we can keep moving. Okay. We have the city's attorney office and dr. Mike Newcomb from legacy here. Thank you for waiting. Folks, can we hear the folks here to speak, please. Gregarious bunch, these trails people. Ellen, take it away.

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**Ellen Osoinach, City Attorney:** Ellen Osoinach from the city attorney's office, senior deputy city attorney and lead attorney on the doj settlement agreement. I have been asked to briefly introduce this topic, how it relates to the doj settlement agreement but I want to stress from the outset this project is over and above what is required by the doj settlement agreement and represents the city's effort to be a good partner and -- but it does relate to the settlement agreement in that the city agreed to participate with its partners in the health care community to explore the possibility of creating more community-based mental health services. As you all were aware and members of the public probably are aware, the responsibility for providing community mental health services rests with the county. Nevertheless, as part of our settlement with the department of justice, city has an interest on not only in providing for the citizens but also in being an effective partner in the provision of the police officer -- police services. Component we do not control is the resources in the community for community-based mental health services. We memorialized in our own agreement our commitment to continue working with partners to provide those services so that our police reform efforts would be more successful and the citizens in our community would have access to the important community-based mental health services that would both treat, prevent, and hook them up with services to address the mental health crises. I'm pleased to have this come before you today and so pleased that legacy has been such an amazing partner. That is all I have to say but I am happy to answer any questions that you all may have.

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

**Dr. Mike Newcomb:** Thank you for letting us have the opportunity to talk on this community center for behavior health. Dr. Mike Newcomb, chief operating officer for legacy health. A quick update, since I think we have met with all of you and you're familiar with the project, but the unity center for behavioral health is a collaboration between legacy, ohsu, kaiser, adventist to build a 101-bed in patient mental health facility associated with a dedicated psychiatric emergency room where patients can be seen 24 hours a day, 365 days a year by mental health care professionals to include psychiatrists to be assessed, evaluated and treated in a facility dedicated to treating nothing but patients with mental health conditions. In addition, this facility will provide space for many of the community mental health resources that exist right now so that they can interact with patients before they're discharged either from the psychiatric emergency service or from the in-patient facilities. Both the patients will know who is going to be -- who they will be following up with and the organizations will get a chance to meet those patients before they see them for the first time. And also this facility will be staffed with peers, people who have gone through a mental health crisis themselves, have received additional training in how to interact with these patients, and will then act as the liaison with the patients once they're discharged to make sure that they're able to get medications that they need, that they're not having problems with those, that they're getting services that they need on an outpatient and importantly to act as a liaison to make sure that the patient gets to that first follow-up appointment with a community resource that it is going to be following up with. Pleased to announce that the definitive legally-binding joint operating agreement between legacy, ohsu, kaiser, adventist has been signed by all parties. Moving forward as we speak with the architectural design of the holiday park facility for both the psychiatric emergency room and the 101 in-patient beds that will be equipping and building out there. About a \$40 million project that legacy is dedicated to raising through community resources. And I think it is very important to point out that this is not a project of legacy ohsu, kaiser, adventist, this is a community-based project. We have many, many partners in this to include all three counties and obviously very, very pleased by the participation that the city has shown in this. The ancillary benefits of this entire project are many. But I think it is worth really

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mentioning that one of the things that we're trying to do is help decriminalize the people who have mental health problems, and consequently it gives us an opportunity to work not only with the city police and the county sheriff's departments, but also with the ems services so that when our police and county sheriffs do interact with a patient exhibiting mental health problems, rather than putting them in a police vehicle or transporting them to an emergency room or a -- or jail, in the majority of cases they will be able to call ems, ems will come and do a quick triage of the patients in the field to determine if they have a medical condition that might mean that they do need to go to a regular emergency room, but barring that, based on the protocols that have been developed with ems, that they would then be taken directly to the psychiatric emergency room by ems rather than by police or sheriff's vehicles. I think this is a huge step forward for the community and a huge step forward I think for all of us. And we will see patients in the psychiatric ed or in-patient side regardless of their ability to pay and regardless of how they get there, whether they walk in or brought in by family members, friends, by ambulance, or for that matter brought in by police or sheriff's vehicles. We will take them no matter how they get there. And just wanted to give you that quick update. Things moving forward. Pretty much on schedule and looking forward to opening this grant facility and hope to see you all at that opening in November or early December of 2016. With that, sir, I would open to any questions that you might have.

**Hales:** Questions for Dr. Newcomb or --

**Saltzman:** Yeah, Dr. Newcomb you mentioned the other counties, Washington and Clackamas counties, are they financially participating?

**Newcomb:** Yes, all three are financially participating in this as well.

**Saltzman:** On the beds, so, people will spend more than 24 hours or not?

**Newcomb:** Actually, in the -- the intent of the psychiatric emergency room is to do that assessment and intensive treatment and the intent is within 24 hours to be able to make a determination about whether the patients can be safely discharged back to the community or whether the patient will need in patient mental health services. Obviously if that determination is made, they will be admitted into the facility directly.

**Saltzman:** Into the same --

**Newcomb:** Into the building. All in the same physical building.

**Hales:** 101 beds total.

**Newcomb:** Yes, sir.

**Saltzman:** For a family member to bring another family member or to bring a friend, it doesn't require a police hold if they are objecting to coming in there or --

**Newcomb:** Actually, continue safety holds or determinations of mental illness holds as is appropriate. One of the things that we're planning on building within this facility is a courtroom, if you will. Actually a space where attorneys and judges can come in if a legal commitment needs to be made, involuntary commitment so we don't have to take the patient to the court. The court would come to the patient in this case.

**Hales:** Thank you.

**Fish:** Thank you for being here and taking the lead on this. I think this is a significant step forward, but there is still a gap. And the gap occurs when someone is discharged. Discharging people on to the street in some instances with no place to go. What do you see as the opportunity for the coordinated care organizations to collectively work with the state to identify additional resources so that we could also focus on legacy housing that is - - that is the bridge from someone being discharged to having a safe and stable place to live?

**Newcomb:** That's a great question. The unity center for behavioral health doesn't solve all of the problems that we have with mental health, people with mental health conditions and

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housing, one of the social determinants of health, if you will, housing is a huge, huge issue. I think many people. The city obviously recognizes that, Multnomah County in particular recognizes that as does the state. We will continue to advocate for additional funds for transitional housing. Indeed, before I came here this morning, congressman earl Blumenauer was touring the facility and representatives from central city concern and talking about transitional housing as something that we really do need for the state to address and indeed the federal government for as much as they can help us with that. It is a big, big need. We don't have a pure answer for you. I don't have an answer for you today but what we will do with people homeless, ready to be discharged and have nowhere else to go, but one of the -- we have over 20 work groups who are working at various and sundry aspects of the unity center of how we are developing it and setting it up, one of the 20 work groups is a transitions work group. And that, as I was informed this morning, there are over 40 different organizations that are a part of the transitions work group. Many of them community resources like central city concern and Cascadia and life northwest. They have representatives on this work group. We are trying to work together to figure out the answer to that question as best we can.

**Fish:** That is very encouraging, sir. Once upon a time we were hoping that the affordable care act had a housing dividend. Still trying to work that out. Now we have some money in Salem that is redundant accounting that the ccos have identified, maybe as much as \$38 million. And I think you and Kaiser and all of your peers understand to the extent that someone can be safely discharged and doesn't get back into your emergency care system or the high cost system but is stabilized and then gets care, it is good for your business model, good for the community, and most important over the long term better for the patient. So, I hope that on this one we can hook up with the city's legislative agenda this year. Because I think we may have an interesting convergence where the ccos, the state, and the city all share the same goal in identifying those resources to provide the continuum --

**Newcomb:** Couldn't agree with you more, commissioner Fish. And I think that is a great idea. We will work with you on that.

**Hales:** Under the home for everyone consortium, city, county, the housing authority home forward and other partners are working together and we have, of course, declared a state of emergency to highlight the issue and to move more quickly. I know chair kafoury shares my belief that we should be working with you and all of the partners to get the housing piece in place, a couple of distinguished state legislators in the room. I noticed that the senator was following this discussion with interest because I know that she has the interest. Legislature appropriated some funding last session for supportive housing for people dealing with mental illness. Can't think of a better project myself and I hope they can't either to make sure that those funds are applied to filling that gap and so that instead of now getting people out of a revolving door of being brought to a general purpose er in a police car, we're going to do better than that with this consortium, but as they leave, we don't want them to repeat that cycle of getting back in a police car or back to the unity center even. This is an opportunity to break the cycle. We have to put all of the pieces in place to do so. This is huge. Commissioner Saltzman highlighted this, we have three counties, city of Portland, four hospital groups all doing more than we promised to do in our department of justice settlement, you know, provisions 89 and 90 say the United States expects that the city of Portland and its partners will do this. And we're doing it and more and i'm really --

**Newcomb:** Mr. Mayor, this is a nationally unique project. Never before have four competitor organizations, counties, cities, community-based facilities, the state, all contributed and all come together to put together a project like this with these four

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elements in the project, in-patient services, emergency behavioral health services, peer support services, community resource center, nobody has ever done it like this before and I think you are going to find that putting this together, with, again, the continued work that we are going to have to do with some of the gaps that this isn't going to fill, people will come from across the country --

**Fish:** Let's be clear, I don't want the senator to break out in hives. We are not talking about general fund resources, we are talking about the equivalent of the residual reserves tapped in the preservation agenda, an abundance of funds in a reserve that had controlled that we liberated to do affordable housing. This is an example of an abundance of reserves that the health care organizations have had to set aside that can be tapped administratively or legislatively to fund this housing and that is the beauty of it and it will have a positive impact on driving down health care costs.

**Hales:** I believe also additional state appropriation involved. But we will get into that later. Before us now is the process of authorizing this piece of the picture which thanks to your good work and our partnership we actually do have funded. Thank you. Questions, concerns, issues?

**Fritz:** I want to thank you for your work on this. My husband and I started our careers in mental health care in 1986 in Portland. This is the first time that I have felt sincerely optimistic or cautiously optimistic that we might be starting to put together a system. As you have mentioned, it is only a part of a gap free system one of the challenges is the lack of health care providers in mental health care. If you have good insurance, call to get an appointments, it could take three months to speak with a licensed medical provider. I know you are having difficulty recruiting qualified to cover not only the unity, state hospital, and other components of the system and for all of its good intentions, this facility does decrease the number of adult beds available to the people of Portland I commend the work that you are doing, particularly the doctor leading it. I appreciate being on the steering committee or cabinet looking at all of the issues. It is going to take general fund revenue from the state and elsewhere to truly provide all of the pieces that need to be provided. You cannot possibly, as private providers, be expected to do that. It is ground-breaking, however, that the -- the private providers partnering with input from providence and others and also that the public agencies are at the table valued, including communities of color. I think the doctor is doing a fantastic job and I appreciate the mayor dedicating some of our resources to it. I think there is a tendency to perhaps think that this is going to be it. That we're done after this. And it is not it. It is just part of it. And I really appreciate your partnership.

**Newcomb:** Thank you, Commissioner Fritz. And thank you for those kind words about dr. Farentino and I will definitely pass those along to her. She has done a phenomenal job getting us to where we are today and getting us to opening. Thank you.

**Hales:** Thank you both very much. Anyone else that wants to speak on this item before we take action?

**Moore-Love:** Signed up last time.

**Hales:** It was continued from last week. Charles, go ahead.

**Charles Johnson:** Good afternoon, commissioners. I think we will start with highlighting the remarks that Ms. Fritz made. I had the opportunity to receive services on the fourth floor of legacy's good Samaritan hospital a few years ago and so I do hope there will be further public discussion about if we have 101 beds at a new facility, what does that mean -- does that mean that the beds at legacy are closed and folded in and abandoned and what is the net loss for adult beds? I know that these systems, greatly appreciate Dr. Newcomb's involvement as a coo making this happen when he is part of a large health system. We also -- benefiting from commissioner Fish's remark about the problem of

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discharge. When I was discharged from good Sam fourth floor, I was given some tickets to a -- to waive the \$5 fee to sleep on a floor on a mat adjacent to another mat. Fortunately I survived until the 17th when I connected with ohsu and got some honored citizen transportation, but the discharging is going to require everybody in the community to open their hearts and minds to make sure that when a person goes in for psychiatric episode and has a psychiatric history, they don't have to spare change on the corners of Portland to get bus fare to go back and forth to their care. When they're discharged, recognized that they have at least a short-term disability, need at least seven to thirty days of bus fare to get to and from the psychiatric support services. I hope that when we look at the huge picture of the cost of this 101 bed facility as it relates to the doj, we look at the fine details are what the likelihood of success are for our neighbors based on the nitty-gritty of support and things like those. As you know, I often participate with groups that set high standards for city government and mostly we have negative things to say about you all but i'm appreciative of this work done towards the department of justice settlement particularly as it concerns mental health people and I hope that this energy will manifest and continue to slow to having a less racist, less problematic policing system for all of our citizens. Thank you.

**Hales:** Thanks very much. Roll call vote.

**Fritz:** I think it moves to second reading --

**Hales:** I thought it was previous agenda.

**Fritz:** You pulled it back to --

**Moore-Love:** Technically had the title read last week.

**Hales:** I think we can vote this week. We can. A scrivener's error, section 1, 102, it should say 101. Without objection -- 101 acute in-patient beds in this facility. Always were. Number was wrong in the ordinance. Let's -- since we're clear to take a vote, let's proceed and do that, please.

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

**Saltzman:** Well, I really want to thank the city council for our contribution to the unity center, but I really want to thank legacy and ohsu and kaiser and adventist hospitals for stepping up and doing something that is so critically needed for this community and to have the partnership with the other counties. This is going to be a great, great facility. We need to figure out the post-discharge housing and certainly the Portland housing bureau stands ready to participate in these conversations. And allocate resources as we may have available. But this is really an outstanding step forward and appreciate your leadership mayor. Aye.

**Hales:** I get to see the process every day. I get buzzed about it on this thing in the middle of the night when our police officers under our approach to mental health, which is so different now than it was before the department of justice settlement, day after day, night after night, deescalating mental health crisis. We have had 609 enhanced crisis intervention training incidents. Only one of them involved a use of force. That's amazing. And it is amazing progress from the Portland police bureau and I want to salute the leadership of the bureau for the progress made. I want to salute the captain Mike and mary claire buckley and my -- deanna weston mitchell for working to help bring this idea forward. This is as we heard here today, this is path-breaking work. This is not just going to be a national model. That's nice. It is nice to be a national model, but it will be much more humane and much more effective treatment for people in mental health crisis in our city. The last place somebody in a mental health crisis should be is in the back of a police car. We are putting them there more gently now. That's still not good enough. Where they should be is in a facility like this and they should be coming out the back door of this facility into supportive housing. So, that's the vision that we're working towards and thanks to this



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amazing partnership of hospitals and local governments, we're doing something really good here and i'm really proud of our community and i'm proud of this council for stepping up and funding our contribution in dollars to this effort. There is a lot more than dollars that we will need to do next, but I really appreciate this and I can't wait until this is how we're treating people in our community who need help. Aye. [gavel pounded]

**Hales:** Thank you very much.

**Moore-Love:** Mr. Fish would like to vote.

**Hales:** Sorry, commissioner you were out of the room.

**Fish:** Very proud to support this -- acknowledging that three of the four partners have provided outstanding care to my family during tough times and so these are the right partners. I look forward to the day that we can also support the unity housing -- thank you, mayor, and thanks to everyone who brought this day forward. Aye.

**Hales:** Thank you all. Let's now move to -- we have some distinguished guests waiting. Let's move on to item 1048, please.

**Item 1048.**

**Hales:** Okay. Let's see. We're going to call on state legislators first.

**Fish:** Before we do that --

**Hales:** I'm sorry. I was getting some instructions from staff. You have read the item.

**Moore-Love:** Not the full title, i'm sorry.

**Hales:** Commissioner Fritz.

**Fritz:** Thank you. This is the fourth hearing we have had on this issue in recent months. We just want to summarize and remind everybody how we came to today and what we're doing today. First of all, I appreciate our state legislators, particularly senator Burdick and representative -- who afforded the city with the opportunity and authority to tailor our rules to fit our locality in addition to abiding by the state laws on recreational marijuana sales. That's what we have been working together to do with great community input from both neighborhoods and industry representatives over the past several months. Town halls, and this is the fourth public hearing. Reiterate what our values are as we have been looking to authorize and regulate the sales of recreational marijuana. First of all, we didn't want to be overly burdensome. Recognized that the voters passed measure 91, 72%, almost as good as the parks fund but not quite. And that this is now something that is a legal substance in our community. We wanted to protect the medical patient's access that this council has been strongly in favor of medical marijuana since it was first authorized and we want to make sure that medical patients continue to get access to medications that they need. To the extent of that, we wanted to give preferential treatment to dispensaries serving patients for some time. We appreciate the service that they have given to our opportunity and by and large we have had very few complaints about their operations. Council decided that we wanted to avoid saturation by setting not only the 1,000 foot buffer between like organizations, dispensaries, versus dispensaries, and retailers versus retailers, but we wanted to extend that courtesy, 1,000 foot buffer, to avoid saturation in the neighborhoods and again to give an additional benefit for existing medical dispensaries. We have heard from the industry that that was something that they wanted and we wanted to maintain opportunities for new businesses to compete for size on a level playing field and we have structured the application process to do that. And then we have some further discussions since the last hearing on how much of a leg up, if any, do we want to give businesses who have begun participating in the process that are not yet actively providing care to medical patients? The amendments that were published in the council agenda are a product of the discussions over the past week. We did do what commissioner Fish asked us to do and locked everybody in the room for four hours and had a second meeting and had significant discussions with the task force and others. The amendments that we have on the table,

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first of all, amend the hours of operations from 7:00 a.m. To 9:00 p.m., 8:00 a.m. To 10:00 p.m. Language recently adopted, Oregon liquor control commission, olcc rules. First amendment. We haven't heard too much controversy over that one. Second one that we published on Friday is an amendment to city code sub-section 14-b 130040-d, new subsection 4, which provides for additional business dispensaries that are currently operating and allows for them to convert to -- to have a five-day -- business day window to convert from a medical dispensary to a recreational dispensary, essentially jumping the queue. Those were the amendments that we have on the table. We have an additional proposed change, a couple of additional proposed changes as a result of a continued negotiations, in fact, I thank commissioner novick for the extra longs trails hearing. That worked out really well for refining this. Those of you who were not party to the conversations. This is new. I hope it addresses some of the concerns that we have heard. This would be an additional amendment to subsection 14-b, 130040-d2a, which would allow the grandfathering of the distance requirement, not only for the previous dispensaries that we already mentioned, change the date of being in good standing with Oregon health authority, instead of just -- of january 1st, we are going to change it to July 1st of 2015. That's any registered operating in good standing with the Oregon health authority dispensary since -- on July 1st, 2015, also grandfathered in, plus we're adding -- proposing to add a hardship clause following that saying that registered and in good standing dispensaries with the Oregon health authority before september 30th, 2015, may be included if the director finds that the applicant demonstrates that they have incurred significant financial obligations prior to that date. Including entering a lease, hiring employees, and obtaining fixtures and equipment. This recognizes there are some businesses that have in good faith been working with the system and gone through a significant extent that may not yet actually have opened their doors to patients as of September 30th. In order to make those two amendments work, we're also proposing to amend c in that section to change the date that the medical dispensary has to have a valid city of Portland business license to July 1st of 2015.

**Hales:** Commissioner Fritz moves the amendments.

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

**Hales:** Discuss, please.

**Fish:** We have other amendments.

**Fritz:** Can we vote on each one?

**Hales:** We should take action on these unless there is something in conflict --

**Fish:** I think you will want to have all four amendments on the table.

**Hales:** Let's discuss this --

**Fish:** I'm just trying to keep track of everything and hopefully provide some guidance for the public. We have published amendments, I think we should call the oni package --

**Hales:** The once Commissioner Fritz just described.

**Fish:** We have the two, hours of operation and other change to 040. That is the package that was published. Commissioner Fritz just put her amendment on the table. I will call that the Fritz amendment. I would like to offer the Fish amendment and Karla, if you could circulate that.

**Hales:** Okay.

**Fritz:** At this point, may I have staff come up?

**Fish:** Walters, could you come up, too?

**Novick:** Can I ask Commissioner Fritz a question about her amendment? The subsection - significant financial obligations prior to that date including entering a lease, hiring employees, and obtaining fixtures and equipment. The way I would read that is if you have

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to have done all three. And I was wondering if that was the intent. Or what you meant was such as entering a lease, hiring employees, or obtaining pictures --

**Fritz:** Ben Walters, city attorney.

**Ben Walters, Chief Deputy City Attorney:** Ben Walters, city attorney's office.

Commissioner Novick, I believe it was the former that they would be cumulative, but it is up to the council's to make a determination as to whether it should be one or the other. But as drafted, it was intended to be cumulative.

**Hales:** Commissioner Fish, do you want to proceed?

**Fish:** Mayor, I would like to put before you and my colleagues -- we will call it the Fish amendment, and provide you some context before we open it up. First of all, I deeply appreciate the way commissioner Fritz and Teresa and staff have been navigating this process. It is a complicated issue. And I'm reminded that John Muir once said that everything is connected. That has great application in the world but the legislative process. When you make little change here, it has ripple effects there and so we're trying to be comprehensive in our view. Teresa, I think you have navigated this process through some choppy waters very successfully to get to this point. I view this end game and the debate as a healthy byproduct of the -- we are going to make decisions and they are decisions that have value propositions and that uniquely is within the council's prerogative to decide which approach. The amendment that I put on the table and discussed request commissioner Fritz yesterday is designed to get at a concern that I have. To step back for a second, two major events that are looming on the horizon. One is getting through the licensing process of the city. And we have very stringent requirements. I'm not proposing to interfere with that process currently. But the second is deciding who goes to the head of the line, to the front of the line when we open things up based on some recognition that people who have made investments and have operated responsibly shouldn't be put into the same pot with everybody else and at risk if they are randomly not first, second, third in line, of being subject to the thousand foot rule and then essentially put out of business. We're trying to come up with a reasonable set of rules that recognizes that good actors who have made some kind of investment ought not to be put at a disadvantage in the process to follow, which is a competitive process. My concern with folks that have made an investment, changed their circumstance, gone down the road who might be put out of business under the current framework. I deeply appreciate that Commissioner Fritz in her amendment has narrowed the gap between the two approaches pretty significantly. And, so, she is suggesting July 1st, 2015, with a hardship that -- process which would make exceptions for people up to September 30th, 2015. In essence, what I'm proposing is we move it all of the way to the end of the year. And create a slightly more flexible process and one that doesn't disadvantage folks who made an investment without distinguishing between the -- what we have agreed is to put the amendment on the table, take testimony, and then decide which is the preferred approach. My amendment is designed to eliminate the barrier to -- even with the Fritz amendment, which would prevent someone who made a significant investment from going to the head of the line, where we say certain classes of people get first dibs. That's the intent. It has been reviewed by council. Hopefully I haven't mangled the explanation too much and I would offer the amendment.

**Hales:** Second.

**Saltzman:** Second. And I have an amendment.

**Hales:** Questions, discussions --

**Fritz:** I would like to discuss that amendment. First of all, you just said something different, commissioner Fish, that you said something about the grandfathering going through the end of the year. The issue is that we're going to be issuing recreational licenses in December. So, if your intent that anybody who gets -- this amendment, we already

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require -- we don't issue licenses. The code that the council has already adopted says that they have to have a valid license from the state before they were going to actually issue their license. So, this is -- we think confusing. I need to clarify that my amendment says that those who are in good standing by September 30th, and prove that they have had the investment do get to jump the line.

**Fish:** Right.

**Fritz:** Yours doesn't do that.

**Fish:** Well, the intent of our approach is to close the gap between September 30th and whatever date December, end of the year, so that we're not -- those category of businesses would not be left to the vagaries of a -- seeing who is first in line. Certainly we're open to clarifying that. The -- I acknowledge the point that you make about the existing language in the code. My reading of that language though is that -- that is in the section that goes to the administrative process of determining whether to issue a license. We're talking about here who gets the preferential opportunity to compete for a license. I think there are two different sections of the code.

**Fritz:** I don't understand how your amendment does that.

**Hales:** Maybe we can get staff and legal counsel analysis as we proceed about how these amendments affect each other now that we are getting them all on the table. We will have a chance to do that now and after we take some testimony. We have other amendments. Let's keep going in this process and get everything out here and I want to hear from the legislators who are here and members of the public. We have copies out here --

**Saltzman:** Copies were filed with the Tuesday memo. They should be in your packet. I know how I misplace things --

**Hales:** Okay.

**Saltzman:** Pass one down to Steve there.

**Hales:** Extra copies for people in the community trying to follow this. That probably would be helpful for them.

**Saltzman:** My amendment is quite simple. I would like to brief this in context. It is pretty simple and simply says in the central city area, clearly defined geographic area in the zoning code, i-405 loop and Lloyd district, but it would remove the thousand foot separation requirement for retail establishments in that central city area. I do think -- green light district has been applied to this by the media, this isn't quite what this is about. It really is a recognition that central city. We invest millions in making sure people get downtown to work, to live, great state that we have all of those attributes, and I don't think the saturation issue applies to the central city like it may apply in some neighborhoods. That's why I'm proposing to lift it. We should be encouraging competition, encouraging the businesses to open in the central city and the other aspects of it, quite frankly is that, you know, I think our actions, state actions, voters, state legislature, our actions have really the potential to establish a green tourism of entirely different sort. I think we will have people coming here from other cities who want to appreciate what we have done here in Oregon and I think making retail marijuana accessible in our central city where our hotels, restaurants are, makes a lot of sense. It is not an intent to -- I don't think there is any downside to it. I think it is strictly a -- that is what my amendment proposes, simple elimination of the 1,000 foot boundary in the central city core.

**Hales:** Is there a second? I'll second it for purposes of discussion and public testimony.

**Saltzman:** Thank you.

**Hales:** All right. Other amendments. Now, we have those amendments on the table. Any particular requests for staff at this juncture? If not, we will have them stand by and then let me call up our state legislators who have been waiting patiently for the opportunity to give

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us guidance from state's perspective from this. I believe you're all here or at least a couple of you are still here. Come on up, please. Good afternoon.

\*\*\*\*\*: Good afternoon.

**Hales:** Welcome.

**Senator Ginny Burdick, Dist. 18:** Thank you, mayor hales, members of the council. For the record I'm Ginny Burdick, I represent the people of senate district 18, which happens to include city hall. I'm also co-chair with my colleague here, representative of the joint committee, no pun intended, on legalization of marijuana. We worked very hard during the legislative session to develop a regulatory legislative framework where cities and counties and local governments can adopt them to their own needs, their own people and their own priorities, including opting out if they choose. Personally very pleased that Portland has taken the difficult path of really trying to make this work for everyone. It's a brand new world out there, and I really appreciate the efforts that you have put in. I particularly appreciate Commissioner Fritz's statement of values. We did that at the very beginning when we were doing the legislative framework and to really keep in mind the priorities that you have what you're really trying to accomplish provides the best possible guidance. We have—I've always seen programs like this that's a partnership between the state and the local government. As most of you know I'm a fervent supporter of local control. I have a high degree of trust in you all to get to good decisions. This is a very complicated issue I will have to say Commissioner Fritz when you mentioned for hearings I thought "aww we could've just done it in four hearings" this is very complicated stuff. The reason I'm here today is because there is one aspect of your rule making that drew my attention and drew the attention of a lot of people who have been working in this area for a long time and that is the issues that was discussed in a couple of these amendments which is the treatment of these amendments which is the treatment of facilities that have already been permitted by the state and have made some kind of investment. I think this falls in the category as far as i'm concerned of those dreaded unintended consequences but it's very serious. I think for those -- I include all of us in this, who want a successful business and a business that responds well to the community, doesn't disrupt the community but also respects the fact that these are small businesses. While government is not in on the other hand we cannot -- we have to navigate very, very carefully so that we don't disadvantage people who in good faith have played by the rules, doing it right, have made the investment. I have no sympathy or care much about people who might be trying to game the system, trying to speculate. What i'm concerned is about the people who have made investments, gotten their permits, which are not cheap. They are \$4,000. That's an investment in itself. So I appreciate what i'm hearing here today, that our concerns are being heard and that people are putting their heads together to try to navigate a solution here that meet the needs of your overall program but still meets the needs of these small entrepreneurs out there trying to create a successful business both in the medical and recreational market. So i'm going to turn it over to my co-chair here and then -- i'll answer questions any time, but.

**Fritz:** I apologize for not having been able to get to both of you our amendments. I'll bring them down so you'll have them in front of you.

**Burdick:** Thank you so much.

**Hales:** Welcome.

**Ann Lininger:** Thank you very much. I'm Ann Lininger, state representative for the city of Portland and Lake Oswego. I have had the pleasure of serving coast guard with senator burdick of the joint legalization committee and it's been important work that we were happy to sort of forward on to you good people for the next step in a complicated process. I want to say I thank you so much for the work that you have undertaken and all the refinements

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that clearly have been under way to meet reasonable concerns expressed in the community as we work through roll-out of how this is going to look in our communities. I used to be a Clackamas county commissioner, so I know firsthand that local communities setting their own path and officials honoring that is crucial. I thank you and honor the fact that you're making decisions that are appropriate for your community and I wanted to raise also some concerns that I have heard because we have heard from a lot of folks who are small business owners trying to play by the rules and launch good businesses in the legal cannabis sector, and one of the concerns we have heard is, gosh, what if the rules that are being implemented by the city of Portland create a situation where someone who has acted in good faith to follow the rules and make an investment in starting a new business and walked down that path inadvertently is boxed out by the sequence of events for getting approvals from the city and from the state. I like what i'm hearing you say in terms of proposals to address that. I have not had a chance to review specific language from some of the proposal described just now but I think the key point is i'm hearing you want to honor the need for reasonable regulation, to address, time, place for good businesses and address and honor the time commitment made by small business owners trying to make a living, provide for their families and help move into a new sector of our economy.

**Fish:** Can we impose on you to stick around for a few moments as experts?

Commissioner Fritz, the proposal that we drafted yesterday was designed to be in lieu of the proposal. You have proposed an amendment and we should focus on your amendment first. It's consistent with the regulatory framework already proposed but see if there's a basis to narrow the difference. So as I read the previous proposal, it said that with respect to the thousand foot rule we were going to grandfather people in under certain circumstances, and one of the key triggers was whether the medical dispensary has been registered, operating in good standing with the Oregon health authority since on or before January 1, 2015. Aha approval since on or before January 1, 2015. The concern raised was about small businesses operating between January 1, 2015, and November 1, 2015, when things get opened up and whether someone who has made an investment, is operating is essentially potentially put out of business because they are not first in line. So your amendment moves that January 1, 2015 date forward to July 15, 2015, so it captures a bunch of folks who have successfully obtained their aha, registered and operating in good standing through July 1. The gap. Furthermore you have proposed a hardship waiver which would capture people potentially up through September 2015. I suggest we not make it cumulative. I think the bar would be too high. It should be suggested in the sub 2 language. We can have that discussion. So what we're really talking about now is potentially a gap between September 30 and November 1, 2015, am I right? That's potentially the gap about someone otherwise registered, operating and in good standing with the aha, but would not be covered by your proposal.

**Fritz:** We're trying to distinguish between medical dispensaries that have been serving patients versus someone trying to jump the line of other recreational businesses who are patiently waiting for December 1 and haven't gone into the Oregon health authority because they have gone to the Oregon control commission.

**Fish:** What we're really talking about now with both the date that you have suggested moving forward and the hardship exemption we're now talking about potentially a gap of someone registered and operating in good standing who would not go to the front of the line on the single issue of the thousand foot rule and its application. That's the only person not covered by your amendment.

**Fritz:** I need staff to weigh in on that.

**Hales:** I think that's right.

**Fish:** Theresa I tried to state it simply. Am I right?

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**Theresa Marchetti, Office of Neighborhood Involvement:** So I think the distinction is anyone registered and operating in good standing after September 30th would be standing in line next to a recreational hopeful that may potentially make investments as well.

**Fish:** Go to rei, get your tent and get there early. First come, first serve. I'm talking about the gap that's left. Commissioner Fritz's amendment closes the gap I had substantially. She's moved the triggering date from January 1, 2015, forward to July 1. That's a big jump. That captures a lot of people who might otherwise be eligible for going to the head of the line over that six-month period. She's built in a hardship process which potentially covers people all the way through September 30. The gap that now exists for people who care about this issue, which is who is impacted by the unified 1,000 foot rule, is between September 30, 2015 and November 1. Am I right?

**Marichetti:** Yes. However, commissioner, I just want to respectfully disagree that that's the only population that's impacted. The business equity part of this is we are trying to establish a level playing field to the extent that we can while also recognizing the existence and value of the medical community. What we're talking about from October 1 on, essentially, is the emerging business, emerging recreational business and who has the first bite at the apple in that arena.

**Fish:** That commissioner Fritz has made clear to me. To me that comes closer to gaming the system as opposed to people that have established relationships with patients and have been operating in the community. So the reason I had this colloquy is I just want to make clear that we have narrowed the gap dramatically. It's my understanding, Commissioner Fritz, your amendment would have otherwise no impact on the licensing process that is established. That all the existing conditions of getting a license including whatever state approval you need is not changed in any way by your amendment.

**Fritz:** Correct, commissioners. If you have your copy of the entire code, if you look at it says license required I think that states no person shall operate without a medical business -- medical dispensary -- c says nobody shall lawfully exist in the city without a state license. I think that's your concern. We have had this so long we captured it long ago.

**Fish:** May I make a suggestion? We're going to get some testimony and have one final chance to get it right and may slap an emergency clause on it. A.

**Fritz:** We don't need to slap an emergency clause on it.

**Fish:** Today is it. We're going to -- I think it might make more sense to have the Fritz amendment be the mark. What would you say as committee chairperson? The markup? We're going to get confused about Fish and Fritz and blah blah blah. I would propose commissioner Fritz's amendment be the amendment on the table. That people who have concerns about its scope address the amendment. I think the amendment actually addresses my concerns. My proposal essentially changed the structure in order to get at the same issue. Commissioner Fritz is now proposing to modify the existing language. I actually think that's cleaner and I think it's a thoughtful proposal. Whether the public in testifying agrees this is the right approach is another matter but I think we should -- I will withdraw my amendment now for purposes of having commissioner Fritz's amendment be the lead on this subject and then reserve the right to offer any tweaks after the testimony.

**Hales:** Done. Any other comments from the two of you in particular about this? Do you see any conflict with what you intended in terms of the state regulatory structure and what we're trying to accomplish here?

**Burdick:** This is moving in the right direction. This is moving toward addressing our concerns. I'm not an expert enough to know how this on the ground will actually play out, but I do know it's moving in the right direction. I would really defer to the people who are going to be affected by this, especially the people who are really doing it right, have a track

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record of doing it right, we saw them a lot when we were building the legislation. We could not have built it without them. I would have listened very carefully to them.

**Fish:** To observe one thing about the process, there was a flurry of amendments yesterday that were discussed then some meetings with all hands on deck talking about them. I really appreciate what commissioner Fritz has done is modified the proposal she was going to come to council with today to address those concerns. Whether this is the perfect solution or a good solution or whether there's a gap we're going to hear from the public on, but I appreciate that this is a substantial change in response to some concerns that have been raised and therefore deserves to be the amendment on the table for consideration.

**Fritz:** Thank you. Thank you, senator Burdick and Representative Lininger. I'm so happy I voted for you. [laughter]

**Fish:** You are the all-powerful majority lead other and i'm a constituent too. I expect lots of pork for southwest Portland. Military bases, the works.

**Burdick:** You probably have expected that -- [audio not understandable]

**Hales:** Further comments?

**Lininger:** Mayor and commissioners, I think the teamwork that is being demonstrated right now among this group is really impressive and an inspiration for all of us who want to see good government and positive decisions move forward.

**Hales:** Thank you both very much. We appreciate you coming today. I think we should take testimony on the Fritz amendment and the Saltzman amendment.

**Novick:** And the package.

**Hales:** The package of amendments before us as modified by the Fritz amendment and by the Saltzman amendment. Hope that's at least clear enough that you know whether you think we're on the right track or not and can give us feedback about that. Let's take testimony again just on the amendments. We would like to try to keep this very focused.

**Fish:** Can we keep a copy at the table so anyone has access to it?

**Moore-Love:** We have a total of 16 people signed up. The first three please come up.

**Hales:** We'll ask you to keep your testimony to two minutes so we can keep council here and get the work done today. I know this is complicated stuff, but please try. Good afternoon.

**Adrian McEldery:** Hello. Adrian McEldery. Thank you, council and mayor, for allowing us to participate in this conversation, in this significant decision you guys are making. To begin with I would just like to start with i'm more interested in fairness and equality for everybody. Like I understand the background and those who have displayed success and everything else have given to the community and have already demonstrated -- the effectiveness and the impact that they will have, but in that sense, this is going to have great economic impact for everybody because if it's grandfathered in or if they get a license tomorrow to begin as a retailer because that's not even being mentioned right now in the sense the dispensary and the medical professionals are basically in complete control of everybody in the sense of the market and the sense of pure capitalism and doesn't exist in my opinion as an individual who smokes weed, not necessarily with the medical license, but it's legal now so I can say that, and -- [laughter] and in a sense like I'm saying', I just know it will have a great impact on Portland as well as throughout the entire state. People come from all over the community to come in -- to comment on this matter. Like i'm saying, the money totally I heard last week on one newscast that 11 million dollars was made, know what I mean. The distribution of that is not necessarily that broad. I'm saying this is pure market forces should control this more than selected people and protected classes. Is primarily my mission. You know what I mean? So I'm saying' I would just like



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to say in order to provide full benefit for people that use I request council members allow everybody access to edibles or oils.

**Hales:** Thank you very much.

**Lynnae Berg:** Good afternoon. I'm Lynnae berg, executive director of downtown clean and safe and vice president of services at the business alliance. I'm here to testify regarding the proposed amendment to allow the 1,000 foot ban in Portland's central city. The downtown clean and safe area is one of the most successful service districts in the nation. Businesses pay a fee to raise money that supplements publicly financed services for neighborhood improvement including cleaning, security, community justice services, and retail recruitment. Unfortunately there's been little if any outreach with any of the participating businesses and residents within the district. We urge that you pull this amendment for further consideration to ensure that it is properly vetted by the many residents and businesses including retailers and hoteliers in the clean and safe district and in our broader central city. We believe because of the new nature of this industry this proposal should be fully vetted by neighborhood associations, retailers, and other businesses in the central city before enacting a special rule that may adversely impact them. Thank you for your consideration.

**Hales:** Thank you.

**Eli Bilton:** Good morning. I'm Eli Bilton, ceo of addis trading company. Very worried about the negative impact this will have on my businesses and others. It will impact my employees unfairly and their families, personally myself and my family. I'm also worried about the contracts, if I'll be in breach of contract if I do on these dispensaries that are being built out now. Also worried about the leases on my preliminary approvals. There's another question I have for the commissioners also, we purchased a dispensary this year and the proposed ruling is ambiguous and unclear. We purchased the dispensary, it was a licensed dispensary before January 2015. Will I be grandfathered in or will I not?

**Hales:** Do you think under this amendment that you will be? That's important I think.

**Bilton:** I believe that I should be, yes.

**Fritz:** Are you operating as a dispensary now?

**Bilton:** Yes. I have three dispensaries operating and two preliminaries in place.

**Fish:** Have you been in good standing with the aha since January 1, 2015?

**Bilton:** Not with all of them.

**Fish:** Any of them? Registered since July 1?

**Bilton:** One of my dispensaries, yes.

**Hales:** Only one is registered? [speaking simultaneously]

**Bilton:** The others will be at risk.

**Fish:** Have you taken steps with the others to do things like enter into a lease, interview employees?

**Bilton:** Yes. I'm worried about my lease agreements.

**Fish:** You might therefore under Commissioner Fritz's proposal be eligible for the hardship exemption.

**Bilton:** Right.

**Fish:** We have to decide whether it's cumulative or illustrative.

**Bilton:** I'm asking for a ruling that any submitted license app to the aha, that it should have priority.

**Hales:** Thank you.

**Saltzman:** I wanted to ask a question to chief Berg. I'm curious you're taking a position against my amendment to lift the 1,000 foot boundary in the central city. You know these establishments do not allow people to consume marijuana on the premises unless you have a medical license and lock yourself behind closed doors. I described what I felt were

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some of the up sides. We have a downtown core. This is where the action is at, where the people are. This is where the tourists are. What harm do you see of establishments being closer than 1,000 feet in the downtown core? What's the downside?

**Berg:** We're not necessarily opposing it, we just think that it need to be vetted more clearly, that this may be lifted, so take plenty of process. I think this is a piece there are one of the ideas is that this will promote tourism. It's a twirky position for the hotels to be put in because people can't consume that product in the hotel rooms. And if people are coming to buy it, how will they consume the product here in Portland in a way that fits within all the current restrictions and guidelines.

**Saltzman:** That's a good point although I think that will be solved very quickly. Hotels will set up smoking rooms and things like that. Its lack of process, use don't necessarily see a downside to retail establishments being closer than 1,000 feet in the central city area.

**Berg:** I don't really feel like I have enough information from our constituents to say whether I think it's a good thing or a bad thing. I just know that people are feeling like it should be discussed more fully. We had a downtown retail council meeting this morning, and a lot of the retailers had many questions, what would this look like on my block, in my building, downtown. There were some residents that had questions that we couldn't answer, so I think having more full and robust process around this question would be very helpful.

**Hales:** Thanks very much. Let's take the next.

**Hales:** I think we'll stop at 1:30 for a break. Welcome.

**Samuel grosz:** Good afternoon, mayor. City commissioners. Thank you for this opportunity to speak. I have spoken to you before about this issue. I'm encouraged that you have listened and the proposals are moving in the right direction. A little.

**Hales:** Put your name in the record, please.

**Grosz:** Samuel grosz. I'm an attorney in the city of Portland. So I appreciate you guys listening and moving forward in the right direction. First of all, with the proposal for the date of grandfathering in for preferential treatment, whichever term we want to use, I would urge that the date be set at the date of which licenses can first be submitted for it in the city. That the hardship clause would extend all the way through that date to capture everybody that might be in that situation. Also, I would urge you to take a look at merely if an oha application was submitted and they had a date stamp submitted and received oha application that that would be sufficient. As opposed to creating a circumspect test that needs to be parsed through. That is a bright line rule. It's easy for the city to ascertain and make a determination. The second I would like to also address the proposal of eliminated 1,000 foot rule within the central city. I think this is a good idea moving forward. It addresses the needs of downtown central core. There's a limited number of available retail spaces due to this concentration of schools in the area and second of all because real estate is extremely challenging in this area because as you are aware of, you can't open up a dispensary where there is a mortgage on the property. So therefore even allowing it they are not going to be a plethora of them because most downtown real estate is backed by a commercial mortgage. I think it does promote the value of tourism and creating a flourishing cannabis industry here in the city of Portland. Thank you.

**Saltzman:** Where did that cruel come from about the mortgage? Is that a state?

**Grosz:** Most mortgages have a clause that says you must be in compliance with all local, state and federal law. If you allow cannabis businesses to operate on your property, you will be in technical default so therefore a lot of times those lenders will call those loans and so therefore large institutional investors will not allow those types of businesses to operate where they have loans or investments.

**Saltzman:** Thanks.

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**Hales:** Thanks very much. Welcome.

**Robert Burk:** Good afternoon. I'm Robert burk. I just have some -- I would like some clarification from Miss Fritz. A couple of items. For starters, what's the definition of a dispensary that's operating in good standing?

**Fritz:** We'll have to address that. We have a definition of dispensary in the code.

**Hales:** We'll clear that up.

**Burk:** We have had a licensed facility since early in the year but we're not operating at the moment. Where am I going to fall in that?

**Fritz:** When did you get your license?

**Burk:** February 20.

**Fritz:** You're good.

**Burk:** My other question is you mentioned valid city of Portland business license by the cutoff date. So we have not during this communication ever register for a business license. So where is that going to put us?

**Fritz:** The intent of the policy is that those who have been serving medical patients do get grandfathered in. So it can -- if you haven't actually been serving medical patients and don't have a business license potentially you would not be grandfathered in.

**Burk:** I would like to make a point of contention with that in that I have been serving medical patients. I have been a grower for a very long time providing dispensaries with the product they sell to patients. So I have -- I have met your requirements. Now we're trying to transition into this other facet of the business, i'm basically going to be told that i'm out of luck because I haven't been operating but I put a lot of money into this. It took six months to get permits between the architect and the city of Portland.

**Fish:** Why do you say you're out of luck? This applies to the section about the 1,000 foot rule. Do you know you are at risk of being bumped by someone else within that 1,000 feet?

**Burk:** Potentially anyone could apply because I didn't register for a business license in time.

**Fish:** It's a competitive process. First come, first serve.

**Hales:** Nothing stopping you from applying now.

**Burk:** I'm in favor of grandfathering I just would like the date to be extended so that I have time to apply for a business license and grandfathered in.

**Hales:** Okay.

**Fritz:** Probably be a good idea to apply for a business license.

**Burk:** I agree. I don't think a minor detail like that should prevent us from being grandfathered in based on what we have done, the service we have offered for patients so far. Maybe you could strike that from the --

**Fritz:** Thank you.

**Hales:** We'll try to get that cleared up one way or the other. Welcome.

**Erin Kennedy:** Thank you. I'm Erin Kennedy, a consultant with aperture consulting group. Formerly I had the privilege of being one of the original inspectors with the dispensary program. I have a perspective of coming from the program that had the massive challenge of regulating a brand new industry so I understand the challenges that come with it and I also understand as an inspector being the messenger and full of met for cal bullet holes all the time, but now on the other side I understand the level of effort that the entrepreneurs in this room and now in the entire state of Oregon have put into these businesses to run them legitimately. Not just the financial investment but emotional as well. I'm here to offer a bit of different perspective not as an owner but someone who has been on the regulatory side and is now on the private regulatory compliance side. The folks that have licenses through the oha, soon the olcc, have already competed. They

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were required to get those licenses. They going that the license is not necessary. Salem has done a very good job of implementing the licensing process in that city. They go through all of the process through the state. They pay the thousands of dollars to get the state license, thousands and thousands of dollars to get their facility licensed and approved and that physical license in their hand before they can even go to Salem to apply for their city license. It has worked very well and they have had a lot of public involvement. I think that's why it's worked and that is why we will come to common ground here as well because of the level of public involvement you have welcomed. I will also say that there are people who have applied through oha, back in July, and are still in the queue. That puts them in a very difficult position. Their applications have not even been looked at. Once they are looked at there's a long process to even get through their initial 60-day requirement then they have to go through city building permits and all sorts of licensing that delay things. I'll just say that competition and market forces are often a lot more powerful than efforts made by the government and regulatory rule. So I encourage the council to look at those factors in mitigating some of the things that you're trying to prevent and also maybe look at the way that Salem implemented their licensing procedure. Thank you very much.

**Hales:** Thank you. Thank you all. Next three. If you're waiting for another item you can come back at 2:00.

**Fish:** Afternoon, demolition? Likely 3:00 to 4:00.

**Hales:** More likely demolition about 3:00. Welcome. Many.

**Amy Margolis:** I'm Amy Margolis. I came here originally I have been here every time I think. As well as participated in all of the task force meetings and industry meetings, i'm an attorney. I work with the Oregon cannabis association. I came here originally to support the Fish amendment although that's off the table at this moment so i'm going to address the amendment on the table which is the Fritz amendment and ask for some changes and I appreciate the movement that has happened in this process. The meetings were I think after seeing the two versions of the amendment, the Fish and Fritz amendment, there's been a lot of progress made and I think that was hard won progress for everyone involved, so thank you. I want to make some technical comments about this amendment and ask for some changes. I think that the language in 2-a-1 and 2 should not be registered because it's not really registration process, it's a licensing process. I agree with Ms. Kennedy and Mr. Grosz that the cutoff point should not be when you receive your license due to the enormous backlog at the Oregon health authority but instead should be when your license is time stamped and received by Oregon health authority. They are in significantly challenging position in terms of how many inspectors they have and how many people reviewing those licenses. I would ask in section 2-a-2 that that language not be cumulative, that the applicant demonstrates incurred financial obligation, that should be an, or, not an and, please. Simply having one of these following pieces should be enough to demonstrate that they are working toward with good intentions being an operating medical dispensary. I would also ask that the city consider closing that gap as commissioner Fish has suggested, closing the gap between the dates so that the final two months is captured. I believe that that happens this is an amendment that we could support moving forward.

**Hales:** Thank you very much.

**Donald Morrison:** I'm Donald Morrison, director of the Oregon cannabis business council. Mr. Mayor, commissioners, thank you for hearing me. Throughout this process, we have been asking that the existing players be allowed a smooth transition to the retail market without fear of losing their investment or being forced to remain a medical dispensary. I believe that you have achieved this in what you have put together. The

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dates, we believe that everyone who has made an honest attempt to become a player in this should be allowed to do so, and be grandfathered in. I agree with Ms. Margolis about the changes in 2-a-2 that it should be cumulative. And that's really it. I want to thank you for all the work you folks have done on this and I know all of our members are appreciative of the fact that you've taken into consideration the effort that they have made in this industry here in the city of Portland. Thank you.

**Hales:** Thank you. Welcome.

**Christopher Mellot:** Mayor, my apologies, i'm going to be testifying on behalf of my wife Stephanie who is in the audience. She's experiencing some blood sugar issues. After 26 years of rheumatoid arthritis we felt compelled to be a part of this industry. I'm Christopher mellot, speaking on behalf of the Oregon cannabis association. We have circulated a petition to all of you that you should have in your hands now that well summarizes our sense on these issues at hand. We very much support the direction that Commissioner Fritz's amendment is headed. We felt that commissioner Fish that your amendment was more comprehensive, perhaps, than Miss Fritz, however, understanding where we are today, we are very much looking forward to evolving with your amendment, Miss Fritz. In the last 24 hours we have had since we circulated this petition amongst all our members in the association we have had approximately 45 businesses sign this petition that represents about 560 employees cumulatively in the Portland metropolitan area that are employed by this industry. We're looking forward to understanding this process better and hearing final information on the amendments at hand.

**Hales:** Thank you all.

**Saltzman:** I wanted to ask, you're looking for the word cumulative.

**Hales:** The effect of those things.

**Fritz:** I have captured it. I think commissioner Fish has an amendment.

**Hales:** It's not cumulative, and obtaining -- she's saying these will be examples of major investments you had made rather than having made all three of them.

**Fritz:** I think including such as.

**Fish:** I think we can cure that. The one thing Amy if you could talk to staff during the lunch break. I don't---

**Hales:** Might get done before the lunch break. Depends.

**Fish:** Okay, the distinction between license and registered under a-2.

**Fritz:** We're checking on that.

**Fish:** That's a high level issue.

**Fritz:** Just to address the issue of applied versus approved out of 433 applications applied to to the state 305 were rejected, so we can't go with just applying because so many get rejected. It has to be approved.

**Margolis:** May I respond? I think that that makes sense if you are looking at section a-1, where you are registered, which I think should be licensed, operating and in good standing. That clearly captures the population of people who have been licensed by the Oregon health authority and section 2, change that to has applied and demonstrated the following, if you add in the language that commissioner Fritz suggested about having your oha license that could be and/or. I'm happy to talk with you about how to structure those.

**Fritz:** That would allow anyone clearly gaming the restriction to apply under that clause. People who didn't have any intention of getting an oha, they put in an application knowing that it might be rejected because they are just going for recreational.

**Margolis:** Commissioner Fritz if you include the piece of this where they have incurred significant financial obligation such as at least hiring employees, lease, obtaining pictures, you could come up with a number of other pieces. If you prepare the investment and application you capture people who are truly well-intended. I can tell you stories of clients

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who have purchased building, doing some of the buildout, getting permits and plan in on turning their license application in and intend to operate in the medical market but they will at least operate in the medical market through fourth quarter of next year then make a business decision whether they want to transition or not. At this point I think everyone entering in market is operating as a medical dispensary.

**Fritz:** Thank you.

**Hales:** Thank you all. Next three

**Jason Mcgrew:** I had a medical dispensary for over a year. When the regulations came out there was two of us. The cana connection is across the street. They were around the corner on Hawthorne. When the 1,000 foot rule came out we had to race to register and they beat me by three minutes. They got their license and I didn't. I have been paying on that lease waiting for recreational to open up to share the market. Otherwise you're just giving.

**Fritz:** You had a medical license when?

**Mcgrew:** I was in business before there was medical licenses on March of 2014 you had to apply for a medical marijuana license. That's when they became officially accepted in Portland. There were several that existed before that.

**Fritz:** Ok we'll have staff come back and address your particular situation. Thank you.

**Margo Lucas:** I'm Margo Lucas. I represent the united food and commercial workers union. I'm also a dispensary owner in Salem, Oregon. I wanted to speak to Commissioner Fritz's idea of helping those existing medical dispensaries and those people after a certain date which we're considering July that there's a presumption that those people that weren't licensed prior to them are not serving medical community. I think that's a mistaken assumption. There are many people who are now seeking second locations or now seeking another location. I just wanted to speak a little bit to the process and how long it takes we put together a medical marijuana ordinance then it took me seven months of active nose to the grindstone looking to find a location that would fit into that ordinance then beyond that it took us another five months to get to go through our licensing process there's a long and arduous process for these people and you would be cutting off a lot of people in the middle of that. Again, I want to speak to the historic nature of people serving patients. I myself have been a grower for some time and have served patients on a grower to patient level and then again as we advanced with some of the dispensaries I also run two medical marijuana clinics in the state so some of us and I just got my license on July 1. So you can see how there are people not through that full process that would be eliminated that have actively and for long term served the community. We would like to consider that and maybe make a compromise of ordinance date for the language. Thank you.

**Fritz:** Thanks to the input from united food and commercial workers, one of my favorites unions. That's why we have the hardship amendment. We hope and we heard from your folks that this meets the needs of a particular dispensary here in Portland.

**Beth Cooke:** I'm Beth cooke. I also represented united food and commercial local 555. We're Oregon's largest private sector union representing over 20,000 workers from sectors including retail, pharmacy and the newly emerging marijuana industry. We rec needs the work that's gone into developing this while providing community benefits. We're actually actively organizing workers with the cannabis industry. One of those dispensaries as commissioner Fritz mentioned that we're working with they didn't open until mid-July. We were grateful for the potential hardship amendment. We still feel this present's undue burden on -- that organization is getting ready to open a second location as Margo says these can take months. There's a lot of work and expense and just as they are getting ready to open another dispensary you would have the rug pulled out from underneath

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them potentially in a market they have been tremendous partners. This organization has negotiated \$15 an hour minimum wage. We would like to see you support those efforts. As we're organizing not only. [audio not understandable] we would like to continue to see support for all the hard work that many of the owners have been putting in over the last two months. Thank you.

**Fritz:** We certainly value your contributions. As a practical matter those who have been going through the process are going to be very well positioned to be first in line for the new locations having done all of that. We'll certainly make sure that the process once it opens up to everybody is fair for all.

**Hales:** Do you have more people signed up?

**Moore-Love:** Last three.

**Hales:** Come on up. Good afternoon.

**Sondra Storm:** Good afternoon. I'm Sondra storm. I'm a prevention specialist with Multnomah county's mental health and addiction services division. I coordinate the village, a coalition of diverse stakeholders working to reduce substance abuse in Portland. It represents over 100 members including schools, health care professionals, law enforcement, parents, business owners and neighbors. Last year we received the federal drug free communities grant to focus specifically on reducing underage drinking and underage marijuana use. I wanted to pass along a couple of messages related to marijuana in Portland and specifically this ordinance on maintaining the 1,000 foot buffer and the importance of that. The first thing that the coalition wanted to pass along is that while many parents, educators and community members care deeply about the impact of the growing availability and visibility of marijuana it's difficult for folks whose work is not tied to the marijuana industry to take time off to participate in these meetings but at our coalition meetings there's great concern among people who supported measure 91 that as a community we're making decisions in the interests of business at the cost of protecting youth and other vulnerable people. The second thing is that our members wanted you to know marijuana is not harmless, particularly to young people whose brains are still developing. Within a week of opening the training for red station we had 100 sign up eager to gain tools to address marijuana issues at their schools so they felt completely overwhelmed by the increase of marijuana incidents at their schools. It's involved in the majority of suspensions within Portland. 68% of Multnomah county 11th graders says it's easy to get and 58% say there's little or no risk using it on a weekly basis. A lot of the antidotal things, it's healthy, natural. So what we can do, we don't need to reinvent the wheel. There's buckets of research on effective interventions. Outlet density is one of the measures that can be taken. It's not only about youth accessing via the dispensary itself but through shoulder tapping and getting family and friends. It's also youth exposure to promotions and advertisement within a con traded area that has impact on youth.

**Fritz:** We looked into whether we could potentially have 1,000 feet from treatment centers and we couldn't but I appreciate you staying because we have heard a lot from the industry folks. We haven't heard as much from public health and community folks. Thank you for making that point.

**Hales:** Thank you. One more?

**Storm:** I do have one more thing. We just want to keep that thousand foot buffer in mind and not see it get whittled away. The last piece is the ordinance as put forth has a lot of great things but enforcement is really important and we know from working with the liquor license program stretched very thin so if its enforcement does happen making sure that you guys keep in mind what it takes to actually enforce that. Putting forth that we hope to be a partner in terms of that.

**Hales:** Appreciate that. Welcome.

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**Kris Martin:** Thank you. I'm Kris Martin. I am a small business owner, dad and also on the big village steering committee that Sondra just spoke of. I wanted to come to echo some of what she said. We work with hundreds of educators and parents and community members over the last year and their voices are it's very hard to come to a lot of these meetings. There's a lot of industry representation but also a lot of parents and educators and community members that care about this issue and are worried about the youth in our community. I don't want to patronize you but I want to read a couple things I hope we keep in mind when we talk about density. Marijuana is harmful to the development of adolescent brain and early use can lead to addiction. Early marijuana use can impact developing adolescent brain including increased risk for addiction, attention deficit and reduce executive function. Adolescents who use before age 14 are four times more likely to become addicted by the time they are adults. It can lead to negative health and social consequences. As a lifelong resident of Portland I have watched our city grow and how vibrant our city has become with wine and alcohol and now the marijuana industry and I love how vibrant our city is. That's not what we're saying, just that proper protections need to be included as we talk about all these for youth and density is one of the biggest things that can contribute to youth use. Thank you.

**Hales:** Thank you. Welcome.

**Jesse Horton:** Hello, commissioners. Mayor, thank you for having me. I come to you today, I'm Jesse Horton. I wear two hats. One as a business owner of a dispensary, Panacea, who recognizes the original proposal did not grandfather us in to getting a recreational license, now the new amendment does. I appreciate that. However I was in agreement with some type of grandfathering process even when I was on the other side of the potential negative side of that picture. Also I come to you as chairman of the minority cannabis business association and recognize the more we continue to add and heighten barriers to entry, the less people of color, women and disadvantages have a chance to enter. I want us to consider that. My position may not be popular but my position was extremely popular in a number of town hall meetings to each out to the city and ask what citizens cared about and one of the main things they mentioned as a matter of fact on the first line in that directive to us, was to not grant preferential treatment to medical dispensaries from the people there who wanted to get into the industry, but were finding it extremely difficult to find real estate, which I can attest to. Understandably we're allowing some preferential treatment. I agree that none of the people who have been servicing the medicinal community should have an opportunity to come in based on a time stamp and take that from them. Simply close their business. However, I think that we're in danger where we're looking at risk versus right. Whenever we started to get our dispensary we didn't have any idea whether there would be a recreational program in Oregon and we still decided to do that. We definitely didn't believe that the city would grant us a protection to give us that first dibs at that recreational license. We hoped that would be the case but that wasn't the reason we did it. We didn't bank our whole business on that protection. We got provisional leases that said if we did not get that license or any point that license was taken away that we would get out of that lease. That's something most dispensary owners that I know had as well. We're looking at a point where all of us said this was a risk. We knew there may not be a chance we would get protection. That really I don't think government should be giving and really -- robust industry. We knew that that might not be the case but now people are speaking from a dispensary standpoint as if it's a right, not only have we been serving the community but you know what? Anyone who has been given a license or who has applied should also get that right. That is a very different discussion than what we had when we first entered this industry. I want you, the commission, to know that. I think that putting us in a position where we have to get back in



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line, be first in line for some dispensaries who haven't opened or served the community at all, I think that's fair. I don't think that shutting it off for people who want to get into the industry are maybe a little bit behind is in the best interests of the industry, best interests of the local market or of the citizens who loudly spoke against most of the things that we're doing right now.

**Hales:** Thank you very much.

**Fritz:** Thank you for making my closing argument for me. All of you, thank you.

**Hales:** So Commissioner Fritz you have potential additional changes to your --

**Fritz:** In the interests of time, the staff has looked at the request to change registered to license the state that you just registered that was why we proposed it. That's what we're proposing to keep. In 2-a-2, we would like to change prior to that date including entering a lease, et cetera, to such as entering a lease, hiring employees, obtaining structures.

**Hales:** You don't have to change and/or for that to work?

**Fish:** Commissioner Fritz, on the Fritz amendment, you're proposing to cure the so-called cumulative problem by saying such as?

**Fritz:** Yes.

**Fish:** And at least now based on what we know you're not proposing a change to register.

**Fritz:** Correct.

**Fish:** The only other things other than whether there's an appetite to close the gap, under 2-a-c, the valid business license requirement of July 1 is not consistent with the hardship requirement. So my suggestion would be simply strike that since the hardship -- I don't think it was intend toddlers qualify the hardship exemption but that date was pegged to the original July 1 moving forward. Staff, do you have an opinion on that?

**Fritz:** We could amendment 1 to say with a valid business license and add that to 2 as well. The business license is one way we know whether it's operating or not.

**Marchetti:** It still is in the spirit of 1, the grandfather, before July 1 whether they are operating. Number 2 I understand -- I get where you're coming from. If they haven't actually opened their doors but given them a substantial or significant financial obligations that maybe have not obtained that then.

**Fritz:** Wrapping c into 2 and changing the date as well.

**Fish:** I don't want that to be an automatic diss qualifier for someone -- I think it was originally drafted along -- it was pegged off of the moving the date forward, not off the hardship.

**Fritz:** Move the medical dispensary has a valid city of Portland business license since on or before September 30, 2015. Back into 2.

**Hales:** Back into 2.

**Fish:** Are we clear? Any heartburn?

**Walters:** It's already in that. We don't need -- [speaking simultaneously]

**Hales:** Small 2, right?

**Walters:** A, b, c-- those are all cumulative as well.

**Fritz:** The point is c says July 1, and 2 is September 30th. We need to put c into 2 and make it September 30th.

**Hales:** --

**Walters:** You're going to put a valid business license in both a, sub 1, and a, sub 2?

**Fritz:** We don't necessarily need it in sub 1. That's part and parcel of operating in good standing.

**Marchetti:** If we're removing sub c then I would advocate that we put it into a, little i, and a, little i, 2.

**Fritz:** Ok so then just the language in 2 is in 1 with July 1<sup>st</sup> and in 2 with September 30th

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**Marchetti:** Just for clarity it would read registered, operating and in good standing on or before July 1, 2015 and have a valid city of Portland license since that date. That language would be parroted again. [speaking simultaneously]

**Fritz:** Yes.

**Saltzman:** What's the difference between registered and licensed? We heard testimony licensed was the right word.

**Walters:** The statute uses registration. It should identify it is as registration. Ors75, 315, refers to registering with the Oregon health authority.

**Saltzman:** There's no substance to the argument, just what's the right word?

**Walters:** Registration is the right word.

**Fish:** With the changes commissioner Fritz has proposed to her Fritz amendment I second those changes.

**Hales:** Okay. Any further discussion about adopting -- we'll vote on the amendments before us. The Fritz amendments as further revised or what are before us now. Let's take a vote on that, then take up the question whether you want yours back on the table or not, commissioner Fish. On the Fritz amendments as revised.

**Novick:** I very much appreciate the change to such as. Aye.

**Fritz:** This has been a great process. I particularly appreciate everybody who has participated in it, particularly senator berg and the representative who came today. The last speaker talking about risk versus right. We're trying to strike the right balance in offering new businesses the opportunity to enter while respecting the medical marijuana providers who have been taking care of patients and should be able to continue to do so. Aye.

**Fish:** At this amended Fritz amendment meets most but not all of my preferred changes, but this has been a transparent and collaborative process and one where along the way also we're all learning as we go along about this process, and commissioner Fritz, I very much appreciate the willingness in the last 24 hours to engage this in a collaborative way and I think we have landed on a much better outcome in this area of the law. I thank you for that partnership and i'm pleased to support your amended -- i'm pleased to vote aye.

**Saltzman:** We're voting on the amendment, right? There will be a second reading next week on the whole package. It's not an emergency ordinance. Aye.

**Hales:** Thank you, Commissioner Fritz and all my colleagues for working well on difficult stuff here. When we have had a good dialogue with the community, neighborhoods, folks that are in the business, state legislators even about how to try to navigate this change. A lot of what we do here is just that. Navigating change. Some people embrace it, say it's great, can't wait. Others are worried about the side effects of change, whether it's growth or the addition of marijuana to what's legal in our state. A lot of what we do is trying to figure out how to mitigate against the fears about what the change will represent and avoid some of the mistakes of the past which we have seen with liquor licensing. We're there or close to there I think. I appreciate the fact that we have got a good working dialogue under way about how these regulations will work in practice and that didn't happen until the community came forward and this council has done what we have done today. Thank you all. Aye. Commissioner Fish?

**Fish:** I withdraw my amendment.

**Hales:** Without objection it's withdrawn. Commissioner Saltzman, anything else about your amendment before we vote?

**Saltzman:** When I offered the amendment I had no idea about the testimony we heard from an attorney about how buildings that have a mortgage can't provide any space legally to retail or medical operations and I think that with all due respect to the people who are in the big village I do think that raises real concerns about whether we're going to have any

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retail establishments in the downtown central city. I don't know of any buildings in the downtown core that probably don't have a mortgage on them. That buttresses even more the need to relax the 1,000 foot boundary in the central city area. I think I have spoken my piece on that.

**Hales:** Roll call.

**Novick:** I'm actually not sure on its merits I think this is a bad idea but I think i'm sensitive to comments about you want to think about it for longer period of time before endorsing it, also I have to say on this whole issue I have told the commissioner in charge but not devoted much time to it so i'm going to defer to her. Those are the things in mind, I vote nay.

**Fritz:** It's always good to discuss various opportunities even at the last meeting. No.

**Fish:** No. **Saltzman:** Aye.

**Hales:** I want to keep the door open to this idea later but I don't think it's ripe yet. No.

**Fish:** Do we need to move the two amendments in our packet?

**Hales:** I believe they are already in the ordinance. So this ordinance will come back for second reading, not public hearing, and final council vote next week. I want to thank everyone for their work. Fair labor standards act does not apply to the council so i'll grant a 30-minute lunch break.

At 1:38 p.m. Council Recessed

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

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

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**2:00 PM**

**Hales:** We have some items remaining from this morning and then get to the afternoon's business. With that, let's take up as soon as one of the colleagues get here, 1044. Let's get the very brief presentation from the police bureau while waiting for a quorum to develop. Read item 1044, please, Karla.

**Item 1044.**

**Hales:** Welcome.

**George Burk, Portland Police Bureau** Thank you. Thank you members of council. Mayor Hales. As you know, back in April or May, we came before you asking for support in applying for a competitive grant. And now we have received word back from the department of justice that we were awarded that grant in the amount of \$1.18 million. We're coming before you today asking for us to accept the grant so that we can get moving forward on -- in getting these out of our inventory, tested and moving forward with plans and not being back in this place again. So, with that, I certainly wanted to be brief and allow you to get back on schedule so that you can move forward.

**Hales:** Questions for commander burke? That was remarkably succinct. Thank you very much. Good work and for the short presentation under these circumstances. Thank you.

**Burke:** Thank you.

**Hales:** Anyone else who wants to speak on the item?

**Moore-love:** I have three people signed up. [names being read]

**Hales:** Come on up. Two minutes each. Two minute time schedule this afternoon by the way everyone on every item.

**Lightning:** My name is lightning, lightning watchdog pdx. One of the concern and the focuses I want to have on the issue is on the forensic scientists. I want to make sure that we look at funding some of the labs. I know this is to test the kits. We need additional funding for the lab's improvement, betterment, grants, we need to start to focus on that. On this particular grant, we came up \$800,000 short. I would like at this time for the public to step in, offer donations to make up that \$800,000. It is very necessary at this time in other states, groups have joined together and come up with funding and I would suggest that we do that and come up with that additional \$800,000. Again, from my position, I want to focus on the labs. I want to make sure that the new police chief and the police commissioner are reviewing the progress and keeps a close eye on this. Again, I would like to see every kit tested and we need to start looking at this very closely. There should not be a backlog of kits. We should be able to get out there and get additional funds if necessary, if the federal grants do not cover what we need to do. I want to have a consultant come in and do a study, is it better to use private labs or is it better to use the state labs and I want to have a study done to have an understanding on what direction we want to go in the future. Again, we need to show more efficiency on the labs itself, and have a clear understanding from the forensic scientists, do you need more equipment? Do you need more money as far as on your salary? What do you need to become a very efficient lab so that this will not happen in the future again. Thank you.

**Hales:** Thank you. Go ahead.

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**Charles Johnson:** Good afternoon, commissioners, and in light of obviously we need this \$1 million in federal assistance. Although it leaves us with a sad situation of telling victims sexual assault we aren't going to test your evidence unless the feds pay us to. That's gross, sick, it's very interesting that we have a woman on city council who has experience in public health and not calling us to stronger accountability for this. It is obscene that as a mostly male body and male dominated law enforcement industry, we have had thousands of Portland women told when they were sexually assaulted that they had to have an evidence kit taken and we stuck it on a shelf and we didn't do anything with it. So, we have changes in police administration, things rotate around. Responsible parties are hopefully not doing law enforcement anywhere, but we need to seriously think about -- a week ago we had a presentation about Native American indigenous day for Columbus Day. One woman didn't come because she lives in the northwest towers and trauma she experienced was a woman jumping off -- a floor on the northwest towers committing suicide. Why does it happen? Because idiots have been running the city, letting sexual assault kits and victims -- I hope this \$1 million will be a start of a better city. Thank you.

**Hales:** Thank you. Anyone else? Emergency ordinance. Let's take a roll call vote, please.

**Novick:** Aye.

**Fritz:** My understanding the remainder of the grant money is coming from a different grant. Previously police bureau protocol across the country was not to test kits unless -- for instance, if the survivor did not want them to move forward with the prosecution or for various other reasons. Our police were following the established protocol. That protocol has now changed so they carefully saved all of the ones that previously were not intended to be tests and that's what this grant is doing. We are confined by the state in terms if we don't have our own lab nor does the state want us to. That is an issue that needs to be taken up with the state for those concerned about. Aye.

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

**Hales:** Some thank you. I want to thank our congressional delegation for providing a letter of support because once we discovered that this backlog existed and applied for this grant, we got great support from our congressional delegation, and, in fact, I believe it is the case that Portland and Multnomah county are the only pair of jurisdictions like that in the country that have both received grants. I want to thank in particular senator Wyden and his staff. Grace who may or may not be here. She may have been here this morning. The fact that we looked this problem in the face as soon as I learned this national problem existed in august of last year that is 2014, I asked the police bureau do we have this problem? And it turned out that yes, we indeed did. I am very proud of the work that commander burk and others in the police bureau have done to get us to now where we clear this backlog, follow good policy, and make sure that women in this community who are victims of this crime are properly supported in every case, in every turn going forward. Aye. [gavel pounded]

**Hales:** Okay. Thank you very much. Let's move on to 1041, which we pulled from the morning consent calendar.

**Item 1041.**

**Hales:** Who pulled this?

**Moore-Love:** Mr. Lightning.

**Hales:** Lightning, are you here? Do you still want to speak on this item? Come on up. I can't hear you.

**Lightning:** Yes, my name is lightning. I represent lightning watchdog pdx. I was hoping that we would have this put on record by a speaker, but I am glad to do my communication at this time.

**Hales:** Go ahead.

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**Lightning:** One of the issues I have again is that based upon -- we want to start having all of the city properties and the leases controlled within city properties. As I have stated in the past, we basically are not funding a lot of the maintenance throughout the city, deferred maintenance on various things from transportation to parks, to housing. I have stated before I would like the city to take a close look at doing sale lease backs on some of the city properties and basically having a clause in there to buy back in in a set amount of years, possibly within 20 years. We need to start -- stop being a land bank in this city. We're the largest land bank but you don't have enough funding to fund the maintenance on a lot of these bureaus. I would like to see that change. I would like to see on the surplus properties that we do that calculation which is in the billions of dollars that we put together some of those properties as a package deal and then have certain foundations come in and purchase that package of properties to benefit the city instead of being a land bank, we need more resources to this city so that we can begin to fund the deferred maintenance on various departments. And we have plenty of real estate to do that. And that is why I stepped up on this issue is to make a clear understanding that we need to look at that very close and understand. We don't need to be a land bank. Take some of that land bank and convert it into cash and start paying down some of this deferred maintenance and start directing it towards some of these bureaus. We have over 30 plus billion dollars in real estate. Okay. We don't need to just control real estate. We need to have some of the cash implemented back into these departments. Thank you.

**Hales:** Thank you. Okay. This passes to second reading next week. [gavel pounded].

**Hales:** Let's move to item 1045.

**Item 1045.**

**Hales:** Mr. Walters.

**Ben Walters, Chief Deputy City Attorney:** Ben walters, i'm just here to answer any questions.

**Hales:** We have been briefed on this and we had discussion in council about it before. Everyone comfortable with proceeding? Okay. Thank you, ben. Roll call, please.

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

**Hales:** Aye [gavel pounded]

**Hales:** 1046.

**Item 1046.**

**Hales:** Commissioner novick.

**Jonaa Papaefthimiou, Emergency Management:** Good afternoon. This is a bread and butter grant that covers expenses, salaries and pays our rent. We have received it every year since 2007. Most jurisdictions in Oregon receive similar grants based on population.

**Hales:** Thank you.

**Fritz:** Any deliverables from it or just to keep the doors open?

**Papaefthimiou:** There is not very many strings attached. A matching grant, so it pays for half of the salaries of three staff people for instance and we pay the other half. Similarly, half of our rent, half of our bts charges and in exchange we have to provide them with a copy of the annual work plan and commit to do the work in the plan which is aligned with the strategic plan.

**Fritz:** What is the federal bucket that it comes from?

**Papaefthimiou:** It is a pass through grant from the department of homeland security.

**Fritz:** Is it likely to continue --

**Papaefthimiou:** We hope that is the case --

**Fritz:** Homeland security, it probably will -- thank you.

**Hales:** Any other questions. Thank you very much. Anyone want to speak on this item? Emergency ordinance, let's take a vote.

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**Novick:** Thank you, jonna aye.

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

**Hales:** Thank you.

**Hales:** Thank you. 1047.

**Item 1047.**

**Hales:** Commissioner novick.

**Marty Maloney, Portland Bureau of Transportation:** Good morning, mayor, commissioners, Marty maloney, pbot right of way. This ordinance is to authorize eminent domain authority as well to offer just compensation for needed permit and temporary easement rights associated with the east Portland active transportation project. The project -- property rights are needed mainly for support of sidewalk infill and driveway reconnections along southeast division between 101st and 157th. At this time, I would be happy to answer any questions that council might have.

**Fritz:** Only concern I have is two properties where we're actually permanently exercising eminent domain, could you tell us a little about those?

**Maloney:** We are acquiring two permanent slope easements basically to hold up the sidewalk infrastructure. And I believe it is at about 115th -- they're smaller acquisitions, but the property owner would still actually own the overall underlying fee of the property. We would just have the ability to maintain slopes to hold up the infrastructure.

**Fritz:** Property owners okay with this?

**Maloney:** I haven't actually talked to the property owners as of yet. We are waiting for notice to proceed from odot until we get the notice to proceed -- which we should have in the next couple of weeks.

**Fritz:** We can't talk to them?

**Maloney:** They authorize the right of phase for this so we wouldn't be able to get match funding from them until we get notice to proceed. Right when we get that, I will be able to send out general information to all property owners affected --

**Fritz:** If you could before the vote next week, check in with the two property owners specifically to make sure that they don't have any concerns. Using the city's power of eminent domain, I think we have to be really careful.

**Maloney:** I understand. Definitely.

**Hales:** No other questions. Thank you very much. Anyone want to speak on this? If not, second reading next week. [gavel pounded]

**Hales:** 1049. Do you want to read these together?

**Fish:** That would be fine. If the whole group would come forward.

**Hales:** 1049 through 51. Karla

**Item 1049.**

**Item 1050.**

**Item 1051.**

**Hales:** Director jordan.

**Mike Jordan, Director, Bureau Environmental Services:** Mr. Mayor, members of the council, thanks for having us today. I think you're well aware of ongoing work for the Portland harbor. The first two items before you are extensions of the contract that we have with gsi to do technical work on those. You probably also are aware that the pace of the work regarding Portland harbor has changed dramatically in the last six months or so and will continue for some time. We would like to extend that contract since the contractor has unique knowledge and history with us on the site and with the work we're doing. I will stop there and be ready to answer questions for you on those issues. Scott is here to talk about the other issues.

**Hales:** Okay. Go ahead, please.

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**Scott:** Here to ask for authorization for a construction contract to add a redundant power transformer at the pump station which exists on the site for the Columbia boulevard wastewater treatment plant. Effort to increase resiliency of that facility to make sure it is in operation when needed. If there is any questions, we're here to answer them.

**Hales:** Doesn't look like there are. That was succinct and to the point.

**Jordan:** We know you're behind schedule, Mr. Mayor.

**Hales:** Thank you, well done. Stand by if there are any questions if we have anybody who wants to speak on these items. We will take that next. Anyone here who wants to speak on these three items? Seeing none, roll call vote on 1049.

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

**Fish:** Mayor, I just want to acknowledge, we really appreciate the leadership that Mike Jordan has given the city in de facto being in the lead staff person on superfund and when he said that the pace of work is changing that was the understatement of all time. In the next year, lots of things will be happening. Very appreciative of the leadership that Mike is providing in helping them lead our response to this important issue. Aye.

**Saltzman:** Aye.

**Hales:** Commissioner Fish, thanks for your good work on this and, yeah, we have gone from something in the neighborhood of paralysis to moving forward and reaching significant agreements. There is still some pretty big disagreements about the superfund issue, but I really appreciate the progress, EPA is working a lot better with us than in the past and Director Jordan has added a lot of value as well. Thank you for the good work. Aye. [gavel pounded]

**Hales:** Next one, please.

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

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

**Hales:** And the third. 1051.

**Moore-Love:** That is a non-emergency.

**Hales:** That goes to next week. Okay, 1052.

**Item 1052.**

**Hales:** Further discussion before we vote? Roll call, please.

**Novick:** Very much appreciate the commissioner in charge's efforts. Aye.

**Fritz:** Very good input from everybody last week and I realize these changes don't go far enough as far as the advocates are concerned. We are limited by state law and I hope that we will all work together to try to get more changes at the state legislature next session and ongoing. In the meantime, this is a responsible way to try to limit the impact of huge rent increases, at least giving renters notice of large rent increases. Aye.

**Fish:** I want to acknowledge the effective advocacy of a lot of our key partners and other folks in the community concerned about the crisis in the rental housing market. This is one part solution to a very complicated problem. I wish we could push these protections even further, but much of that is out of our control. I view this as our new floor, not as the ceiling, and Dan I want to thank you for your leadership, or not only stepping up and answering the call, but putting forth a reasonable proposal for increasing much needed protections for vulnerable tenants.

Aye.

**Saltzman:** Well, as we heard loud and clear last week, Portland renters do need help. These provisions we're about to pass I think provide a safety valve for tenants facing unprecedented rent increases and unprecedented low vacancy levels. Extending the no cause evictions from 30 days to 90 days and 90 day notice of rent increases that exceed 5% in a year. I don't think it goes far enough, but as Commissioner Fritz observed, we are limited by state law about what we can do. But I think this is solid safety valve protections



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that we can provide to tenants and I want to -- I think we also know that not all landlords should be lumped into one big category as evil people. There is a lot of great landlords out there, but we also know that we are in a time where there are speculative investments being taken and no-cause evictions, I think, are being abused in terms of getting tenants out of buildings to flip them. So, this is going to provide some protection and I have committed and I make the commitment to everybody that we will one year from now or about one year from now we will convene and review how this policy has been working and, you know, in the meantime, legislative session will have occurred and there may be new authorities for us or the legislature itself may provide new protections for tenants but I -- we will review this policy in one year's time. Aye.

**Hales:** Commissioner Saltzman thank you for stepping up on this. The last few weeks council has focused a lot of effort and attention on housing and of course it goes back to quite a bit farther than that to when we first started to work together the five of us and we held harmless our housing agenda during the biggest budget deficit, and -- we have heard in the chamber from people so passionately fearful about their situation in our city, whether they're trying to buy a house and they're seeing the houses on the block transformed or demolished and replaced, a subject we will get to here shortly. Whether they're trying to stay in their rental unit and are fearful of a letter in the mailbox that says that their rent is going up 40%, as we heard in at least some cases has happened. So, we have to try some new things. And this is a new thing for the city of Portland to do. It is appropriate in a state of emergency, we try some things and then we evaluate, as you just said, some months or a year from now, of course the one-year term of this state of emergency seems about right if we are going to focus a lot of attention. If you have been in the chamber during these discussions you heard earlier this week how your housing bureau is issuing the largest ever notice of funds availability for the construction of affordable housing and i'm very pleased about that as well. There is a lot of good work being done on a set of difficult subjects all of which grow out of how fast our city is changing and how much growth we're facing. 200,000 more people are going to live here 20 years from now if planners are correct. Are we going to be San Francisco at that point or Portland? That is what these issues come down to and I appreciate your innovation under fire to do the right thing. Aye.

**Hales:** The next one.

**Item 1053.**

**Hales:** Mr. Saltzman, comments on this?

**Saltzman:** Yes, earlier this year, during the homeless street count, we found that representation of African Americans in the unsheltered adult population had grown by 48% in only two years. In order to address the racial disparities in the system, we needed to focus on replacing -- i'm sorry, reaching community members in crisis in places they already frequented. And for me, that meant doing a better job at aligning resources at our disposal with long-standing community organizations that have been doing the hard work for a long time. And this contract that we are authorizing with the urban league of Portland is -- you know, fits the bill exactly. They do a lot of great work serving Portlanders in crisis with a myriad of services and what many people may not know, urban league at one time used to provide private market units for people facing extremely high barriers in rent. Under the leadership of the new president and ceo they are refocusing their efforts to address the need for housing within the African American community and we look forward to partnering with them in that work and I would urge adoption.

**Hales:** Anyone want to speak on this item? If not, a vote, please.

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

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

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**Hales:** Thank you. We are to the afternoon agenda. Thank you all for waiting for that for those who came for this. 1054, please.

**Item 1054.**

**Hales:** This is an issue we have all heard a lot about and let me set the stage for this discussion this afternoon. There is not a lot of precedent for what we're talking about here. As far as I know, from my staff's research, there is one other city in the United States that has used tax policy as a way to try to control the rate of demolition. We, of course, use the zoning code, and earlier this year, we made some changes to the demolition code to improve how much notice is given and the opportunity for a neighborhood to negotiate in a situation where a house is proposed to be demolished. I'm glad we made the changes. I think all of us knew even then that wasn't going to be sufficient to addressing the problem in a meaningful way. Damage control and maybe to an extent so is this. Proposal here is to apply a tax to the demolition of single family homes and then to use those funds for the support of affordable home ownership programs in the city. I want to tell you as the person who put this idea on the table for discussion today, i'm not sure that we have calibrated this right to get the effect we want. Some people will probably testify this is way too high. Others will testify that it is way too low. And we still have fine points to consider about exactly what situations it does and doesn't apply to. What constitutes demolition, and what constitutes a derelict house. If this is adopted by the council in some form after today's hearing and more discussion and further refinement, my hope is that this will cut the rate of demolition of serviceable houses in half. And produce a couple of million a year for affordable housing for our fellow citizens who would like to be able to buy one. That's the goal. At least my goal. And it is open to discussion because this is an innovation about whether this particular tool is a good idea at all, whether we have got it right in the current draft, or whether some different approach would get to that result. I hope most of us share the goal that we want to see good old houses kept, if they're serviceable and remodelable, and we want to see houses that are a blight on the neighborhood, boarded up, occupied by squatters, and inhabitable made habitable that is the goal. I will call up staff to walk us through the proposal. And then we will take testimony. Jillian --

**Fish:** At what point do you want to entertain amendments?

**Hales:** After Jillian and Thomas walk through the proposal.

**Thomas Lannon, Director, Revenue Bureau:** Thomas Lannon Director of the revenue division of the revenue bureau.

**Andy Peterson, Development Services:** Andy Peterson Bureau of development services, plan review manager.

**Peterson:** So, with the duo of the trio here we will start off a little bit.

**Hales:** Your microphone is not working. Let's get Karla to fix that, please. There we go. Now you're on.

**Peterson:** All right. So, establishment of a tax on demolition will -- we will click through the process here. Just as an overview, information regarding this proposal, we will talk about the proposed tax structure, including exemptions and rebates proposed as well as some definition I adopted by council both on demolition, major remodels, alterations and additions, title 29 residential structures that have an order to be vacated or demolished from the city code hearings officer. I am showing here a couple of examples of houses that have been demolished on the left-hand side and replacement structures on the right, which would include two units, two new houses on site that previously contained one. These are in r-5, r-5 zone, residential 5,000 square foot lot minimum. This, again, is a single house on the left-hand side that was demolished with replacement house on the right. Lot size here is 4,000 square feet. And the structure built there is conforming to the r-5 zoning code requirements. Again, house on the left-hand side demolished with a house and accessory

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structure on the drive, and the replacement house on the -- shown on the right-hand side. There is a variety of structures and development occurring based on the demolition and replacement that is happening here. Jillian, if there are items you want to add as we go through, feel free.

**Jillian Detweiler, Mayors Office:** Thanks. Sorry, jillian detweiler -- the first photos that you saw were sent to me by Beaumont wiltshire and they wanted to include it as the poster child for why they believe something ought to be done to discourage demolitions. We are seeing other images. Showing the range of houses that are torn down and those that replace them.

**Peterson:** Right.

**Peterson:** I'll continue to go through the slides --

**Detweiler:** Okay.

**Peterson:** And, again, variety of zones, all single dwelling zones within the city. Again, house on the left-hand side that was demolished, replacement house on the right-hand side, again, smaller lot within the r-7 zone but structure being built to zoning code standards.

**Detweiler:** May i?

**Peterson:** Sure.

**Detweiler:** This those the distribution of demolitions between 2010 and 2014. You can see the concentration is really in the inner northeast and inner southeast, especially south, southeast neighborhoods. Fewer demolitions in southwest and in outer southeast.

**Hales:** And this is demolitions regardless of the condition of the house, right?

**Detweiler:** Correct. Demolition permit was pulled, yes. Can you go to the next slide? Okay. So, here is the data on demolitions. The blue column is showing demolitions of single-family homes in single-family zones. The green column is showing the demolition of single-family homes in other zones. So the multifamily zones, the mixed used zones. And then finally, there are a few demolitions of single family homes in industrial and even in open space zone. That's the pattern we have seen the last couple of years. Next. This captures the change in average prices. So, in 2013, the average recorded sales price of the house that was torn down was \$221,000. And it was replaced by a house whose average sale price was \$513,000. In 2014, that average sale price of the house torn down has risen to \$267. And -- but the sales price of the house that replaced it, average is hovering around \$500,000. Next slide. There has been question about demolitions and increasing density. And the proposal in front of you proposes a rebate to address that. Here is a little of the history in 2013, as best as we can tell, based on subsequent identifications of new lots and land divisions, a demolition in 47% of the cases in 2013, only resulted in one house being built, that one-for-one replacement that people talk about. 2014 that was down a bit. So, house was torn down in -- more frequently, more than one house was built. In 13% in 2013, 11% in 2014. Nothing has yet replaced it. We don't know whether it will be more than one unit. And then we're showing the number of lot confirmations where an additional lot was identified or a subsequent land division. So those created the opportunity for more density. And then just as a measure, as context, at the bottom, it shows the total number of housing units permitted in these two years. So, showing that these demolitions are a very small subset of total housing production in the city. Thomas is going to present the proposal and how the tax is structured. I wanted to say we started by trying to keep it simple. To maintain current definitions, both in the building code, in the property maintenance code, trying not to complicate the development process by -- for the most part we have tried to keep the simple structure. We have added a few changes in response to particular concerns we heard from either stakeholders or from the council. Thank you.

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**Lannon:** Thank you, Thomas Lannon, revenue division. Proposed demolition tax, excise tax -- not without precedent. Two jurisdictions north of Chicago that have a similar tax, \$10,000 tax in those cases. They have been in place since 2002 and they withstood some legal challenges in those jurisdictions. The triggering event is the issuance of the demolition permit, not the application. Once the permit is issued, I'm assured by BDC it is typically followed through on at that point. Tax 30 days after the assessment. Two exemptions captured within the code right now. Someone for catastrophic loss. We would look to definitions in IRS publications for that but typically landslides, floods, fires and one we didn't call out specifically and probably should have in the ordinance is earthquakes. Then, of course, residential structures that are ordered vacated or demolished by the director of BDC working in conjunction with a codes hearing officer under 29. Rebates triggered by actions that occur subsequent to the assessment of the tax. One of them is for affordable housing. There are -- there is a directive within the code that would require the bureau of housing to set up guidelines following the pattern that is already established in chapter 30 regarding exemptions for system development charges, and also the other rebate is for increased density and BDC would develop guidelines about what that would look like, particularly the increase in the number of dwelling units on a particular parcel. Should be a straightforward administration. We believe half an FTE would cover the work involved. Offsetting budget for that is captured in the findings. I will stop there.

**Hales:** Thank you.

**Peterson:** Some definitions regarding demolitions, and then demolitions regarding what is a new category of work, called major remodels and a little on the residential structures ordered vacated or demolished. And just to get started, we have been working on these definitions for about two years. We came back to council in December and then again in January and had those adopted. This is just an example of, you know, the code definition for demolition, which is removal of the superstructure down to the sub-flooring. Some of these examples identify how this is actually being put into practice, where what we see, if an applicant is working to remodel the home and a full wall line is retained, and foundation continues to carry floor loads, those are considered alterations or remodels or additions, whereas if it is just a smaller chunk or a fragment of an existing wall that remains or an exterior wall becomes an interior wall, those all fall into the definition of demolition. It's a key to be able to make sure that people can still do the remodels, age in place, continue to invest in their homes, and improve their structures without it going into a demolition, demolition delay, etc. We continue to stream line or work more closely with the neighborhood associations to get notification out, which is the genesis of this definition to provide early notification to neighbors, neighborhood associations, recognized organizations about demolitions occurring in their neighborhoods. Just to highlight the differences between the major alterations and additions versus the demolitions, major work includes adding any new story to an existing structure. Increasing or replacing 50% or more of an exterior wall on any floor. Oftentimes you will see a dormer addition or attic space being converted and those can trigger a major alteration, and get the notification out to the neighbors so that they have the opportunity to have input, if necessary or when that construction activity is going to occur on an adjacent property. Total new floor area that exceeds 800 square feet in size or adding an area that exceeds 100% of the existing foundation footprint of the existing structure. These are all codified in title 24. At this point, we have been utilizing these since April 20th of this year, roughly six months. There have been about 100 major alteration addition permits thus far. We anticipate that will continue through the year. Somewhere in the neighborhood of 225 for the year as a whole since this code has been enacted. So, I will back up a couple of pages here. With the residential structures ordered vacated or demolished, this is a process that BDC initiates with the code

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hearings officer and establishes a process that allows us to deal with structures that are -- that have structural or other life safety concerns or they may be health hazards to the neighborhood or occupants. What we want to do is have a pathway to be able to address those quickly through the code hearings officer as a bureau initiated response to the complaints that come in. With that, I will turn it back to --

**Fish:** On the definition page, just to be clear, affordable housing rebate that you're proposing just tracks the sdc exemption program, same criteria.

**Lannon:** Guidelines based on that criteria --

**Fish:** Same formula that we use for the exemption for affordable housing.

**Lannon:** Yes.

**Fritz:** Why did you structure it as a rebate or waiver?

**Lannon:** We want know whether that is the actual final use of the property. We cannot exempt them but rebate them.

**Fritz:** Affordable housing provider would have to put up the \$25,000 and get it back later.

**Lannon:** That's correct. However, there is a possibility to request that they have the financial need -- need for financial assistance or have a financial hardship and in that case, it could be waived.

**Fritz:** This does apply to accessory dwelling units?

**Hales:** You mean the demolition --

**Fritz:** The demolition tax.

**Hales:** If you are demolishing an accessory dwelling unit, demolish the adu, will that be subject to that? Good question.

**Peterson:** Adu is an accessory structure. These typically are dealing with a primary structure on the site. Even a garage or a shed would be an accessory structure. We have not included that in our conversation as far as the demo of an adu and a tax on it.

**Fritz:** Want to be clear about that.

**Hales:** Good point.

**Fish:** Another question, mayor.

**Hales:** Please.

**Fish:** It makes clear that the tax is strictly for revenue purposes.

**Lannon:** That's correct.

**Fish:** Does that mean that the council has the usual discretion to determine what to do with the revenue?

**Lannon:** That's correct. And in this case, ordinance directs --

**Fish:** I understand, do we have the discretion to direct where the money goes?

**Lannon:** Yes.

**Fritz:** Directs it to go into the housing investment fun.

**Fish:** You are anticipating my amendment. I wanted to make sure it was our discretion where the money is allocated.

**Hales:** Yes.

**Lannon:** It is. A separate discussion that has occurred at the council level regarding redirecting other sources of revenue, short-term rental revenue. Those are existing revenue streams that go to the general fund and that I think that is where the financial policy can get a little problematic. A new tax, new revenue stream and it is a cleaner proposition to direct it to a specific purpose.

**Fritz:** That's in the code, commissioner, 808.

**Fish:** Code section I am going to offer an amendment to.

**Fritz:** I'm interested to hear it is primarily to raise money, why are we adding the exempting 64% of the properties on the latest numbers because they're building more than one unit?

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**Detweiler:** As in many cases, competing objectives that the city is trying to achieve. You know, with this affordability and resources for affordable housing programs against accommodating increased growth that we know is coming. This tries to strike a balance.

**Fritz:** That is a policy choice for the council to say whether or not we want to apply to only 36% demolitions or the primary purpose is to raise money for affordable housing, whether we --

**Hales:** That's a choice. Open to us to make either one. Other questions for our staff team at this point? Anything else that you wanted to cover that we haven't heard from you yet? We will take testimony and get back.

**Fritz:** One more question. It might be for the city attorney. We received a letter from the home builders association, and Mr. Lannon you referred to this as an excise tax. Mr. Chandler, who couldn't be here today, from having an excise tax so what is our response to that?

**Lannon:** Demolition excise tax.

**Fritz:** He says it is linked to what is going to go on the property, particularly whether it is one house or --

**Lannon:** Right. We have conferred with the city attorney's office. They don't share that opinion. I guess I would defer to them at this point to answer that question.

**Hales:** Answer that question but not here.

**Fish:** I had a -- mr. Chandler -- mayor, may I offer an amendment at this point while staff is present?

**Hales:** Certainly.

**Fish:** I appreciate some of the changes that were made -- I want to focus on 6.08.080, the provision commissioner Fritz identified earlier about the revenue being placed in the housing investment fund. Currently it is proposed that it go to the housing investment fund for a specific purpose. And the proposal says for home repair and home ownership programs. I am going to move to strike that specific purpose for the following reason. The housing investment fund was by definition established to create a flexible spending source of revenue to be used in a nimble and creative way by the housing bureau to address housing opportunities as they came along. It is -- to the idea of a flexible housing investment fund to start segregating funds and putting limitations on the use of the funds in the account since it may very well be that the best use of those proceeds in the housing investment fund at any moment in time may be multifamily versus home ownership versus something else because the purpose of the fund was to give the bureau and commissioner in charge maximum flexibility with dollars that were not restricted as our tif and federal funds. I think that the restriction, while I think I understand why that was proposed, I don't think fits the purpose of the -- my amendment would be to strike at 6.08.080-a the following. For home repair and home ownership program.

**Fritz:** Second.

**Hales:** Further discussion on accepting that amendment for purposes of public testimony? Roll call, please.

**Novick:** Good idea. Aye.

**Fritz:** I support this amendment. I also support this dedication, because we do in the development services bureau collect fees for other agencies for specific purposes. This is different from taking a general fund piece of money and allocating it to a specific purpose. I'm happy to support this amendment. Aye.

**Fish:** I appreciate the support. I think under this amendment one could argue that the funds could actually be eligible to be counted against the \$20 million since they're no longer restricted to a specific activity. Aye.

**Saltzman:** Appreciate the amendment aye.

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**Hales:** Although I certainly think a good use of these funds is home repair and home ownership programs. I take your point about putting them into the hif and making that judgment call. Aye. That amendment is on the table. We will take public testimony on that.

**Lannon:** Mayor, I have a correction to a statement I made earlier. Commissioner Fritz, you asked about affordable housing, and how the tax would apply to that. Actually the financial hardship would only apply if they were appealing a penalty assessment. So, at this point, the ordinance would require anyone putting up affordable housing to pay the tax up front and request the rebate after the fact. Just wanted to get clear on that.

**Fritz:** Thank you.

**Hales:** At this point the tax applies to single family construction on a single family lot. Not multifamily construction on a multifamily lot.

**Lannon:** Right.

**Hales:** Thank you. Stand by. I'm sure we will have more questions after testimony. Sign-up sheet.

**Novick:** I have a question. I have been trying to work out some amendment concepts and haven't -- don't have anything ready for prime time. I'm -- I can talk about what the concepts are today, but i'm curious, do you anticipate we will have a second and first reading next week to offer additional amendments?

**Hales:** I'm anticipating a lot of testimony, staff work that will be necessary to define the proposal if you have other amendment ideas, no problem to put them out conceptually today or wait until later. Either one.

**Novick:** Okay.

**Hales:** People signed up to speak.

**Moore-Love:** A total of 28 signed up. The first three please come on up. [names being read]

**Hales:** Again, I know this is an important subject to a lot of you and I am going to ask you to confine your remarks to two minutes so we can hear everybody.

**Robert McCullough:** Mayor -- panel in one place.

**Hales:** Do we need to call a fourth person?

**McCullough:** Are there four or just boot me out at the moment --

**Hales:** Why don't we boot you out and let them have the panel.

**Fish:** With that, you will be moved to the 7:00 p.m. Hearing.

**McCullough:** I think I just gave up the first -- happy to do so --

**Hales:** Come on up and then we will call you next, robert. Thank you.

**McCullough:** Sounds good.

**Hales:** You can bring another chair if there are four of you. Just grab a loose one. All right.

\*\*\*\*\*: Musical chairs.

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

**Janet Baker:** Hi. My name is Janet baker, united neighborhoods for reform and I live in northeast Portland. So, finally the city proposes an alternative approach to curbing demolitions, demolition tax. The tax is intended to play two roles. First it is intended to disincentivize demolitions in tandem of the work of the task force which will be completed in 2017. Secondly, it would provide funding for low income housing initiatives, greatly underserved part of the Portland community. While we really appreciate formation of the residential infill task force, part of the initial unr resolution, as you may recall, it will be at least 18 months before the recommendation come before this group. We can't wait that long. Between now and then, hundreds more houses will be demolished in Portland, replaced with oversized suburban style track homes that only a small fraction of Portland home buyers can afford. Clearly the changes in the process for demolition delays are not working. Neighbors and city staff are grappling with the process to save well-built quality

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homes that have served generations of Portland families. Of the six successful appeals, not a single home has been saved. Only beneficiaries of the demolition boom have been the developers. They have made many millions on the backs of Portland homeowners and renter. A term used in economics, cost to benefit that affects the party who did not choose to incur that cost or benefit. Negative externalities of the demolition boom is way too many for me to number. In addition, damage done to neighborhood fabric and impacts on people living adjacent to the demolitions and construction projects, demolitions have destroyed many viable affordable homes and apartments in Portland at a time when affordable housing is becoming increasingly hard to find. Money collected from the proposed demolition tax would go into a fund to address the affordable housing issue. We believe it is only fair that the beneficiaries of the boom, developers, should help pay for some of the negative externalities of their actions. Unr agrees that a demolition tax could help curb demolitions and raise money for affordable housing, we do not believe the proposed tax structure we're talking about today will achieve that goal. Next speakers will tell you why we don't believe the proposed tax will work and what we submit as a revised tax for you to consider. Thank you for listening to us.

**Hales:** Thank you. Welcome.

**Barbara Strunk:** Hello, my name is Barbara strunk, a member of united neighborhoods reform. Unr does support the idea of a demolition tax to try to curb the number of demolitions of single family homes. We do not support the current proposes tax as it stands right now. Mainly with the rebates offered if two houses are built in place of one. The original form of the tax with no rebates, has creditability, but we think it can be better. What we think will happen if this current tax is enacted is that the number of demolitions of viable single family residences will increase, rebates will encourage demolitions and lot divisions. We will see greatly increased lot divisions and demolitions, especially in neighborhoods like Kenton, where nearly all of the houses have underlying historical lot lines and are still somewhat affordable. We don't want to see any of these possibilities happen. What we want to see happen is an economic disincentive to most demolitions. We want to see an increase in the resources put toward housing affordability. We want to encourage the building of smaller more affordable houses, and we want to avoid any policy that encourages more lot divisions. Our proposal is that the demolition fee should be \$35,000. We think that the \$25,000 is really just a drop in the bucket compared to the \$800,000 to \$1.3 million prices we're seeing on some of these new houses. People may claim that this tax will lower the price received by the seller of the old house, the one to be demolished. We argue that the seller needs to wait just a few more days and they will get a bid from someone who wants to live in the house. I'm running out of time.

**Hales:** We will see the rest of your testimony here. Thank you very much. Thank you. Welcome.

**Margaret Davis:** Thanks. I'm Margaret Davis, united neighborhoods for reform. I live in northeast Portland. We are grateful that you brought this demolition tax forward. Demolitions hurt neighborhoods and hurt people. We respectfully submit the revised version. The simple structure of the -- \$35,000 flat tax on both demolitions and major remodels will achieve the aim of protecting affordable housing and a massing funding for more minus exemptions, rebates, loopholes, revised tax is far easier to administer. Thank you mayor hales for coming to our neighborhood association meeting Monday and asking for feedback on this tax. At that time, you cited marginal success for the previous efforts by this council to combat demolitions. I would argue that marginal or bureau success better describes those efforts. To illustrate, demo delay rules, as Janet says, no house has been saved. Voluntarily program which involves giving money to developers to do the right thing by foregoing wasteful and hazardous demolition has had no takers since instituted, and, in



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fact, staff encouraged an application just this week from somebody but that house is already gone. Such highlight the need for real ones. One constant in this -- in these under -  
- drac, which includes many developers does an excellent job of finessing permitting processes. This demo tax is not one. We have been assured by the mayor on Monday that any changes, revisions made to the tax will go through the revenue department and we hope through a transparent process. We're counting on it. Demolition take is all away mature urban trees, character, history, uncontaminated dirt and air -- this is your third try at curbing demolitions. Please make it matter. Commissioner Fritz, you led the charge against smoking in the parks. You should be against demolitions. They spread lead and asbestos which cause health effects similar to smoking, maybe even worse. Commissioner Saltzman, you chair about children, children's levy, centers for disease control says no amount of lead is safe in children and bulldozed homes exude lead. And commissioner Fish, if you care about affordable housing and aging in place, these are homes that serve generations of Portlanders and could have served many more. Thank you again for bringing this demolition tax forward and we hope, council that you will consider revised tax that will actually work. Thank you.

**Hales:** Thank you very much.

**Fish:** Margaret, two quick questions. You mentioned the drac earlier. My understanding is that the drac has not officially weighed in on this.

**Davis:** I don't know. I will see at the meeting tomorrow. I know they have talked about it.

**Fish:** My understanding they have not taken a position.

**Davis:** To my knowledge, no.

**Saltzman:** They did send us a letter saying they were disappointed that they were excluded from the review and vetting process.

**Fritz:** We have somebody here to testify on that.

**Fish:** That would be consistent with my point that they have not taken a position. I understand that they would like to have a role, but since you mentioned drac, I wanted to make sure that I hadn't missed something.

**Davis:** Again, we are looking at -- any revisions, the changes that might go on we hope will go through the revenue division or some other body. We feel drac is not the place to do it.

**Fish:** Speaking as one commissioner, I would welcome drac's comments as I would any citizen body. I hope there is a formal way to get their perspective. Since you mentioned hazardous materials, since we all -- since we last had a hearing on this subject, there was a series in the "Oregonian" let's put it politely lax oversight of state rules on asbestos and asbestos abatement. Are you addressing that separate and apart from demolitions in terms of where you think the city should land?

**Davis:** I feel the city could do a lot to control hazmat. All we have to do is drive across the river to Vancouver to see how they do it. Curb demolitions, you have taken care of the hazmat problems.

**Fish:** That's one way to do it. I guess another way would be to figure out where and how we could regulate that area in light of the fact that the state is now regulating. I would welcome any thoughts you would have on that subject independent of demolition.

**Davis:** And we're anxious to see how the city will comply with the recent state law passed about asbestos surveys.

**Fish:** Okay.

**Davis:** Thank you.

**Hales:** Thank you all very much. Okay. [names being read]

**McCullough:** Mr. Mayor, may I apply for two more minutes --

**Hales:** Nice try. Because you're southeast uplift chair -- I thought because you have taken a bump. But, yes, because you are southeast uplift chair -- district coalition chair, yes.

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**McCullough:** Thank you very much. I would like to thank the council and the mayor for the help in the margins problem. Thank you very much for the mediation by your staff. I would like to note that it was kind of you to send me an email on the morning of the confrontation asking whether I was arrested. I need to counsel you, the police take away your smartphone when they put you in jail. Send me a telegram.

**Hales:** That would constitute cruel and unusual punishment.

**McCullough** Southeast uplift, we received news of the changes through brad schmitt. We like him a lot but it underscores the process of public involvement. Brad, I hope you say something nice about me today.

**Fish:** Robert, robert, please don't encourage him.

**McCullough:** So to a degree, i'm without portfolio. Executive committee meeting is at 5:00. Next land use committee meeting is on Monday. We have a Thursday neighborhood association meeting we would love to have you attend. It is in your own elementary school and we would love to have you. The bottom line is we have been working on this proposal, reviewing it, following it, I have talked to you about it before. Sudden shift surprised us. We did polling on it. The polling had two very different answers. The answers from the well-established neighborhoods closer to the river, with the 25,000 too low to be effective. From the neighborhoods closer to I5 -- the answer was rather strong, and that was this will defeat our attempt to renew houses that need renewal. In both directions, there was some doubts about the proposal. Unr had some proposals and they sounded good. We may well endorse them when we get a chance. Bottom line is the change loses both. We go from something that might slow the pace of demolitions to something that will enhance it. On the margins confrontation, the problem was that we had a sub division that was pretending to be a single-family demolition, hence to get, I think the last of the k-1 exemptions. Simultaneously, proposed clear-cutting 20 trees, three majestic redwood-style sequoias. However, the point of the matter cutting 20 trees is based on building two houses. So, at bds, they were simultaneously accepting a contradiction simply to get the answer the developer wanted. They're building two houses for cutting trees and one house for getting the exemption. Under the new rule, we suspect we will see the exact opposite. People will pretend to build two houses and only build one. The fact of the matter is, we're applying duct tape to duct tape. We have to apply truth in zoning. We have to get the zoning rules back in shape. I noticed your own staff were unable to follow through the r-5. One staffer said 5,000 square feet. As we all know, it has been years since r-5, 5,000 square feet. Another staffer confused demolitions to remodels, until Amanda Fritz changed that rule -- thank you -- we had demolitions that were, in fact, pretending to be remodels. Standing next to a school here in Portland with asbestos, no controls, and a bulldozer remodeled the house. Generally we believe bulldozers are not a tool of remodeling. And, so, as we end up with these very complex and exaggerated solutions, what we need is a lot more discussion. We will be coming back with more detailed statements. At the moment we're a little upset for being left out. We checked with drac, mary helen kincaid, as you know, is a friend of mine. She had not been consulted. Citywide land use committee had not been consulted. Land use representatives on the infill committee had not been consulted. We got some pretty angry letters from land use guys who are furious don't lose the resources. We are not just an interest group. We are working our tails off on this stuff. And let me close by the way with something that is tongue and cheek. As an economist, I have no sense of humor. It was surgically removed when I was an executive at the power company. Very painful. If we really are talking about affordable housing, one of my staff proposed yesterday to me that it was very simple. Two-thirds of all of the airbnbs are not licensed and therefore we have an enormous housing stock pretty much taken out of the

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normal use. That would be an excellent place for a voucher system for the homeless this winter.

**Fritz:** May I ask a question? You mentioned polling. Is that a scientific poll --

**McCullough:** No, no, no. We are masters of non-scientific polling, and I apologize -- the only defense I can make of our polling is that it is honest, though innocent.

**Fritz:** Survey off of southeast uplift coalition.

**McCullough:** It is, survey going through next door and it simply -- the issue where you can use that software to ask the question, and in this case, it was pretty much a question of whether the original proposal would work well or not and then there was an enormous dialogue through next --

**Fritz:** I applaud you for doing that and having the conversations with neighborhoods -- I have heard from neighborhoods further east and some? Southwest, similar concern that the proposal would result in housing that needs to go not being demolished.

**McCullough:** Absolutely. Southeast uplift, as you know, goes from one level to the other level of extreme on income, etc.

**Fish:** Robert, two questions. First a comment, if only two-thirds of the short-term rentals were not permitted, that would be progress, because I think we're closer to 90%.

**McCullough:** That's an interesting question. I will be impressed if that is true. That is not the statistics that we have seen. But please have the staffer who has that tell us because it is very different than what we have seen.

**Fish:** Second thing --

**McCullough:** It is okay to put homeless in a permitted airbnb.

**Fish:** I think the level of compliance is worse. The easy way to resolve that is for the platform owner to refuse to advertise any unit that can't verify they have obtained a necessary permit, which I think is not only a responsible thing but ensures that the guest has a safe night's sleep.

**McCullough:** Absolutely. I agree with that.

**Fish:** You wearing your hat as an economist, some say that a demolition fee is going to drive up the cost of housing. Others say that what is really affecting the current market is that people want to live in Portland. And they're paying a premium. Where do you land on that?

**McCullough:** Well, any good econ 102 class will tell you it is a bit of both. Elasticity of demand at the time, the buyer would pay more of the tax. In this case, most concerns we had from the east Moreland residents, \$25,000 would not have postponed the homes from the demolition levels they are undertaking. When we are talking about \$1 million homes resulting, this almost certainly is not going to deter them. You have heard the outrage on the \$1,200 per 150 foot giant sequoias. Often I notice in public policy, staff have very limited ideas of the real financial impact. The dollars in these developments are enormous. And dollars have an impact on developers that will be enormous.

**Fish:** What about the friends outer southeast as you noted might have a different view, looking at a demolition fee as an obstacle of replacing a house that may have reached its useful life with another home that might end up being affordable.

**McCullough:** I agree entirely. That is one of the reasons why we were surprised things had shifted oh -- so suddenly. If we were to have a tax, it would have to be graduated to some degree to apply to both areas. One size does not fit all on a tax.

**Fish:** If it is graduated, is the simplest way -- just to have a floor. Exempt \$150,000 homes all together for example?

**McCullough:** I think that would be one. I have to tell you, if we just look at the margin situation, the home was bought for a bargain. And the two homes were almost certainly going to be in the million dollar range. \$25,000 was not going to affect that at all. So, we

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would almost have to have some sort of percentage that would get the dollar amount up to where it would have an impact.

**Hales:** Robert, appreciate you and others being willing to now try to take this to a point where it does what I think we all agree it should do. You know some of the thinking that has gone into this and developing it so far. We originally were looking at the tax assessment bifurcation in which each house is assigned a land value and then improvements value. As it turns out, through whatever quirks of the Multnomah county assessment and taxation system -- so, we are looking for ideas for how to graduate the tax. The \$25,000 flat amount is the simplest and easiest to administer version of this idea. But we're looking for you and others who are economists, or not, to try to devise a way to graduate it. We are interested and getting testimony, heard a lot from neighborhoods already, whether the two for one replacement situations should be included or not included and most recently whether if we proceed with the version that is now in front of the council where it only applies to one for one, that it will create a perverse incentive to do more two for one as you have already heard here this afternoon. Dollar amount, we're interested in that. And we're also interested in what constitutes a derelict house -- I have been out in the field with some of the builders here to speak and seen some of the houses they proposed demolish. I told them at the time most neighborhoods would send them a bouquet instead of a tax bill if they were to demolish that house. How do we encode, define that house, code hearings officer's findings. It may not be the right way to do it. What should the dollar amount be? How do we graduate it? And how do we define a derelict house other than it is obvious --

**McCullough:** Thank you, the committee of southeast uplift is happy to work on it. They are much smarter than I am. I was sent here to express outrage, despair, unhappiness. I have done a poor job, since you have heard all of that before. I tried reason instead. We would like to come back next week with the detailed issues, and frankly, those guys michael and rod and all of their colleagues are working their tails off. Don't leave them out of the mix. They are doing the best to help.

**Hales:** We appreciate their service on the task force.

**Fritz:** You mentioned next week --

**Hales:** This isn't going to happen next week.

**Fritz:** I'm glad to hear that. It --

**Hales:** Initial public hearing. We don't have a schedule for when this --

**McCullough:** I only hear about this from brad schmitt, so what do I know.

**Hales:** He does a fine job but don't believe everything you read in the papers, sir, welcome.

**John Sandie:** Mayor and commissioners. My name is john sandie, frustrated neighbor from northeast Portland. I think I am representing most probably thousands of others sharing a similar state of mind. I'm going to vary from the text a bit. That could be a problem but we will do it to address some issues that have come up. One is timeliness. I have heard a lot of people say we weren't involved in the decision. But for almost two years, despite countless meetings and thousands of hours of city resources and civic-minded volunteers, we have achieved no impact, appreciable result of slowing the demolition of housing down. So, timeliness has to be factored into this. I appreciate the mayor and the council looking at an issue to try to address this issue, but I have to impress timeliness. Right now we have to do something -- that's my plea -- do something to slow down the demolitions to allow the residential infill project time to do its job and what it was charted to do. Let alone as nick Fish brought up with the recent Oregonian, allow deq and the contractors to get their act together when you are talking about hazardous materials. We can't just sit by and accept the status quo on that for longer than the two years that we

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have been sitting on the sidelines right now. We need to do something to address that now. That's my plea to you, get something done. If you've got to get input from all of the resources as Robert has indicated, fine, do it in a timely, effective manner, and please, for my benefit, prove that an acting municipal body can actually get through the details and actually do some concrete work. Thank you.

**Hales:** Thank you. Mr. Parker.

**Terry Parker:** Thank you for the opportunity. My name is terry parker from northeast Portland. I'm a fourth generation Portlander. Voters are upset, even angry over the large number of home demolitions that are taking place in their neighborhoods. For a tax to be effective, as it applies to the primary purpose of managing home demolitions, it must be simple, straightforward, and all inclusive. Not a watered down sprinkler system full of loopholes that are large enough to run a steam locomotive through. Rebates that encourage lot splitting will diminish neighborhood green space and neighborhood fabric. Affordable homes are the ones that are being torn down. I fully support the testimony presented by the unr speakers. I will keep it short. Thank you.

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

**More-Love:** The next three. [names being read]

**Mary Helen Kincaid, Chair, Drac:** I want to thank whoever signed me up first. Because I want to be home for the royals game at 5:00. I might not be here for the end of this. Not a houston fan, no. [inaudible]

\*\*\*\*\*: -- approached by a lot of people in the marijuana industry how you got to the head of the line.

**Kincaid:** I'm not going to disclose that. [inaudible]

**Kincaid:** For the record, mary ellen kincaid, chair of the development review advisory committee, otherwise known as drac. You all have received a letter from drac so I don't think I need to publicly read that to take up my two minutes. My point is, as usual, started out with something and as I started to hear things I changed a little bit. The nexus of all of this is we need to figure out what the future desired outcome is and everybody speaks to demolitions. The drac demo ordinance subcommittee was not formed to stop demolitions, but it was to create a condition under which neighbors could be notified. The k-1 exception went out the window, and the 35 day delay offered opportunity for notification and for neighborhoods to provide evidence of why they should save that property. You've heard testimony and I have to agree with them. It hasn't saved a single house. There were six appeals. Three were approved. Three denied. One before it even started. I have come to the conclusion that we need to start at the very beginning. There needs to be some opportunity -- this is why I think there should have been more discussion. Drac should have been brought into this, part of our discussion, but it was not the pervasive -- he has developed a program, commissioner Saltzman staff has seen it, paul has seen it, identifying houses that are significant. Neighborhoods could identify those and that way we could deal with them. We have had preliminary discussions with pcri, habitat for humanity, proud ground, they could take the ownership part of that and transfer that but it is not finished yet. I would like to see -- I proposed this to commissioner Saltzman the other day. I would like to see a committee that can get some good things and do something to affect the demolition process. I don't think we need to go with economic disincentives, I think we need to go with economic incentives. Those people that are going to do something good. I don't know exactly how it all works. This all caught me by surprise as a drac member and citizen and land use person in the neighborhood that the proposal was out there. It was discussed at one drac subcommittee meeting for five minutes and no resolution or recommendation from that meeting. Mayor hales, you said about -- we want to preserve good old houses that are good for the neighborhood. I don't think anybody disputes that.

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What is a good way to do that. It is not after the permit has been issued and a developer spent \$40,000 on plans and the neighborhoods get set up for an argument and an appeals process. I don't think that is a fruitful way to go at it. It doesn't address adus. You heard and I was -- take a poll here because we could probably end this hearing now, how many people think this is a good idea as it stands? You have developers, you have unr, drac subcommittee, we need to hit the reset button and do something productive here. I think we proved drac can work with a variety of stakeholders that come out with a good resolution. I would like to see incentives for small houses. I think the revenue production will be the revenue savings that people will have -- and I like to use the term, maxine fitzpatrick taught me this term, affordability as opposed to affordable housing. We need to make affordability part of our language. My only other question and this can be for staff later if i'm still here, who the stakeholders were that you met with? I heard that you met with beaumont wiltshire monday night. Why not drac the last previous two months? I wanted to bring council's attention to the impact statement where it says that the mayor's office shared a concept with stakeholders august 2015 and draft proposal with stakeholders in September 25th, 2015. I would argue that drac is a huge stakeholders group and we never got any of that information. I'm concerned about the content in these from my public involvement advisory committee experience, public involvement didn't really happen there. So --

**Hales:** Mary Helen, first maybe I need to do a more complete version of setting the table for this. I mentioned this topic and said that we would be working on this in January of this year when I gave my state of city speech. I realize that not everyone listens to the state of the city speech. April of this year, unr forum on sandy boulevard and I brought it up there. And then my staff has been working on it for six months. It is a revenue proposal. Not a development review proposal. Drac committee is welcome to look at this revenue proposal and comment on it. Finally, I have been trying to say this all along. I will say it again. I brought this to this hearing today as a proposal. It's an idea. It's a -- maybe it is a good deed that should be punished or maybe it isn't. But it is a proposal. Now you can help shape it into a policy. That's how the legislative process is supposed to work but I think we're so accustomed maybe to the lack of debate in places like congress that it seems unusual and actually we have done it a number of times on a number of topics in this council over the last couple of years where we put something on the table and started a public discussion. That's what we're doing today. That's why when someone said next week when we act on this, I started waving my hands -- we're not going to adopt the current proposal. It is just a starting point. Again, apologies if drac hasn't felt included. This isn't about development review. It is about taxing demolition before development occurs. I appreciate that the drac worked on the previous changes to our demolition delay requirements, and I appreciate that effort. Obviously it hasn't been sufficient. And you recognize that as well. Again, everyone, I hope everyone could take a deep breath and say, oh, this is an idea. What do we do with it rather than worrying about how much or how little public process has occurred before today. It begins here.

**Kincaid:** Right. And I totally agree with you. And if it came across as something else, I apologize. I believe that this needs to be looked at but it needs to be looked at in a more in-depth kind of fashion and across bureaus and when you speak to it being a revenue proposal and not development review, drac is going to, and commissioner Saltzman left so I can't speak on his behalf, but has agreed to have drac subcommittee look at cumulative fees -- they could argue this is a bds -- I mean a bes fee or water bureau fee. That all affects development. And this tax or fee or charge or whatever it ends up being is going to affect development. And it is going to affect housing. Portland housing bureau needs to be

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involved in this. That's my point is I don't think it is just one bureau that needs to look at this. It needs to be a stakeholder group like we had and my experience is --

**Fish:** Chair Kincaid, my understanding the next drac meeting is tomorrow.

**Kincaid:** Correct.

**Fish:** So, is it your hope there is some further presentation tomorrow on this concept or is this something you intend to schedule for next month's meeting?

**Kincaid:** I wouldn't expect anybody -- I mean, if someone wants to we could probably shift the agenda around. We have a full agenda. November is fine. Even a special meeting -- many drac members that are extremely interested in this topic.

**Hales:** Thank you.

**Brandon Spencer-Hartle:** Mayor, commissioners, my name is Brandon Spencer-Hartle I'm here representing Restore Oregon, 1130 Southwest Morrison Street. Concept and leadership provided by the mayor in hopes that the rest of the commission can build the right proposal. Many reasons to -- I want to list off a couple of reasons -- rehabilitation of existing buildings per dollar spent generates more jobs than new construction. Every house demolished, 58,000 pounds of waste to the landfill and only 9% of replacement projects on the sites of single family houses provide multifamily housing. Three, new houses are obviously an inherently more expensive, and four, neighborhood -- in my estimation, demolition tax should be structured to award good behavior. Accomplished by inclusion of a small menu of options that would provide for partial rebate, combination of which may get the \$25,000 tax to zero. The four partial rebates that I would like the council to consider, rebates for full deconstruction, and in doing full deconstruction, we would solve for the hazardous materials concerns that neighbors have. Rebate for affordable housing. Three, a rebate for multifamily housing and by multifamily, I don't mean two new houses but multifamily in nature. Four, one thing that has come up, a partial full rebate for neighborhood association waiver for those situations where you may have a neighborhood association board who would like to see a house replaced or who have had positive interactions with the developer who is proposing something better for their neighborhood. Additionally, I believe that the proposed tax should apply to all residential structures and all residential zones, which is what your title 24 demolition ordinance covers. This would be a broader application of the proposal than what is in the language that the mayor's office has proposed and found in title 2455-200. I will stop there.

**Fish:** Can I ask you, since you're suggesting a broader application and a bigger menu of exemptions, where do you come down on the dollar amount?

**Spencer-Hartle:** I don't.

**Fish:** No position on that.

**Spencer-Hartle:** I don't know if 25 or 35 is the right now. My thinking is in offering partial rebates, you could incentivize multiple tiers of good behavior. Deconstruction one of these, affordable housing could be one and for the projects on transit corridors, multifamily zones, you could accommodate other concerns about density through having that type of rebate.

**Fish:** Can I just ask you? Why do you have more confidence in the terms of the asbestos and hazardous material concern with a deconstruction rather than demolition? Couldn't there be a deconstruction that is just as irresponsible as a demolition in terms of how to handle hazardous materials?

**Spencer-Hartle:** That's a really good question. I serve on the deconstruction advisory group, and Sean Wood from the bureau of planning and sustainability could talk further about this, by the delicate nature of deconstruction, mechanical demolition, you would be proactively able to identify where a host of hazardous materials are located in a house and abate them as you came across them rather than accidentally or inadvertently not noticing lead, mercury, asbestos through the backhoe.

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**Hales:** Thank you. Welcome.

**Paul Grove:** Mayor Hales, commissioners, for the record, Paul Grove, I'm with the HBA of Metro Portland. I submitted written testimony on behalf of the organization. I will do my best to not read it. As noted in the testimony, the HBA Metro Portland is not supportive of the proposal. And I have outlined a series of policy issues that are problematic.

**Hales:** I don't think I have a copy. Have you got copies of that, Karla?

**Fritz:** Emailed to us last night.

**Hales:** Sorry. I will get it later.

**Grove:** Again, there are a host of policy considerations that we have identified and outlined in the testimony. The first is around affordability. It has been discussed a little bit today. And having to carry that cost and what that looks like and does that become a burden for folks like Habitat and others doing this type of work. Increasingly few in this space. And you will likely hear more about that. That is something that we outlined. We also outlined affordability piece around those building in and around the median home value to the point that Commissioner Fish made earlier, looking at homes in outer southeast, a new home that might not be technically derelict but is deficient, might be replaced with a reasonable affordable home and a \$350,000 home is something that a neighbor would want and approve and frankly looking at a \$25,000 tax, the prospect or calculation looks different for a family in terms of what it can and can't afford. Second item that we noted was around energy efficiency and sustainability. A number of homes torn down are frankly energy inefficient and replaced with newer homes that reduce the residential carbon footprint. Rather than penalize that I think we should be trying to reward and incent that. Third beast around equity. Unfortunate consequence around those existing property owners, if they choose to potentially tear down and rebuild, and be in an owner/occupied home, are they subject to that tax? Also, those residents, long-time Portland residents that have been in the city and weathered the tough times and now are looking at their nest egg. What does that look like for them? Are they going to potentially take a hit on what that property value may be? 5th item we outlined was around accountability. And it has been discussed a bit today in terms of some of the outstanding issues with respect to the administration, what this looks like, technical pieces, etc. I don't want to belabor the point. It has been discussed a little bit today. Those are the highlights of the testimony that we presented on behalf of the HBA and I will stop there. Thank you.

**Fish:** Sir, I apologize that I don't have your letter in front of me, if you email that, I will look for it.

**Grove:** Certainly.

**Fish:** Does your submission outline the potential what HBA believes to be the legal defects of a demolition tax approach?

**Grove:** Mayor Hales, Commissioner Fish --

**Fish:** You don't have to do that here. You don't have to go through that extra --

**Grove:** Old habit. That letter was submitted by John Chandler, CEO of the state association, on their behalf and that was submitted. I don't have any additional detail to provide to you other than what Mr. Chandler submitted to you.

**Fish:** All I would say is HBA regional, state, believes that this approach is illegal because somehow it is either preempted or conflicts with state law or whatever, I would urge you to submit that argument in writing so that we can evaluate it. I think that would be helpful. The second comment is in light of the concern that you raised about affordability, do you support exempting demolitions below a certain house value?

**Grove:** Commissioner Fish, I appreciate the question. At this point in time, I think as we evaluate the options we have to put all things on the table. What that looks like. If it looks like an up-front exemption, if it looks like a rebate or the policy as ultimately structured and



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we take and heed the council of others who have wanted to pump the brakes and slow down and look at this in greater detail, maybe a tax is not necessary. I would suggest at this point in time I am not in a position to support anything. Frankly, the association is not supportive of a tax on demolitions.

**Fish:** Since the mayor has said we will be reviewing this and this is just the beginning of the process, I would benefit from additional feedback from your organization about how to address affordability. I think everyone acknowledges that someone in outer east that wants to demolish a \$150,000 home and replace it with a home that a middle class family could afford, is in a different category, someone in my neighborhood taking a perfectly nice bungalow -- in your analysis, you think an exemption at the front end -- I would like to hear more about that.

**Hales:** I mentioned earlier, we could use your advice on, I suspect your advice about the dollar amount will probably not be all that helpful because I think I already know what it is. Here is one where we could use your help. That is this issue of what constitutes a derelict house. I threw out that challenge to mr. McCullough as well. If we are going to do this, we have to figure out how do we draw that line and how do we define that situation and code where the house is too far gone to keep and where no one in particular -- no reasonable person, in my opinion, would want to stand in the way of its demolition? How do we draw that line in code, other than a judgment call or an inspection? How do we do that? That is an open question in my mind about this ordinance as it now stands. We have pegged to the hearings officer and the bureaus' determination and the code provisions that underlie that, i'm not sure if that is the right way to do it or not. Your members help in being able to codify a reasonable call on what is a house that is too far gone to keep would be very helpful.

**Fritz:** I appreciate all three of you and the previous six speakers. I also, mayor hale, was not an aware this was more like a work session. I hope there will be a task force or some forum set up so that these issues can be thought through and -- in a more -- I don't think we're going to get the complete consensus on this. But it would be good to have a proposal that had each of your input and I appreciate your willingness to do that.

**Kincaid:** Can I interject something, derelict houses -- an architect, mapped out for Sunnyside, king neighborhood, pictures of every house, those things and standards for derelict and different levels and so in this sort of proposal, in its infancy, but 60 months down the road, he has got proposals for how to make the judgments, peer review, architect, city staff, structural engineer, utilizing some students in Portland state, architectural firms. There are great ideas out there. We need time to get them together and he has his 50 minute slide shows so any time you or any of your staff want to see it he is more than willing to show somebody. He has made great progress. That would answer some of that. Just quickly, it wouldn't be me if I didn't have a quote for you. I will probably murder this because I don't have it written down, steven hawkins, smith and hawkins -- he said good management is when you identify a problem that is so interesting that everyone wants to get on board to help. And so I think this describes his whole process. I thank all of you for that.

**Fritz:** The challenge might be that in Sunnyside it may be possible to take pictures of every home. Centennial height I think has over 10,000 homes and similarly other neighborhoods in our community don't have the capacity to do that. So what we're looking at is can we tailor something that may not be one size fits all.

**Kincaid:** Answers to that, too.

**Fritz:** Thanks.

**Hales:** Thank you.

**Novick:** Before you leave -- go royals.

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**Kincaid:** Oh, thank you.

**Hales:** Thank you very much. The next folks, please. [names being read]

**Jerry Johnson:** Good afternoon, Jerry Johnson, this is an odd thing for me to be doing because basically speaking on housing policy that I care a great deal about. I am going to be speaking to the text I was given which I understand is probably in flux. But I think some of the issues are broad enough that they will be useful. Issues of affordability, which I care about as I think most people do, it is hard to come up with solutions that -- where you don't get unintended consequences. I think the way this is structured there is a lot of potential for that. First of all, the timing and burden of the rebate thing. I am troubled with this. A lot of small builders, builders who get rebates, it doesn't say how long they're holding the money. A small nonprofit, doing a duplex, theoretically under this language going to get a rebate, maybe an administrative fee, if someone is parking on your money for an unspecified number of months or years or whatever it is, and I think that is a potential hardship. I think it is important how that is structured what the impact is going to be. I think one of the things you need to understand when doing housing policy, particularly a tax for charge is you know you charge it to an economics issue called incidents, a sub-specialty who pays it. We know who we charge. But if you're a developer and you're charged a \$25,000 fee for a demolition, you are trying to push it to the market or trying to take it off of the property value, one or the other. Robert, who I'm proud to say is actually my -- represents my neighborhood, got it right. Income elasticity, demand, who has the power to push that price and which way does it go. In most cases it goes in both directions. I do actually want to advocate for move away from flat fee. I think it has a regressive impact. Disproportionately cause hardships -- \$25,000 fee on a million dollar home, 2.5%, that's really not of any consequence. I guess my time is up.

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

**Daniel Franks:** Thank you. My name is Daniel Franks, member of the northeast neighborhood. I am a member of -- neighborhood for about the last 40 years and I've lived in Boise I see a lot of things go in the neighborhood that has been good from the development. I can remember when we would go to Mississippi and one person on Mississippi Avenue. I didn't want to see the brakes put on the development. It is good to think of the small people, and I'm one of them. I don't mean to say that, but \$25,000 on the one hand is going to hurt some of the people that is fairly small when they try to turn their investment. Speaking of a neighbor, I won't mention his name, but he's 80 years old. Thinking of retiring. He has this little house -- and in those scenarios, it's a pretty good idea that he has been in the neighborhood that long and can cash in on it. After all of the things that he had been through for 80 years. And he has got a fairly decent offer and he is entertaining. If he come in with \$25,000 less, he would miss a year's income. He is on a fixed income. Myself, I'm disabled. So I have -- don't have a modest income myself. And \$25,000 means a lot to me as well. I do appreciate the fact that the dollars is going to the process of helping underprivileged people, and also keeping the price down. Accomplish the same objective and more of how do we do it? I agree with most people, if we do \$25,000, who will pick up the \$25,000. What is happening over the years where we were, it was nobody to actually invest. Got people to invest, I would hate to run them off. That is my -- about the investment in my area. So, I hope we come up with a plan that is pleasing to everybody as opposed to just -- I --

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

**Eric Thompson:** Thank you. Mayor, city commissioners. Eric Thompson, a Portland resident. I also own a small business that specializes in infill single family construction here in Portland. We use local contractors and suppliers. We support the local economy, and I believe that we truly improve the neighborhoods one house at a time. I think we can all

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agree that Portland like most west coast cities and a lot of different areas throughout the country has an affordable housing issue, I believe the proposed demolition tax is a solution looking for a problem and it doesn't necessarily address affordability here in Portland as all. I will share some numbers as to why I believe this. \$350,000, top end price for an affordable house, one a family can purchase and maybe rehab and fix up, 6,330 such houses bought and sold in Portland over the last 12 months. Of those 6,000 plus houses, 174 accompanied with a demo permit. And out of those 174 demo permits, only 75 were for a one to one replacement, which is what we have been talking about with the edited version of the proposal today. The rest were to be replaced by two or more houses which is 100% aligned with the Portland stated density goals and is part of the greater metro population growth. And so finally if you take a look at these 75 one to one demo permits out of 6,000 plus houses we can call affordable that were purchased last year only 30 were for houses that had an appraised value of more than 125,000\$ this is important because while some houses have been demoed over the past few years that can be deemed habitable the vast majority is evidence by the low appraised values were often vacant, derelict, run down eye sores that were the blight of otherwise thriving neighborhoods. In realities these houses were at the end of their useful lifecycle, at the current rate of demos it will take 500 years to replace the cities entire housing stock and I'd like to point out the real estate market is incredibly efficient. Very safe to say if there's any inherent value in a house that a rehabber or a family will pay more for that house than me as somebody who will redevelop and demo it can afford to pay. As an interesting aside I demos a house a few years ago in westmoreland, replacing it with a new home. This is an example of the one to one we're talking about. Speaking about the proposed demo tax with my client they owned the house at the time and had me tear it down, build them a new home. They told me not a week goes by they don't receive a compliment about how great the house is and how it has improved the neighborhood they recounted a story of a few years back when they say mayor hales you were campaigning door to door, on their front porch, and you indicated to them that this was a great example of the type of infill housing that the city needs. That's the exact type of housing right now that we're proposing of \$25,000 demo tax on.

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

**Steve Messinetti:** Good afternoon, mayor, commissioners. Thank you. Im Steve, executive director of habitat for humanity. I too applaud really all of your efforts this year toward creating more opportunities for affordable housing and the production of affordable housing. I was going to say I was very pleased with the focus of these funds on affordable homeownership. The most unfunded aspect of the housing spectrum. I was less pleased with the amendment to take that allocation and have this be a more broad funding source. I do ask for continued reflection on the specific use of these funds. My main concern with this proposal was as we mentioned some already, the unintended consequences related to the structure of the rebate. Right now this is such that a developer such as habitat for humanity or another small developer that is working hard to create an end product that is affordable to a family here would have to actually up front that \$25,000 and our typical project we would have a house that we take down it might be three or four years before we have subdivided, gotten through the development process and built the replacement home or homes on that site. Then sold it to the next family. That burden of coming up with additional funds up front, carrying those costs and then getting all those funds back at the end would be a significant burden. I really recommend looking at that rebate turning back into a exemption, which is how the program is set up. There's already administrative process for that, a simple process commitment to build affordable units. Make that commitment. We have to pay interest on that at the end of the day. So there's not an

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additional process needed if we just follow the rules in place. So again, appreciate further consideration, especially of the rebate issue.

**Hales:** We appreciate your help in the next phase as well. Thank you.

**Justin Wood:** Good afternoon, Mr. Mayor, members of council. I'm Justin wood, owner of Fish construction North West. We're an infill builder in Portland and have been doing it 40-plus years. I'm here to express concerns about the proposed demolition tax. First I want to reference two earlier documents that were called to the council's attention, one from the ohb a, calling the in the legality of the tax. I am in the camp that believes that to be an illegal excise tax. I was glad to hear it referred to as an excise tax. While it's technically referred to as a demolition tax the goal is to prevent the construction of newer, larger houses in its place. I think the argument can be made it's to prevent development not necessarily on the demolition of the house. As a drac member while it's a revenue referenced issue there's broad support from neighborhoods, deconstruction people, developers alike and I would like to see them get a chance to participate. We were pretty disappointed on that. If the tax moves forward i'm supportive only being one for one, for a lot of people in the room who haven't been through the metro growth processes the city of Portland is planning to add over 120,000 housing units in the next 20 years and while only 10% is predicted to be single family that's 12,000 and that can't happen without some level of demolition. Lastly, steve mentioned earlier I do think the affordable carve out is a good idea however rather than just having us pay it up front and getting it reimbursed that has a direct impact on our ability to bring a product to market. As commissioner Fish suggested council should consider a floor where they just exempt potentially use an improved value or assessed value on the improvements of the property and consider that for the basis of an exemption rather than just across the board. Lastly I would like to mention it's important that the city council and the neighborhood associations and unr, everybody have a bigger picture discussion rather than demolition and how it fits into the process. We have a comp plan, tree code, design standards and demolitions. All are impacted by the homes that will be built here in the next 20 years. When we look at these things as just one part of the bigger puzzle we're not doing a good job of figuring out the whole policy.

**Hales:** Thank you.

**Fred Leeson:** Fred leeson, architectural heritage center. Generally supported the idea of the demolition tax as a first step. We would love that paired with incentives, some of the ones that restore Oregon mentioned make a whole lot of sense and we would love to work on that with you. We were deeply concerned about the modifications we think the two for one is going in the wrong direction if the issue is demolition. That will just promote it. We would welcome the idea if you were going to exempt the two for one that only occur if it's for affordable housing. We really liked the idea in the original plan of the instead of the flat fee the more you paid that's an incentive for preservation. We were sorry to see that taken out because we think that speaks to preservation. Mayor hales, I think when you got push-back about this today is usually all these come from the bottom up and this is the first time, a wonderful experience to come down and talk to city council first time out of the box but I think that's the piece that people had difficulty understanding. We really would like to see this process move forward. Thank you.

**Hales:** Thank you. Thank you all.

**Moore-Love:** Next three.

**Hales:** Good afternoon. Welcome.

**Cliff Goldman:** Hi. I'm cliff Goldman and mayor hales and members of the commission, thank you for letting me speak here today and thank you, mayor hales, for showing up at the bowman neighborhood association meeting and explaining this. I wrote a letter to the editor about this as a response to your going in saying this allows the idea accepted

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counterproductive but they did say that there's going to be a residential infill stakeholder advisory committee. I think that's great to change the zoning so we can stop this. I live on northeast skidmore street where two mcmansions were recently pleated, one okay bid by a single individual, the other by a family of four. They went to \$675,000 each. Two closer to northeast 42 are near completion and will be going for \$900,000 each. Houses on skidmore between northeast 42 and 47th are valued at 350 to 400,000. Not only are the newly constructed houses architect really incompatible with the houses on the street but they are contributing to the increase of the unaffordability of Portland housing. Zoning changes are needed to stop this epidemic. This is the commission of the stakeholders committee. That's great. Taxing developers on the tear-down is just one tool being used to disincentive rise developers from thoughtless construction. Since that letter to the editor appeared to the Oregonian this idea of rebates came up and property owners could collect rebates for building multiple units or affordable housing and various other categories. Unfortunately the rebate would be granted to a developer replacing one structure with two larger, more expensive mcmansions thus no disincentive for the current destruction derby. Perhaps an idea would be to grant the rebate to the developer who will replace the demolished home to the height, width and setbacks that are compatible with the neighborhood and what the residential infill stakeholder advisory committee will be advising to do, preserve the architectural integrity and affordability of the neighborhood. So that would be something positive and incentive to not replace it with what is largely being replaced. That's large. Thank you for listening.

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

**Alyssa Isenstein-Krueger:** Hi. I'm alyssa isenstein kreuger. I have been a real estate broker Portland since 2007. I work almost exclusively with clients looking to buy or sell close into Portland which means anything west of 205 at this point. I support you in the flat \$35,000 fee. As a broker I see firsthand the market determining the price of housing, not developers. Developers price their homes at the top end and reduce prices until they snag a buyer. Most new construction goes to at least one price direction. As a whole they linger for a longer time than existing stock of homes. Single family homes particularly those under 400,000 are much less likely to see price reductions. They don't stay long. For the developers that respond adding a demolition fee will only increase the cost to a buyer that's only true if the buyer is willing to pay what the developer is asking. No buyer is force to pay more than they can afford. We are seeing a crisis in affordability here in Portland. Rents are increasing at an astronomical pace. The only way a family or individual can guarantee their housing costs don't increase is. They are most likely looking for a home in the under 350 price range. Finding a home under 350 in central neighborhoods of Portland is difficult and it's almost next to impossible for a family wanting a three bedroom home within three miles of downtown core. For homes under 350,000 that have the miss fortune of sitting on more than one historic lot families looking to buy a home are already competing with developers who come in with cash and offer quick closings. The new proposal for the demolition tax will only incentivize demolition for wealthier families. No developer is going to demolish an affordable single family home and build two more. The only way it does pencil out is replace the one affordable home with two or more homes unaffordable to families often making 200% of mfi. We should look at incentivizing preservation of single, more affordable ones.

**Hales:** Thanks very much. Lightning, welcome.

**Lightning:** Yes, my name is lightning. I represent lightning watch dog pdx. I absolutely oppose this demolition tax. The numbers being thrown out of 25,000 to 35,000 to me that's outrageous. Another issue I have is that if this is approved in any way this number needs to be dropped down drastically. I would also recommend that that amount be paid

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upon the sale of the house after it's been developed, not upfront fees. It will still be directed to the housing investment fund. And another issue I have is that when we're talking real estate brokers here is that if you attach a \$35,000 demolition tax up front to the developer, as a buyer stepping up to the table, the first thing I would do is look at the real estate broker and say, i'm going to drop your fee down for supporting this tax. Take it off the realtor's fee because we want to have more houses developed. Okay? We have a housing shortage. So we need to be focusing on possibly more of the urban growth boundary, number one, to get more land so these developers are not scrambling and trying to do more projects on very limited property, or again talking affordable housing, which I mentioned to commissioner Saltzman, let's start talking about an affordable housing bond again such as they did in san Francisco with mayor ed lee and let's start doing things that are a little bit more productive instead of trying to stall the developers from building more housing when we know we have a housing shortage and if you want to buy the house before they get to it, buy it. It's a free market system. You have a right to work with the realtors and get to that house first before the developer does. But if not, let's not limit what they can do. This tax is outrageous in my opinion.

**Hales:** Thank you all. Next. Welcome. Good afternoon.

**Steve Elder:** Good afternoon, members of the city council, I'm Steve elder. I live in northeast Portland. I wish to just maybe amplify and say amen and hurrah to some of the things I have heard and boo to some of the things I have heard. I do support the recommendations of the united neighborhoods for reform. I also point out I think the mayor was very wise in saying that the tax if any needs to be calibrated. That is to have some rational basis. It was my understanding that originally it was 250,000 and is considered a fair tax would be a tithe of that. 2250,000 being any number for the base price of the house that was demolished and replaced, the other of the revenue realized from the replacement house. I think the \$350,000 is a better index. I would yield to economists on that subject but I do agree with the mayor that it should be calibrated and can be calibrated. I would also point out to Miss Kincaid who said development, drac wasn't consulted. I would submit on that issue that it's all about -- she says everything involves development. If the city council waits until every aspect of development is satisfied and chewed on and debated and deliberated, there won't be any houses left. Because every bureau of the city has something to do with development. I'm urging the council to do something. I think that what's before the council is acceptable right now. That's what i'm asking the council to do. Also, to the gentleman who spoke about energy efficiency of old houses versus new, I would ask, you know, how many tens of years is it going to take to recoup in terms of energy efficiency? ? How many years is it going to take to actually recoup the best, most affordable house is the house on the grounds now. Thank you.

**Hales:** Thank you. Well come.

**Jes Larson:** Good afternoon, mayor, commissioners. I'm the director with welcome home. We are pleased to see this coming before you for your consideration. We supported this concept from the beginning. We appreciate your work, mayor, and your staff's work to look for new tools to help fund affordable housing and to mitigate the affordability crisis in our community. We see this as potentially one of those tools. So we agree it needs work. We have three remaining concerns with the existing policy, what we have called the one law loophole wanting to make sure what is demolition is taxed for being a demolition. We're concerned also about the rebate strategy for affordable developers who have to hold -- who have to carry that cost while they wait to develop the property and then most especially the change for the one for two exemption. Most of -- we agree that density is part of our affordable -- affordability solution and we need to be

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promoting the city though in many cases the demolition of one home replaced by two much larger, more expensive homes is still an impact on the lost affordability of that original home. We would like for your further consideration on that and the other items. Finally just to say that this is yet just one additional tool for our tool box and it is only one step in addressing the problem of demolitions also. So let this not be the end of your work. Let this just be the beginning on the work of affordable housing funding tools because we have much further to go. Thank you.

**Hales:** Thank you.

**Shelly Oylear:** I'm shelly oylear. We have been the owner of an old home built in 1892 with a 1910 addition that added a bathroom. We have spent the last ten years working on our house and our yard, loving our neighborhood and our neighbors in north Portland. Although our house doesn't appear derelict the exterior and interior because we have done a lot of work, there's a lot of need for the backbone systems of the house. Upgrading our heating system, replacing that 1962 furnace sitting in the basement. Increasing the size of the water line so we can actually add a dish washer to our kitchen. Something like that. Insulation, upgraded wiring and the big ticket item is actually lifting the house and repairing and replacing portions of the foundation. We would also like to add a bathroom upstairs where the bedrooms are and move the washer and dryer from an enclosed pompano beach inside the house. These are important because we're welcoming a new baby to the house and having these things done would be really great. What we have learned through our planning and financing is all these improvements are of high cost and they don't add a lot of value to the property. Therefore our down payment has to be higher because the loan to value ratio is lower. With our existing down payment we from our financing people they say you can go and tear down your house and build a modest new house at actually cheaper cost. Now we're really considering replacing this house we spent a lot of time working on to have an energy efficient house with lower energy bills, utility bills, none of those surprise maintenance costs when you open something up and it cascades in an old house. Something that we could live in long term and know that it's going to be sustainable for our family and something that we can afford now with the payment that we have had saved. That we saved over many years. The proposed additional demolition charge is applied to a homeowner such as us would price us out of our house replacement and would not make those other improvements any cheaper or affordable for us to do. A new foundation costs \$10,000. Replacement foundation cost, 40,000. That's just the name of the game. One of the things that I would really like you to consider is an exemption for individual homeowners that have been living in a house for five years or more that are facing these kinds of tradeoffs. We really want to stay in our neighborhood and this is having adding the demolition tax would remove one. Really important options for us to stay in our neighborhood long term.

**Hales:** Thanks very much. Thank you all. We have some more.

**Moore-Love:** Seven more.

**Hales:** I think you're on first, Jane.

**Jane Leo:** Right. For the record I'm Jane Leo, government affairs director for the Portland metropolitan association of realtors. 150 southwest Harrison, Portland, 97221. In looking over this ordinance first run and understanding that this is more of a work session mode I would like to just offer comments for the consideration as this moves forward because if this was indeed something you were going to vote on I would ask you remand it back for further work. So we are concerned about the impact on housing affordability. We're very concerned with the median prices for individuals to afford in the city of Portland. Also recognizing that you are landlocked community, you cannot add more land. You have to accommodate the people who are coming here, born here, who want to stay here.

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And so we do ask that you consider the housing affordability and not create hindrances to demolitions when they are warranted. To the previous testimony that was provided one concern I do have is on the owner rebuild or the owner doing what is determined to be defined as a major remodel such that they can continue to age in place. That major remodel may occur when that person is 40 years old but they do it with the eyesight to stay in that place until they are 80. That's going to take a different footprint than perhaps what already exists. I do look at situations most of you know Mike Burton from various lives. Mike owned a house in northeast Portland. It was one of those big Portland homes but sat on two tax lots. When you look at the tax lots in southeast and northeast and north Portland they are platted very small lots and often one house in the middle. If that house is determined that it's a tear-down it should be allowed to have two houses replace it and not have the \$25,000 as proposed apply to both housing units. The rebate we're concerned of its impact on your low income builders. Also the fact that they would have to finance that money up front and carry the costs while the city bears administrative costs of cutting the check back. There is a staff cost to that, a budgetary cost. I do ask in setting the number on if there is to be a value number set on the demolition that consideration be given to bifurcating the unit, the price of the housing unit from the price of the land in determining that. I also have concern under the current language of the amount of authority given to the director of the bureau, that there's nothing in asks that it be reviewed by the housing committee, planning commission, sustainability committee. In closing I do want to say that I think it's disingenuous to show pictures of homes that were taken down and rebuilt. On a personal note I do a lot of work as team leader with rebuilding together. Have been in-housing in southeast Portland, north Portland, most recently on southwest Martha. Those homes when those individuals move out should be taken down. Those homes when we leave them are beautiful. They look great in pictures. But when you get inside there's no insulation, barely a window, its knob and tube, there's asbestos, radon, lack of insulation. I put this akin to when you're all dating, guy can look great from the outside but once you sit with him for a while you don't want to be there. Thanks for considering my comments.

[laughter]

**Hales:** Tom, top that:

**Tom Karwaki:** Not going to ask you out for a date: [laughter] Tom Karwaki, vice-chair of the land use committee. Upna has had 14 demolitions this year and on the heat map that bps has provided we're one of the hottest spots in the city over time. In addition we have had 10 major additions lot line adjustments. Let me tell you the major additions that permit isn't issued until at least 35 days' notice. I have had five notices this month. The permit numbers might be a little after the fact. Our big concern is that the board meeting on Monday we took a position against this amended -- liked the idea of demolition, we love the goals. All the concepts that restore Oregon has identify but our concept was the two for one. That was a real problem with the line splitting. We didn't want to create an incentive for that and that's the purpose of why I'm here today. We didn't want you to incentivize demolition of houses. We're having houses right now being marketed by realtors to split into three. So there's issues of real line splitting and that's a real concern within the community. We just started our volunteer design guidelines which will go before the general meeting on the 26th of October. So since you're opening up the chapter I would only come back to the same issue we had with surplus property and that is that the notices of demolition be provided in additional languages subject to using the same process that was submitted for surplus property dealing with on determining the right languages in that community so that the neighbors of demolitions actually are notified in language they can understand and that any posting be done in similar fashion.

**Hales:** Thank you.



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**Fish:** One question. Because your neighborhood association abuts or includes within its boundaries a campus, college campus --

**Karwaki:** Seven of those demolitions were for multi-unit housing afterwards.

**Fish:** Are some of those -- they are along the main stretch?

**Karwaki:** Along the limit.

**Fish:** They were demolished to make way for dorms or something?

**Karwaki:** That's correct.

**Fish:** Do you have a specific set of concerns about those different from other demolitions in your neighborhood?

**Karwaki:** No, actually our concerns are totally different. That was part of the master plan and the neighborhood completely agreed with the demolitions and in fact wrote a letter supporting the demolitions for that dorm. That was consistent with the master plan adopted by the city.

**Fish:** Thank you.

**Karwaki:** We would like to see a new language for making sure everyone knows that the notice of demolition is actually in languages they can understand. Just like the closed captioning that's up here.

**Fritz:** I just referenced that this morning. We discussed the city-wide trails plan and I mentioned your suggestion on that. That's going to be done on the city-wide trails plan and I hope it will be here also.

**Karwaki:** Once you open up the code you can do whatever you want with it.

**Hales:** Thank you. Well come.

**Mary McMurray:** I'm Mary McMurray. I live in north Portland in the Humboldt neighborhood. I'm really happy to be bringing up this subject because I do support the position of the united neighborhoods for reform on the fact that there should be a fee on demolition and I also think that there should be rebates and temperatures a very complex issue as you all understand at this point. I brought a little visual aid. I'm not sure if any of you -- woops. Saw this in the news lately. But as of a month ago, this home was in east Portland. It had been there 92 years. Developer came and bought it, that's what's happening now. Probably all gone now. They are going to be putting up several of these, at least two of these buildings which have nothing to do with the architecture or resemblance to existing Portland architecture. So I just wanted to bring this as an example of things that we should consider in putting forward these kinds of regulations. There are a lot of good architects in Portland, and I think that in a situation like this, one or two other smaller homes could have been added to this lot without taking away too much of the landscaping or in a similar kind of style. And in that way increase the infill goal. But without such a terrible loss to the neighborhood. A loss that's going to include fairly hideous new buildings that probably won't last 50 years. So that's what I have to say. Thank you.

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

**Moore-Love:** The next three.

**Hales:** Welcome.

**Jack Bookwalter:** I went to -- okay. I'm jack bookwalter, a resident of northeast Portland. I want to commend the council for considering this tax. I want to praise mayor hales for bringing this up. I think its one step, one tool of many to correct the demolition epidemic. I'm glad it's being discussed. It's a necessary thing. It's a progressive thing. It's the Portland thing. I'm glad it's being discussed among other things to curb demolition. As good as it is, I agree with other people like unr, who have said it needs revision, particularly items like the amount of the fee is low. I would agree more with unr, 35 is a more realistic number, 35,000, to curb demolition. I may not be the ultimate number but

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it's a good start. I also feel that getting rebates for a 2-1 demolition and rebuilding probably only will add fuel to the fire of demolitions in Portland. We'll be losing even more of our affordable housing. However you want to define affordable housing I think we have to admit that the house that goes down is more affordable than the one that -- one or two that get rebuilt. I also want to say quickly I have heard comment here about we should be tearing houses down and replacing them with more energy efficient housing because it's better for the environment but actually that's a very penny wise-pound foolish thing to do with the environment. The greenest house is the one that's already there no matter how much more energy efficient the new one is. We can never get back the embodied energy in the house that goes down nor the materials and workmanship that's gone into it.

**Hales:** Thanks very much. Jim, welcome.

**Jim Howell:** I'm Jim Howell. I live in northeast Portland. Jack's neighborhood. I would like to address two issues that you're trying to deal with. One is preservation of neighborhood character, the other is increase in affordable housing. I oppose this tax because I don't think it does either. If you have enough money to tear a house down, an extra 25,000 is not the main issue. If it's increased you're not going to get any money for affordable housing because you won't collect any. There's other unintended consequences. For example, what constitutes a derelict house? Developer can buy a house that's perfectly good and just let it vacant for six months to a year, leave it unlocked, don't cut the grass, pretty soon it's a derelict house. That could happen as an unintended consequence of this proposal. I would rather than use a stick to try to achieve your ends to use a carrot. There's a lot of things you could do to preserve the neighborhood viability. For example, old houses could be subdivided for two dwelling units instead of one although it's not allowed in some of the zones. Require some zone changes to do that. That would be an incentive especially if you waive some of the fees to do it. So if there's a positive way of getting more affordable housing without affecting the architectural character of the neighborhood. Thank you.

**Hales:** Thank you. Welcome.

**Randy Sebastian:** Thank you. Mayor, city council, I'm Randy Sebastian, owner of renaissance homes. Thank you for giving everyone the opportunity to speak. The previous person has had the artwork, I am tearing that house down. I did. That house was on the market for \$750,000. It didn't sell. We paid \$750,000 for it so it was on the market, could have been bought by anybody as a house. It had an obsolete floor plan, it smelled horrible. It really wasn't even that habitable. It has two nice lots and the photos that were shown of homes to be built are not my homes. I didn't build those. I saw them in the lobby. I don't know where she got those photos but they are not homes that I build. I wanted to clear that up. From it's done amazing things with the city of Portland. In the metro area. This is a buy product of good planning. It worked. Portland is an amazingly desirable place to live. Portland is the 13th out of 13 major cities where millennials cannot afford to buy a home. A building permit in 1984 in Portland when I started building cost a few thousand dollars. Now a building permit in this sdc costs that go with it in Portland costs in excess of \$35,000 per home. How is that affordable? Now we're talking about raising the cost another 25,000. The total up front government generated fees from one home will be over \$60,000. Again, how is that affordable? This is a tax that will be passed on to home buyers. It will increase home prices, increased home prices also moves rent up. When home prices raise, rents and affordable drops. What's the goal? To hoard all homes and keep making housing unaffordable? This does both. My daughter is a teacher at Portland public schools. The city schools are getting better why? because families with children moving into the city are now are feeling -- a family of five will not move into a 900 foot home and will choose a family size home in the 'burbs. Portland schools will suffer.

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Has anyone contacted the school district? We also build homes for long time Portland property owners who want to stay on their property. In their neighborhood and have a new home. This ordinance freezes the taxpayer and would allow them to replace their old home with a new one without paying the tax. The market needs to decide what homes have been neglected and need to be replaced.

**Hales:** Could you wrap up soon?

**Sebastian:** Okay. This isn't a government issue. This is taxable -- this tax will not discourage builders and new home buyers. It will drive prices and rents up for everybody.

**Fish:** Long day, but I appreciate you being here. I have two quick questions.

**Sebastian:** Yes, sir.

**Fish:** In the homes that -- in the context of demolitions you have been involved with where you then rebuilt what's the median price of the replacement home that you build in Portland now?

**Sebastian:** Around \$700,000.

**Fish:** And so we agree that that's not an affordable home by any definition.

**Sebastian:** It is not.

**Fish:** And if there was an extra \$25,000 on that transaction, would you eat it or pass it to your customers?

**Sebastian:** It would be passed on.

**Fish:** Again, it's not what we call an affordable home.

**Sebastian:** No.

**Fish:** How does this impact families that are getting priced out of the market and how in the demolition context because I live in grant park, for example, my street, a demolition, rebuild, someone took a bungalow that had been purchased for 30,000 bucks in the '70s, the woman who owned it sold it for like \$390 cash I think to a developer. The house that is now there was sold for 850 on spec. It's a monster house for the lot. But that's not an affordable home. What that is effectively doing in the grant park area is pricing families out from that neighborhood who might want to send their kids to the school there. So if the median price is 700,000 for your homes I think we can agree that the additional 25,000 or whatever figure if the council so chooses is not really affecting affordability in terms of your slice of the market.

**Sebastian:** That's true.

**Fish:** House is it affecting affordability in the area we all care about which is affordable to say the family that has a cop and a teacher at home?

**Sebastian:** We also go down to SE 60th, 70th and morrison, tabor, duke. Those homes are in the 450 range. So yeah, it will affect those homes. You know?

**Fish:** Finally, sir, we have had some people say that the mayor's proposed approach is too heavy on the stick and others have said too light on the carrot. Have proposed different approaches. As a developer who is very active in our community, would you rather see a carrot or a stick?

**Sebastian:** Boy. I really feel like i'm a product of the system. I build within codes and I do what the law allows.

**Fish:** Not disputing that.

**Sebastian:** It's a big carrot and a big stick. I can't choose. [laughter] i'll deal with both.

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

**Hales:** Thank you all.

**Moore-Love:** The last person who signed up is Kathy Austin.

**Hales:** Come on up. Anyone else that would like to speak, please join Kathy. Welcome. You get the last word.

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**Kathy Austen:** So hi, I'm Kathy Austin. I live in outer southeast Portland. I'm here for two reasons today. One because for 18 years my spouse and I have been discussing building our dream home and suddenly it sounds like a \$25,000 obstacle is being thrown in our way. Also because I have recently seen another family kicked out of their dream home for the benefit of a developer. Last night one of our local tv news reports stated after all of the loopholes have been applied for developers the proposed \$25,000 demolition tax would actually only impact one for one replacements, people like us trying to build an owner occupied dream home. Assuming a \$25,000 demolition fee is enacted you could reduce the impact to homeowners like us by charge the demolition fee only at the time when new construction is sold, something owner occupiers like us don't intend to do until we're pretty much close to death. Or refunding the demolition fee to owner occupied rebuilds when those owners move into their newly built home. Either of those procedures will at least reduce the impact on private citizens just trying to build their dream homes on their own property. We plan to remove an existing house to build our dream home. We will already be paying high property taxes, we should not be subject to an additional demolition fee. The family kicked out of their dream home lived in a beautiful craftsmen home. I don't know whether an owner who had been renting to them and wished to sell that property kicked them out or whether a bank did it but their house was sold to a developer who are will now build condos between two other craftsman homes. That sort of destruction should not be happening. We should be finding ways to help people who love their historic homes stay in them and finding ways to build truly affordable family housing in appropriate places. I don't think this tax as proposed will be effective at achieving any of our real goals.

**Hales:** Thanks very much. Anyone else? So I want to propose some issues for further work based on what we have heard in the hearing here. One is the question that's been raised frequently about whether this should apply only to one for one replacements as its currently drafted or whether it should apply in other situations. What the dollar amount is, and whether or not it should be graduated. How it can be graduated. What constitutes a derelict house? And then this question of the live-in exemption or owner occupied exemption. Just from my notes there are some other issues that are maybe not quite as direct like the one wall loophole issue. But i'm not sure if that's directly relevant to this.

**Fish:** Can we take a look at the owner occupied exemptions?

**Hales:** so those are some of the issues that I captured. Others that members of the council want to flag? We'll figure out a process for doing that work.

**Fish:** Mayor, given the hour and the day we have had, can we -- [speaking simultaneously]

**Hales:** I'm going to continue this ordinance. Obviously there will be more staff work and there's a number of community groups that have already indicated that they will come back with more. We have a specific proposal from unr today. Thank you for doing that. It's particularly helpful when someone shows up with code language but you're going above and beyond citizen requirements for doing that. Someone quoted actually I think it was Mary helen quoted stephen hawking identifying a problem that everyone thinks is interesting is the soul of good management. I'll take that as a compliment. My quote is from franklin Roosevelt. He said actually everybody knows the end of this quote but the beginning is it's common sense to take a method and try it. If it fails admit it frankly and try another. But above all try something. That's the spirit of what we're attempting here is that this is if we do it an innovation, yes, a couple of small cities in Illinois have done something like this. But I think some of the testimony we heard here today really illustrates why this is an idea that is worth pursuing. We're going to have to try a lot of things to address the housing crisis that we have in our city both the affordability crisis, the preservation crisis, and the homelessness crisis. Some of those things will be things that other cities have

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tried. And we can borrow good ideas from them and i'm looking forward to the discussion of housing and homelessness with my colleagues, large city west coast mayors when they meet here in three weeks and that's great and some of these things are going to be Portland innovations. I really appreciate the fact that people are coming to the table with ideas. I appreciate the sense of urgency and that's why the above all try something conclusion to that quote particularly appeals to me. We have seen actually recently in transportation with the better naito and better block effort on 3rd it's a good idea to experiment on public policy. More perilous on a tax issue. I understand that. There's as always a need to measure twice and cut once before we adopt something but I appreciate the opportunity to put this on the table, to have the council hear this issue, get a good discussion started, take further guidance from each of you and from the community as we keep this ordinance in the workshop.

**Fish:** I just want to give colleagues and all of you just a concept that I have been trying to work on. I agree with commissioner Fish that not all demolitions are created equal. I think that the concern that we have heard from people in community on demolitions has largely been around somebody knocks down a house similar in size to the other houses in the neighborhood and replaces it with a hawking mcmansions. I think that having a tax on that to me would be closer to what I would like to see, which is I would like to see a real estate transfer tax on really expensive houses. Then rich people are buying houses will be contributing to affordable housing. Unfortunately we can't do that because voters of the state passed a prohibition on real estate transfer taxes but that's really what I would like. What i'm concerned about and couple of speakers raised this, talking about people's nest eggs. People generally are part of any transaction. There's the developer and helen homeowner. If helen owns a house and has been piecing together a living for 30 years and wants to retire and spend more time visiting her grandchildren in Iowa and wants to take advantage of the rising home values in her neighborhood by selling the current house that might be knocked down and replaced with a house of the same size I don't know that we want to impose a tax on her. What my staff has been talking about is could we have something that says you get a rebate if you build a house that is no more than x percent larger or same size as other houses in the same neighborhood. bds has heartburn about the administration of that. I was hoping we would come up with something that goes in that direction those are the same issues that the residential infill committee is looking at. So I would like to see if we can get their input on whether we can have a tax that is more tailored to the situation that I think people are most concerned about.

**Fritz:** I want to raise an issue not yet put on the table. That is when the city is buying property particularly when environmental services and parks partner together to purchase green spaces which often has a home on it a home on it not in good repair and if it's being purchased mostly with repair money -- rate payer money there's not interest in maybe containing that home that would be an additional cost on the rates or the general fund to the city for doing a public purpose on a property. That's yet another issue to be concerned about. All of us are -- [audio not understandable]

**Fritz:** Correct. That was.

**Fish:** A demolition but no intention to replace it would be a clear case in my mind.

**Fritz:** There's a number of ways to go about this. Of course we all want something that's legal and defensible so i'm going to look for a briefing from the city attorney regarding the challenge of any kind of something. I think that's a bias line issue. Why would we put a lot of work into this when we say we are not allowed to do it. I appreciate hearing commissioner novick having heard the testimony it's clear on the higher end housing adding 25 or 35 is not going to prevent the demolition. It's going to give 25 or \$35,000 into the housing investment fund. To that extent we may be able to provide some assistance

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for affordable housing without raising house prices as a whole. If you're putting those 25 or 35 on a home that's 200,000, 300,000, 400,000 you probably are going to be raising the price of that home. I appreciated the developer who said they are going to pass on the cost either to the seller or to the buyer. Helen homeowner who needs to go to Iowa will be losing out potentially and I know what we're trying to do. There may be a challenge between are we doing it for preservation or are we doing it for a funding stream for the housing investment fund? I think that there's probably two different approaches depending whether it's for preservation or for the housing investment fund. I'm also very concerned about neighborhoods where it may not reach the status of derelict or dangerous, which is what the current proposal is talking about, dangerous homes, but it's a piece of junk that is past its prime. A lot of the time the neighbors would pay to get rid of it even if it wasn't qualifying for city sponsored demolition. So let's by all means not prevent some improvements in neighborhoods which have long been hoping for improvements or even streets long hoping to get rid of the one house sitting empty four, five years and maybe there could be an exemption for properties that have been vacant for a certain time. I do appreciate the habitat for humanity request for an exemption rather than rebate for things that would qualify for an sdc exemption rather than a rebate. This has been a good discussion.

**Fish:** There's one voice missing here. I wonder if there's been an effort to bring the planning and sustainability commission in. One way of looking at this in a broader context is through the lens of the comp plan. Since we have had work sessions, it does seem to be useful to have the planning and sustainability commission give us a view of our options again through the lens of the comp plan and the kinds of planning we're doing for the future.

**Hales:** Good. Thank you. Other suggestions? Thank you all. Been a long day for the council. We're recessed until tomorrow at 3:00 p.m., not 2:00. 3:00 p.m. Tomorrow. Thank you.

At 4:57 p.m. Council recessed

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

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

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

**OCTOBER 15, 2015**

**3:00 PM**

**Hales:** Good afternoon, welcome to the October 15th meeting of the Portland city council.  
[roll call taken]

**Hales:** We have a single item on the council calendar this afternoon. Would you read it for us, please.

**Novick:** Before we get to that, I just wanted to say for people watching in tv land that the trails policy is going to come back to council not on the 28th but november 4th.

**Hales:** So ordered. [gavel pounded]

**Item 1055.**

**Moore:** Item 1055, adopt the recommendations contained within the division-midway neighborhood street plan.

**Hales:** Commissioner novick.

**Novick:** If you ask most Americans what comes to mind when you say division-midway, most of them would think division-midway had something to do with the world war or perhaps the Chicago bears. But for today it's the study area between 112<sup>th</sup> and 148<sup>th</sup> and Holgate and stark. This is reflected in many regional and city policies. Outer division's identified a central corridor in the recommended Portland 25 update currently underway. It's designated as a main street in the concept plan, through the Powell division transit project by metro, identified as part of the preferred route for a future bus rapid transit line between Portland and gresham. Abc established the neighborhood prosperity initiative along southeast division to from 117<sup>th</sup> to 148<sup>th</sup>. The economic competitiveness, and community implemented actions, projects. Division-midway is more ethnically and racially diverse than the city as a whole. Plus more future growth is planned along the southeast division corridor. The overall goal of the street plan is to better increase street connectivity and multimodal projects within the area. This could help achieve many of our goals. Improving local connections through the neighborhood can provide quieter, low stress routes so residents do not always have to ride or walk on busy streets. This can help us meet our vision zero goals. The framework of the division-midway area is aided by prioritizing bike projects, local street segments and pathways and connections. Now it is my great honor to introduce the admiral nimitz, the coach ditka of the division-midway plan, april bertelsen.

**April Bertelsen, Portland Bureau of Transportation:** Thank you very much, commissioner novick. I don't think i've ever quite had an introduction like that.

**Fritz:** Pretty sure that you haven't.

**Bertelsen:** Mayor hales, commissioners, again, my name is april bertelsen, senior planner for the Portland bureau of transportation. I'm going to tell you more about the division-midway neighborhood street plan. Before I do so, though, I wanted to start by providing greater context around connectivity in our city and how we go about trying to improve connectivity. A bit of a state of connectivity report, if you will. We have in place for now and for a while regional and city connectivity policies that would call for streets generally to be no more than 530 feet apart, and pedestrian connections generally no more than 330 feet apart.

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**Fish:** Do you have a PowerPoint?

**Bertelsen:** I do.

**Fish:** We don't have anything -- oh there we go, now we do.

**Bertelsen:** All right. It's up there. There, I just read this line. There are various ways locally on how we implement this improving connectivity. Beginning in the mid '90s that was generally through creating master street plans for an area of the city that was not meeting connectivity or where we expected significant change and growth. We would generally on these areas identify very specific street alignments, and then in others we did some larger general plan for districts. Including southwest and far southeast Portland, where we don't need connectivity very broadly. And in that, we identified more of a general alignment through blocks, where we would want to have connectivity through future development. The key way we increase connectivity is through private redevelopment of land, as it comes in through the development process. I have kurt Krueger with me today if we want to talk more about that. Since the mid '90s in about 2002, the zoning code was amended to strengthen the connectivity and land division. That has helped us in continuing to achieve connectivity within some constraints. Since then, our shift has been more through doing neighborhood plans of late, where it is both focused on where can we get future connectivity, but also how can we improve or existing rights of way. As many of these areas also have --

**Fish:** May I have a question? I'm having a hard time --

**Hales:** I'm getting that fixed right now.

**Hales:** It doesn't start yet and it's --

**Fritz:** I find it quite relaxing.

**Fish:** Could you bring it down, wait until about 3:45? Thank you.

**Bertelsen:** Shall I continue then? I could be louder.

**Hales:** Be louder for now and in a minute hopefully you won't have to be.

**Bertelsen:** So in terms of the neighborhood plan this is a shifting emphasis towards what can we do to improve the right of way and make the most of that. We started with the cully neighborhood plan a couple of years ago in the northeast, now today it's division-midway. Coming soon on November 4th will be the tryon stevens neighborhood Headwaters Street plan. This map shows the state of connectivity. The darker blocks are blocks of the city that don't meet our connectivity policy. The very dark ones far exceed the connectivity policy. Less concerned about the industrial areas around the edge but more of the neighborhoods where you see those darker blocks.

**Saltzman:** Very dark far exceeds?

**Bertelsen:** Say again?

**Saltzman:** The dark color is areas that far exceed?

**Bertelsen:** Yeah, far exceeding -- not meeting our connectivity, the blocks are too large.

**Saltzman:** Okay.

**Bertelsen:** We would want a finer grained grid of streets that you find in inner Portland, the old streetcar neighborhoods developed in a different era.

**Bertelsen:** Our master street plan that is mentioned for far southeast and southwest Portland focus on trying to identify how to get future connections through these developments. And these other green areas are the areas where we we've done more specific street plans, master street plans, to give you an idea of the lay of the land of our planning in this area. And I want to emphasize there are some stories of success but there's also many places we're still working on that connectivity. It's very incremental. Where we have had success is where we haven't done it alone. We've done it in partnerships, particularly street plans were most successful in high density areas with lots of redevelopment, and also where we had public partnerships with public funding or other



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partners helping to make the improvements. South waterfront I think is a prime example where we've had a really successful street plan implemented. Now for division-midway: Broadly speaking, this is a local -- it identifies local streets and pathways for connections to improve connectivity twofold. We are both looking at improving existing rights of way and future connections through large blocks of private property. We are prioritizing the connections that most help achieve our city goals around equity, complete neighborhoods and access to transit. This is a map of the city area where we focused and we're greatly focused around division and the neighborhood prosperity any initiative and main streets to start Holgate through 112 and 48th. Commissioner Novick has already spoken to these points, I'm going to breeze through on them, thank you. You can see the future alignment or at least the already settled portions of the Powell-division brt. In terms of the goals and objectives, the developing neighborhood street plans we are looking at all modes with greater emphasis on multimodal. We want to establish a local street and pathway network for safer walking and bikeway routes and regionally designated main streets. And improving local streets including use of Portland's street by street design option. And also inform future improvements to be built over time by property owners and developers. So there is some predictability in there, as well.

**Bertelsen:** This builds open past planning efforts that have identified the planning need. The concept plan, the far southeast master street plan, outer Powell conceptual design plan, local street and access ways report. East Portland and access plan which has many action items we hope to advance. And east Portland in motion. We developed this plan not alone but together with a project working group with representatives from the community, and as well as reaching out to the broader public. I think our project working groups really did the most heavy lifting. You'll hear from a few of them today. This list shows you some of the neighborhood associations, east Portland action plan, and others who participated through the process with us. A bit more about the problem. There are many unpaved streets and unimproved public rights of way. There's a lack of sidewalks and transportation infrastructure on many of the existing streets. There is also poor street and pathway connectivity, many dead end streets or incomplete connections we're still working on incrementally. In terms of the needs, opportunities and constraints, one of the greatest needs we found as we were looking through this is the lack of connections in the east-west direction between division and Powell. So as it is today you can't really walk, drive or bike from here to there very easily following this orange arrow. The streets simply don't go through. Or there are maybe a connection here, one or two connections but they are unimproved. So we really are putting an emphasis on trying to strengthen the east-west connections and establishing somewhat of a grid. Some of the constraints that we're working with an existing neighborhood pattern. Some of this area has already developed and as you will look in this example here, there are streets that end in front of homes. We are not likely to get those connections for a long time. If we do, it will be very incremental. It also largely depends on when developers come in, which is somewhat reactionary. Here's an example where we have been able to get a street connection. You can see new streets, sidewalks, stormwater improvements with the development. But yet the sidewalk ends on one side and it's only half a street. The street cannot be completed until that next property comes in for development. Another thing that challenges and constrains us is the pattern of development and lopsided dimensions. East Portland has long narrow lots. And so to subdivide them it is very challenging to even get a half street connection. Additionally, some of this area that developed prior to our connectivity policies and street plans resulted in a number of stub streets or cul-de-sacs. It'll be hard to break those streets through. It limits our opportunities where we can. All the more important that we do where we can. Another constraint is land use law. We are beholden to meet nexus

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and proportionality requirements for development, and that includes costs now with more recent cases. This does limit our ability, how much we can require of new streets or full street improvements. We do assessments to meet that rough proportionality when we are calculating dedications. There are times we simply cannot get that, or we are challenged on it. So within those constraints we have come up with some recommendations. As I said, the two types -- i'm going to first talk about the connection improvements and existing public right of way. And then i'll talk about future connections through existing private property. So we've focused on existing dirt and gravel streets, dirt paths, completely unimproved rights of way, and have identified 34 candidates for evaluation. We developed criteria to help us prioritize those connections and learn more about them. We put an emphasis on connectivity for the broader neighborhood for some or all modes. As I said before, providing access to key destinations and transit, schools, parks and others. We then after evaluating them, broke those connections into three tiers, with the top tier being the top priority. Working with our project working group they identified three criteria that were most important or highly valued. We weighted those more greatly with more emphasis around access to transit, connecting to neighborhood greenways, paths to school as well as equity. Serving targeted underserved populations, vulnerable users and people more likely to depend upon walking and biking transit. There's a longer list of criteria. Then there's -- this is the map of the prioritized connections. The ones in dark blue being the top priority and most serving the community and connections to destinations. Broken into tables which I won't belabor as much, but these are some of the tiers. If you have questions about any particular connection I would be happy to answer. Tier 1, tier 2 and tier 3. We then also looked at each of these connections for consideration of design. And for some of them we had recommended further consideration of using our street by street guidelines, either curbsless streets with a separated sidewalk which would be the preference of our project working group. Or a shared street which would be a curbsless 16-foot-wide street. These are more flexible and affordable designs we believe will help to achieve connections sooner, and may also be more within reach of property owners who are in partnership with the city. I would like to highlight a connection to help bring this to life. This is southeast Woodward from 136th to 140th, connection no. 21 on the larger map if you want to look. And it is an existing right of way along southeast Woodward from 140th to 137th, and then it turns there. However, this is what it looks like. This is looking east at 138th. Then this is turning around and looking west. If you continue down, you turn and, voila, you're at 137th, a lovely scene. New development, children playing on the sidewalk or in the streets. So we would like to see how we might be able to make this more inviting. This is also in that area that does not have any other alternative for walking through the neighborhood besides going to powell, which this portion does not yet have sidewalks or to division where we are funding and building sidewalks. So we envisioned together with the bureau of planning and sustainability, urban design, on what it could look like and shared this with the community. This is not a committed design, this is a potential concept to start to think, how could we start to think of these places differently, and achieve connectivity and other goals. This is one option where it's open to everyone almost to go through. We've taken down the fence that is there. Another more modest potential concept is keeping the fence and limiting the through movement to just walking and biking or driveway access. So just some different -- we wanted to rethink how we could do these places. So that's one connection. The other people I wanted to talk more about is the future public connections across existing private property. And to clarify these symbols that you see, if you see these diamond hash marks along the street, its saying connect somewhere here along this frontage through the block to the other side roughly. And another place where the other diamonds are. Or where we

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are a little more certain about where we want that street connection to be, we put arrows saying connect to this street. But in between we're leaving some flexibility for that to be determined at the time of development, and when we have a sense of which properties are coming in, how large they are and what their site plans are so we can work with them. So it gives a general conceptual alignment. We are still limited by a rough proportionality test in these cases. Here is a zoomed-out map of all the areas where we either already have planned connections, those are in black and green, or where we have recommended them to the outer Powell conceptual design plan and in brown. Blue is the new ones, division-midway, we are recommending additional connections. So for the plan recommendations, we are recommending to amend the transportation system plan to our next update to add the tier 1, 2 and 3 connections to either existing projects or the citywide programs we have in program areas. In addition to add the future connections across private property to the far southeast master street plan. And then to seek fund beginning with the top tier priorities, as well as to heed the considerations and concerns we've heard during implementation in working with the neighbors moving forward, where there are considerations and stormwater considerations. And then providing more street lighting along substandard streets. Additional recommendations was to -- more on the funding side, is to explore more public-private partnerships, as well to pursue implementation strategies to increase the likelihood that new streets and pathway connections can be achieved as a development process. One of those ways that we're in conversation about is looking at a minimum allowed size requirement. So that when development comes in to the permitting process, you need to either have a large lot already, or perhaps cobble together a couple lots to come in and really be able to do morrow bust site plan and meet that proportionality test for getting a street connection through there. In addition, looking at recommending considering making more local streets eligible for our transportation development charge project list. Our bureau will soon be going into an update of that list and so I would recommend consideration of adding these. And then pursue a variety of funding sources such as programs and grants. A quick overview of where we were and how we got here. We kicked off the project summer of 2013, and then over the next year is really when we did our existing conditions and needs analysis and evaluation and getting to recommendations. We then spent the last while refining the plan and incorporating and we've received as well as developing implementation strategies. And now here we are today seeking your endorsement to adopt the plan. A bit about the process: Given the diversity we have within this community we did try to reach out to the community and go through less conventional means. But while also doing more conventional open houses. We participated in the midway fall festival that is -- was hosted by the division neighborhood alliance. We did a neighborhood ride for people who wanted to walk and ride through the neighborhood with us. We showed needs, opportunity and constraints criteria. Then the e.s.l. Class at david douglas high school, there's a teacher there also participating on our project working group. And worked with our class to do map exercises and helped the class map their neighborhood and how they get around. We can learn from that, and take a survey and administer it to each other. It was also a lesson for them. We learned, in addition to where is important, but also what kinds of improvements, better lighting and sidewalks were some of the top. Some other outreach we did, we worked with some wonderful partners, metropolitan family services and sun program at Lincoln Park elementary. We spoke to recent immigrants and to also work with community translators to talk about our plan. And then we had a final open house to get feedback on the recommendations. And that is all I have for you today. I would be happy to take questions and then invite a few of our project working group members to also testify. Thank you. Questions from council?

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**Fritz:** The mayor had to go to an event, he apologizes. Thank you very much.

**Fritz:** I have some questions. How do the recommendations fit in with the east Portland in motion plan?

**Bertelsen:** There is some similarity, I worked on the east Portland in motion plan, as well, in terms of looking at criteria and the access to transit. Another key one is the equity criteria that we had. We used the same data and maps that were -- based on demographics, concentrations of people who do not own cars, low-income, people of color, concentrations of seniors and children.

**Fritz:** What I understand with the east Portland in motion was prioritization of some of the projects known when the plan was done. Will the community be involved in deciding maybe something on this list should go high on the east Portland in motion list?

**Bertelsen:** There is some overlap. A number of the -- there were a few epim projects that go that are funded through this project. Those again are ranked high in the division-midway plan. You will see them near the top, it's the 130s, neighborhood greenway but adding sidewalks for segments of that, that we didn't catch in the east Portland in motion. In addition, the four m neighborhood greenway along market and mill and now main, that neighborhood greenway is still unfunded, as well as the sidewalks. Both of those were in east Portland in motion. It reinforces the value of them. Both from east Portland y it was a priority, and then when we focused on a smaller area, it was also still a priority. They complement each other well in that respect.

**Fritz:** The one we're updating, the transportation plan, it'll use both documents and it'll be ranked into the transportation plan?

**Fritz:** High in both and likely to get higher?

**Bertelsen:** Yes.

**Bertelsen:** And using the criteria for our transportation plan as well, and there are some similarities.

**Fritz:** Great, thank you. My other question is when is the next Portland bureau of transportation update? I notice one of the strategies for funding was to add fcs for local streets.

**Bertelsen:** I do believe that would kick off in 2016.

**Fritz:** Thank you, great. Do you have other folks to testify?

**Bertelsen:** Yes.

**Fritz:** Welcome, honored guests.

**Jessica Vega Pederson:** Good afternoon commissioners, my name is Jessica Vega Pederson, state representative in house district 47, which includes much of the area included in this plan. Before I begin I wanted to thank commissioner novick, director Leah treat and especially April bertelsen for her great job in managing this project. I also wanted to thank my comembers of the project working group for their time and commitment on this project. I was a member of the project working group because of my role as a board member for the Hazelwood neighborhood association. We appreciate being included in the development of this plan. I was involved throughout this planning process, and I support city council adopting the division-midway neighborhood street plan. I want to commend pbot staff for their open entrance parent process, including much stakeholder involvement and April did a wonderful job of describing that so I won't go into details. It was really good to see that, the people of east Portland included in so many ways in the development of this plan. This plan provides the framework for improving the connectivity in my neighborhood. It's elevated the most-needed and most beneficial sidewalk projects, local street segments and pedestrian and bike pathways to the top tier of priorities. The portion of the Hazelwood area is bounded by southeast stark, southeast division, 130th and 142nd. The area lacks good walking, and biking routes through our neighborhoods.

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People have to use busy streets search as stark, mill, division. Many lack sidewalks on the streets that lead to schools, commercial areas, bus stops and future bus rapid transit. I want to talk about two specific areas of this project that are among the top tier projects. And it has to do with the neighborhood where I live and the area right around my house. First of all, is southeast mill street from 130th to won't 148th. This area is still missing sidewalks and bicycle facilities but connects to multiple schools including david douglas high school and lincoln park elementary school. Sidewalks and bike facilities is a very high priority for our neighborhood and it's raised as a high priority for the division-midway neighborhood street plan. I live on southeast mill street. My kids are riding bikes along these sidewalks or even where sidewalks do not yet exist. They are crossing mill street to go to lincoln park. On the weekends they have many cyclists using this as a bike route, even though it's not yet designated with the markings in the street. In the mornings and afternoons it's flooded as kids are coming home from david douglas high school and lincoln park elementary school. I was glad to see it was given a high priority in the plan. It is soon going to have bike facilities through the 130s neighborhood, greenways to be built by the city, but it's still missing sidewalks. Because of that lack, something that's already plans no the street improvements it is the number one priority in our street plan. The division-midway neighborhood street plan has also prioritized local street connector in our neighborhood that will help provide quiet and low impact.

**Pederson:** Yes, low impact streets, not the busy ones but low traffic ones for walking riding on local streets. Southeast grant and southeast 132nd. I wholeheartedly support these priorities and I urge you to adopt this plan and to fund and build these streets as soon as possible. Thank you.

**Arlene Kimura:** Thank you. Good afternoon, commissioners. My name is Arlene Kimura. I feel like an after-thought after Jessica. I was actually a representative on that committee as part of the pedestrian advisory committee. I am also a member of the neighborhood association, and the eastwoodland action plan. What I want to commend the pbot staff in this project, they did a concerted effort to do language and culturally specific outreach. And that also includes folks who have lived there for 35 years. April held an open house where a lot of them were not very nice to her, and she smiled and said, thank you very much. I want to commend April for that. This is an important pedestrian connection map. We don't have them. Our kids are not safe walking in streets. I also want our elders to be able to walk in the streets. This plan does address that. Because we do have a sore lack of good biking and walking connections. I do want to have the access transit improving connections in neighborhoods and the equity of serving underserved areas. I do appreciate that we have done a lot in finding those. And I urge you to support this plan and let's get it implemented. Thank you.

**Fritz:** Thank you very much for being here.

**Kimura:** Thank you.

**Fritz:** Are there others who want to testify?

**Moore-Love:** Clerked we have two people signed up, please come on up. [names being read]

**Rick Bartko:** Good afternoon commissioners, I had prepared remarks and I had some remarks specifically for the mayor, but he's not here. So first off, let me congratulate april bertelsen in the very professional and dedicated pbot staff who work so diligently in addressing the critical transportation and connectivity needs of the midway neighborhoods. Their civic engagement with participating citizens and advocacy groups of this area helped immensely in the assessment, analysis and design of the plan. Congratulations also to ken marks, he spends a tremendous amount of time advocating for transportation issues both in this realm and with the working group for metro and trimet on the brt alignment.

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Hats off to him a very dedicated individual. Also thanks to the mayor and commissioner Fish for attending the division-midway festival of nations last month out at 122 and division. Hopefully you were able to get a brief glimpse of the rich cultural diversity of the neighborhood. The people indeed are the lifeblood of the community. I had an fyi for the mayor, I was running a little railroad layout there, and we had a brief conversation and discussed choo-choos. I won't go any further than that. Basically that layout is going to be at the rosewood community care event this Saturday the 17th, as well. It's another chance if he wants to see them, they will be out there with jenny glass. Metaphorically -- and this is going to be probably a little clumsy -- one might characterize the state of this area of east Portland proper as a citizen long neglected and overlooked for decades. Its arteries malformed and circulation unfit to carry the vibrant life blood safely and efficiently from place to place. A patient long awaiting surgical intervention, unlike many other neighborhoods that have taken such amenities for granted for a very long time. By adopting the resolution you will at long last begin the work to repair existing and build new connections that will vastly improve the safe transport of the life blood of the community. Slowly the new-found vitality will nourish the muscles and organs, jobs, and the brains and muscles of the midway. It'll be a commerce and cultural center that will complement and possibly rival the centers to the west of Gresham -- pardon me, Portland to the west and to the east. A quote by will Rogers: Even if you are on the right track, you will get run over if you just sit there. Thank you.

**Fritz:** Thank you.

**Davis Hampsten:** Hi, i'm david hampsten, i'm the transportation chair for the hazelwood neighborhood association. I represent east Portland on two pbot committees, the budget committee and the bicycle advisory committee. You can think of me as sort of the instigator of this project. I happened to be at a pbot meeting about 2012 and one of the staff people was chatting. He was asking for a suggestion for a tgm project a transportation growth management project that odot usually sponsors. Pbot was putting together an application. I basically pulled out a map of east Portland, gave them the programs of the streets, exactly what you've seen in the study. And basically pointed out the east Portland action plan items that he could use as justification for the project. I pointed out that the area they eventually studied had a different set of combinations of different kinds of street patterns, many of which are not existent en inner Portland's but are very common in east Portland's and parts of southwest Portland's. So the purpose of the project along with everything you see in the report -- so this is items that you wouldn't see in the report but are important nevertheless -- part of the purpose of this project is to help city council, pbot and the various other public agencies within the city of Portland understand how east Portland is configured and how it has developed, whether it's been in the period in the county up through 25 years ago, or the period within the city in the last 25 years, this is the pattern that has emerged. A lot of it is from the county days but even they were trying to convert it. It's basically a super block pattern where all traffic is focused on the main arterials. Then within the super block you get very deliberately a messed-up you had up street pattern. It ended up preventing connectivity for bikes and pedestrians as well, an unintended consequence. But the main idea in my mind was to get the public agencies to understand how east Portland operates, rather than getting a whole bunch of questions which we get every time we talk with pbot officials and a lot of others from planning and bds, they are frustrated by east Portland because it's not conforming to what they are used to, and inner Portland's. We as the neighborhood association have to explain again and again, the pattern was different, it's not exactly as planned, just different than inner Portland was used to. Anyway, I wanted to encourage you to not only approve the plan but to think of it as sort of a guidebook on east Portland.

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**Fritz:** It's got to be very satisfying to have taken it from suggestion to coming to council. What were some of the controversial or most challenging parts of the community engagement and the process to get to this point?

**Hampsten:** Actually I think pbob did a lot of things that they weren't used to doing, of reaching out to communities of color, and communities that don't speak english as a first language. In many ways it was actually a project for them, sort of a low-level project where they could experiment on public outreach. So I think it was actually quite helpful for them, and they are already using a lot of the same techniques for doing outreach not only in east Portland but also in cully and many other parts of Portland. Within the community there were a lot of people who actually like having a gravel street in front of their home. It's a traffic calming device, keeps the riff rav out of their neighborhood. I'm sure you've heard that even en inner southeast and southwest Portland, all over the city. However, I think there was also a recognition that it is a public right of way. People have a right to pass through. And a lot of people were concerned that east Portland is a community with a lot of children. They like to play and they hate the fact that they are having to play out in the middle of the streets. But by having a little more connectivity they can possibly get to the existing park we have, but also by looking at these streets and looking at them as community spaces, we can provide pocket parks and that sort of thing. A lot of community members who were initially skeptical about the project are thinking, oh, maybe we can do other things other than just using it as a parking spot or a little place that cars go through. But to use it more as a community space. I think in many respects this was actually a really innovative project.

**Fritz:** Thank you very much.

**Fritz:** Would anybody else like to testify? Seeing none we'll take a vote, please.

**Novick:** I'd like to say how proud I am and how proud pbob is about the planning efforts that made this an includes process with outreach to stakeholders as you've heard. I would draw to you attention on page 52, talking about the survey with did with an e.s.l. Class taught by a teacher, Anne downing. The team introduced themselves, the project led appear exercise, the students were to draw a mental map of their daily travels, did a survey about their experience. They asked them to do the survey themselves with family members and neighbors. And on page 59 you'll see a discussion of the fact that at Lincoln Park elementary school the project listed most was outreach session with metropolitan family services, a series of six non-English language sessions. Those are examples of I think unusual but hopefully to become usual work done on this project. We do of course have to figure out weighs of funding some of these connections. We have grant funding for some of the projects like the neighborhood greenway bicycle facilities, doesn't mean we'll get it but that's a pot of money we can pursue. We might consider allocating some of the local streets program, created in the last budget and funded at a million a year for smaller connections in division-midway. I do hope to be able to fund some of these projects with the 10 cent local gas tax we're going pass in May. For example the project for sidewalks on 130th is included in the sort of straw man list put together so far for \$58 million, a hoped-for source of funding. Aye.

**Fish:** Steve just used the phrase straw man. Just to give you another example, I was with five or six people at breakfast this morning and they were lamenting the growing congestion in our city. The solution is investing in a multimodal transportation system. They all nodded and then one at a time said, what does modal mean? We speak in a secret coded language. Even the word green infrastructure. It doesn't mean that much to people who don't follow green infrastructure carefully. April, thank you very much for another superb piece of work. Representative, soon commissioner jessica vega pederson, thank you for joining us and for all who testified today. Steve, thanks for bringing this

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forward. Over the last five years the council did plan an outereast Portland for new park. We did so, even though at the time we didn't have a funding source. It took an intresspass bid park commissioner and a robust infusion of money to then build them out. But we had to have a plan and do the hard work of engaging the community. Thank you for playing the groundwork for the next step and thanks to everyone who joined us this afternoon. Aye.

**Saltzman:** Thank you very much for this report, it's well done, and thank you for all the people who have helped in terms of steering committee and citizen participation. It's a great plan and we've gotta fund it. Aye.

**Fritz:** There are two reasons we don't have a roomful of people in both chambers when we adopt a plan like this. One that is nobody knows about it, and the other is that everybody's happy with it. I'm going to read the project working group. Lori boisen of the midway division alliance. Anne downing, david douglas high school teacher. Tami hawkins, trevor hopper, nicholas johnson, Portland commission on disabilities. Arlene kimura, Portland pedestrian advisory committee. Brian lockwood, powell neighborhood association. And jessica vega peterson at the neighborhood association. I'm glad I don't know all of these people, it shows a diversity of new people coming in to help, too. Not one of those folks would be doing their regular job if it weren't for the fact that they were highly happy with this plan. It does take a long time to get in from 122nd and beyond city hall. Thank you for all of your diligence and for representing your community in partnership with the great folks at the Portland bureau of transportation. Sounds like a transportation on modeling what you did in this plan so we can all learn from it would be really helpful. And we are learning from our communities at east Portland action plan and the communities of east Portland are telling us what to do and we appreciate it. I find that when we follow your advice things go much better. It's been said that perhaps we need a different form of government in order to get attention for east Portland. I believe that everyone on this council truly understands our obligation to east Portland and other areas of Portland annexed 40-some years ago and don't have the urban infrastructure they so richly deserve. I'm glad to see commissioner novick continuing to prioritize east Portland streets on his plans. I followed in commissioner Fish's footsteps in prioritizing. Commissioner Fish and Saltzman and I adopted February, my first year in office, we have been diligently trying to correct the wrongs of the past. We really appreciate april bertelsen and kurt Krueger who have been working at that for decades and who like it would share in the values you heard by the council today. Thank you so much. Aye. With that, I believe we are adjourned. [gavel pounded]

At 3:56 p.m. Council Adjourned