



CITY OF  
**PORTLAND, OREGON**

**OFFICIAL  
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 30TH DAY OF JANUARY, 2002 AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi, Hales, Saltzman and Sten, 5.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Ben Walters, Senior Deputy City Attorney; and Officer Peter Hurley, Sergeant at Arms.

Commissioner Hales left at 11:07 a.m. and returned at 11:09 a.m.

Item No. 107 was pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

<b>COMMUNICATIONS</b>	<b>Disposition:</b>
93 Request of Ed Asana to address Council regarding violation of civil rights (Communication)	<b>PLACED ON FILE</b>
94 Request of Christopher Woo to address Council regarding appreciation of the Neighborhood Mediation Center (Communication)	<b>PLACED ON FILE</b>
95 Request of Linda and Kent Beckman to address Council regarding appreciation of the Neighborhood Mediation Center (Communication)	<b>PLACED ON FILE</b>
96 Request of Chuck Ford to address Council regarding appreciation of the Neighborhood Mediation Center (Communication)	<b>PLACED ON FILE</b>
<b>TIME CERTAINS</b>	
97 <b>TIME CERTAIN: 9:30 AM</b> – Approve an Intergovernmental Agreement with the Port of Portland to accept \$26,000 to reimburse costs related to the land use permit process for Portland International Airport (Ordinance introduced by Mayor Katz)	<b>PASSED TO SECOND READING FEBRUARY 6, 2002 AT 9:30 AM</b>
98 <b>TIME CERTAIN: 10:00 AM</b> – Accept the Regional Drinking Water Supply Initiative Progress Report and authorize participation in the next phase of planning and development (Resolution introduced by Commissioner Sten) (Y-5)	<b>36053</b>
<b>CONSENT AGENDA – NO DISCUSSION</b>	

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<p><b>99</b> Statement of cash and investments December 20 through January 16, 2002 (Report; Treasurer) (Y-5)</p>	<p align="center"><b>PLACED ON FILE</b></p>
<p><b>*100</b> Vacate a certain portion of SE Lexington Street east of SE 120th Avenue, under certain conditions (Ordinance by Order of Council; C-9995) (Y-5)</p>	<p align="center"><b>176222</b></p>
<p align="center"><b>Mayor Vera Katz</b></p>	
<p><b>*101</b> Pay claim of David Hergert (Ordinance) (Y-5)</p>	<p align="center"><b>176223</b></p>
<p><b>*102</b> Accept agreement with Volunteers of America for use of U.S. Department of Justice, Office of Justice Programs, Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program grant funds (Ordinance) (Y-5)</p>	<p align="center"><b>176224</b></p>
<p><b>*103</b> Accept agreement with Raphael House of Portland for use of U.S. Department of Justice, Office of Justice Programs, Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program grant funds (Ordinance) (Y-5)</p>	<p align="center"><b>176225</b></p>
<p><b>*104</b> Authorize an Intergovernmental Agreement between the City of Scappoose Oregon and the Portland Police Bureau to provide the Scappoose Police Department with access to the Portland Police Data System (Ordinance) (Y-5)</p>	<p align="center"><b>176226</b></p>
<p><b>*105</b> Amend agreement with Group Mackenzie to provide architectural and engineering services for design and construction of Fire Station 12 and provide for payment (Ordinance; amend Agreement No. 33187) (Y-5)</p>	<p align="center"><b>176227</b></p>
<p align="center"><b>Commissioner Jim Francesconi</b></p>	
<p><b>*106</b> Grant a revocable permit with conditions to Friends of Grant Baseball, Inc. for construction of new baseball dugouts in U.S. Grant Park (Ordinance) (Y-5)</p>	<p align="center"><b>176228</b></p>

<b>Commissioner Charlie Hales</b>		
<b>*107</b>	<p>Authorize an Intergovernmental Agreement with METRO for \$85,000 to jointly accomplish a special study of transportation alternatives in the South Corridor between Clackamas County and the Portland Central Business District, a study hereinafter known as the South Corridor Transportation Alternatives Study (Ordinance)</p> <p><b>Motion to amend the amount to \$85,000:</b> Moved by Commissioner Hales and gavelled down by Mayor Katz after no objections.</p> <p>(Y-5)</p>	<p><b>176233</b> AS AMENDED</p>
<b>Commissioner Dan Saltzman</b>		
<b>*108</b>	<p>Amend contract with Thomas/Wright, Inc. to extend term of agreement to June 30, 2002, Project No. 5761 (Ordinance; amend Contract No. 30824)</p> <p>(Y-5)</p>	<p><b>176229</b></p>
<b>Commissioner Erik Sten</b>		
<b>*109</b>	<p>Amend agreement with Mercy Corps for the Portland Entrepreneurial Initiative to extend contract term to June 30, 2002 and increase compensation by \$60,672 (Ordinance; amend Agreement No. 33510)</p> <p>(Y-5)</p>	<p><b>176230</b></p>
<b>City Auditor Gary Blackmer</b>		
<b>*110</b>	<p>Accept contract with Systems Advisory Services for continued project management services in the implementation of its upgrade in its computer systems design and programming services of the Fire and Police Disability and Retirement Fund (Ordinance)</p> <p>(Y-5)</p>	<p><b>176231</b></p>
<b>*111</b>	<p>Accept contract with Data Management Consultants for computer systems design and programming services for the Fire and Police Disability and Retirement Fund (Ordinance)</p> <p>(Y-5)</p>	<p><b>176232</b></p>
<b>REGULAR AGENDA</b>		
<b>Mayor Vera Katz</b>		
<b>*112</b>	<p>Accept a \$63,486 grant from Housing Authority of Portland for a Police Bureau Liaison Officer (Ordinance)</p> <p>(Y-5)</p>	<p><b>176234</b></p>

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<p><b>*113</b> Accept a \$276,356 grant from Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms for the Gang Resistance Education and Training program (Ordinance) (Y-5)</p>	<p><b>176235</b></p>
<p><b>*114</b> Authorize a labor agreement with Municipal Employees, Local 483 relating to terms and conditions of employment of certain represented recreation employees (Ordinance) (Y-4)</p>	<p><b>176236</b></p>
<p><b>*115</b> Authorize the Chief Administrative Officer or his designee, with City Attorney review and approval, to execute non-disclosure agreements, contracts and applications for Competitive Local Exchange Carrier compliance requirements (Ordinance) (Y-5)</p>	<p><b>176237</b></p>
<p><b>Commissioner Dan Saltzman</b></p>	
<p><b>116</b> Refer Children's Levy to City voters as a local option levy for five years commencing in fiscal year 2003-2004 (Ordinance; repeal Ordinance No. 176159)</p>	<p><b>PASSED TO SECOND READING FEBRUARY 6, 2002 AT 9:30 AM</b></p>

At 11:14 a.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 30TH DAY OF JANUARY, 2002 AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi, Hales, and Sten, 4.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Frank Hudson, Deputy City Attorney; and Officer John Scruggs, Sergeant at Arms.

Commissioner Francesconi arrived at 2:06 p.m.

<p><b>*117 TIME CERTAIN: 2:00 PM</b> – Amend the Comprehensive Plan Map and change the zone of property at SE Water Avenue, Madison and Hawthorne – Eastbank Riverfront Esplanade from Marquam Bridge to Steel Bridge from IS, Industrial Sanctuary and Zoning of General Industrial 1, Open Space, River General Greenway Overlay Zone, Scenic Resource Overlay Zone, IG1, OS, g, s, to OS, Open Space and ME, Mixed Employment, Zoning designations of OS, Open Space, EG1, General Employment 1, with no change to overlay zones (Hearing; Ordinance; LUR 01-00617 CP ZC)</p> <p><b>Motion to approve the Comprehensive Plan amendment and zone change as recommended by the Hearings Officer:</b> Moved by Commissioner Hales and seconded by Commissioner Sten.</p> <p>(Y-4)</p>	<p><b>Disposition:</b></p> <p><b>176238</b></p>
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At 2:22 p.m., Council recessed.

GARY BLACKMER  
Auditor of the City of Portland

By Karla Moore-Love  
Clerk of the Council

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

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

This transcript was produced through the closed captioning process for the televised City Council broadcast.

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

**JANUARY 30, 2002            9:30 AM**

Roll

**Katz:** Let's get to the consent agenda. 107. It's been requested to be pulled. Anybody else want to pull a consent agenda off? Alright, roll call. Do you want to pull something off? Jada are you just waving hello. Hold on we'll get to you in a minute. Alright.

**Francesconi:** Aye. **Hales:** Aye **Saltzman:** Aye **Sten:** Aye

**Katz:** Mayor votes Aye. Alright, Item 107.

**Item 107.**

**Hales:** We have a typographical error in this item we missed a digit. It should be \$85,000 so I amend the amount to \$85,000.

**Katz:** Any objections? Hearing none, so ordered. Roll Call.

**Francesconi:** Aye. **Hales:** Aye **Saltzman:** Aye **Sten:** Aye

**Katz:** Mayor votes Aye. Alright, we're at our communications. We have five people, but because Jada Mae is a very special guest if the Council is willing we will allow her to come up and thank us for something. Not many people come up here and thank us for something so we'll give her an opportunity. OK.

**Item 93.**

**Katz:** Ed?

**Ed Asana:** Good morning. I'm here today because I feel my rights have been violated and I'm going through a lot of problems facing the economy and you name it. I've done everything I can to eliminate the situation and I'm at a cross road. It seems that I am a member of the city and it seems that I'm doing everything I can. I want to and I feel that I have to come to the council so that maybe you can give me some direction on what I should do. I have written letters and received some feedback but it did not lead to any solution. Primarily to police harassment, following me around sabotaging me. My cars. Stopping me without any cause even when I have insurance and everything. It's unbelievable. I want to think of the possible reasons why this could happen and I can only guess. I cannot put my hand on it and nobody has come forward to accuse me of anything. Ladies and gentlemen, I am 53 years old. I wasn't born here. I came from Africa and I went to school at University of Washington. I got 2 engineering degrees. I worked for Boeing. Worked for precision cast part ...haven't be able to get anything right. I respect this country. I like the people and I stand what democracy is all about. I know the price of freedom. I know what is required here and that's why I stayed here. But I cannot understand somebody like me going through what I have gone through. It has been years and years and years. I have four children here, via grandson, 5 years old. And I cannot -- I have no life of my own, let alone contribute. And if I don't get a job and return to society, who is going to take on my children? They cannot -- the government is not designed to take children, and they'll become statistics. What part are they going to play? We're talking about family values if the two parents study to help us further gauge what kind of additional -- I cannot think of any aspect of my life that is right right now. and I've done everything in my power.

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**Katz:** Thank you. We usually don't ask questions, but I have a note here so I know a little be about this case. Have you contacted the internal affairs division or the ipr and the ombudsman's office?

**Asana:** I did. When the police came to my apartment I contacted. They couldn't do anything, they just evict. Just a slap on the hand and I've tried to talk to the Police chief and the one that was before Kroeker and I couldn't. The officer before the police chief stopped me they wouldn't let me talk to him.

**Katz:** The point I'm trying to make is that they may not have had the specific incidences that you need to record so that they can begin some investigation whether it's iad, ipr or the ombudsman. That would be my advice to have you identify the specific incidences, the time and place when these things happened.

**Asana:** I did. More than that I wrote a letter.

**Katz:** Ok. If you did more than that then please leave it in my office. OK. OK. Thank you. All right 94.

**Item 94.**

**Katz:** OK, we have three budget presentations here which does not make me happy, but go ahead anyway.

**Christopher Woo:** Good morning. Actually I don't have anything to say about budgets, so, this is one of those rare opportunities where a citizen gets to say thank you. My name is Chris Woo, I reside at 14415 NE Fremont Ct. and I'm going to say thank you to the council for the support of community enhancement services. In particular their support of conflict resolution services. I have a couple of other folks who are with me today. Basically as volunteer mediator with the Neighborhood mediation center I can attest to the ongoing success and importance of these conflict resolution services in the community. In the past year alone 668 cases went through intake at the neighborhood mediation center. 419 were by trained volunteer mediators trained by the city. And they take their training with them to the community beyond the borders of the center. 334 of those were resolved successfully. We take our mediation out wherever people need them to go, whether near their homes with 250 some odd cases taken care of in ne and se portland alone. Essentially when you have 334 successful resolutions, you have 334 conflicts that are not in the community that will not be there in the future to cause greater problems for more people. It is an effective service and I firmly believe that conflict resolution services empower citizens to actively promote livability within their own communities and I do sincerely thank the council for their diligence in their supporting these efforts in the past.

**Katz:** Thank you. 95.

**Item 95.**

**Katz:** They are not here, go ahead.

**Item 96.**

[Chuck Ford not here]

**Katz:** ok jada.

**Jada Mae Langloss:** I just wanted to praise you kids for --. I think I would like city hall to consider sending me on a ticket to Washington dc as representative who has the courage to bring forth an alternative way of solving the world's problems rather than more bombs and more guns and targets. On the front page of the Oregonian today. And since I am sitting bulls only living granddaughter I have the respect and honor of a whole bunch of people even if I am the most poor candidate in the history of candidates I still think you will honor this. Because we must have something besides more bombs and more targets of countries on the front page. It breaks my heart as a native American person to see this thing happen again. So I ask you pass the bucket and send me east because I'm qualified.

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**Katz.** Thank you, I thought you were going to thank us. ok that was it. ok everyone with our time certain 97.

**Item 97.**

**Gil Kelley, Director, Planning Bureau:** With me are Bob Clay and Jay Sugnet from the Planning Bureau. I would happily volunteer to be the king's taster this morning if you like. We're here to bring you another installment of the city and port and community cooperative effort to do long-term planning for the portland international airport. Last August you recall you adopted a resolution with resolved to take a new approach to long term planning at the portland airport. We found that the traditional conditional use master plan process was inadequate to address the issues there and the resolution stated, and it was very similar to one adopted by the port authority which said that we want to do the very short term piece within a conditional use process but to add new criteria for review of that process and then to take the major components for major expansion of the airport into a legislative process. We return now with an agreement between the city and the port which essentially outlines how we will divide the tasks between the short and long term in more detail and authorizes reimbursement for expenses by the Bureaus in the first cu process as well as extend review time for opdr . We will be back. By the way this does outline the long term plan as well through 2008 and the port will describe more in a few moments about their time lines. The second process shows us running the city's legislative process in parallel with the port's master planning process . That's also a change. traditionally the port has done it's master plan and then approached the city for it's approval of it. These would be run in parallel and involve the community to a much larger extent than previously. We will return with another iga next spring that details the second phase and has reimbursement agreements in it as well. Today is really focused on the short-term cu process. Within the cu process we did agree to add some criteria for evaluating natural resources within the first part of the process and those criteria are now before the planning commission as a legislative matter and are coming to you in March for adoption. Those would help guide the evaluation of the conditional use. We anticipate that application being filed for the first phase later this spring after your adoption of those criteria. The agreement you have in front of you, Exhibit 2, an outline of the schedule of tasks for phase 1 and phase 2, was hammered out over 9-10 meetings last fall. Bob and Jay convened a group that included the port, representative of commissioner Saltzman's office, the air group, bureau of planning, bureau of environmental services, oni, opdr, pdr, and the city attorney's office. They all collaborated in the effort to prepare this iga. We're bringin this to you today for your adoption. We're happy to answer any questions we will be followed by Lise Glancy from the port and by John Wygant from the air group.

**Katz:** Let me ask you the obvious questions. At the end that extend out to 2008, you want to address that?

**Kelley:** You'll hear some presentation from the port on what their internal time frames are. The 2<sup>nd</sup> phase of the process largely rests on the port doing some technical studies that will be the foundation for the substantive decisions that occur in that phase. We have taken some pains to make sure both the city and the community are involved in the scoping of those studies so we know what goes into them. The port believes it will be in a position to begin its master planning in 2005. We show the city's legislative process beginning at the same time and running through 2008. That is the long-term planning phase, not the immediate phase.

**Saltzman:** Aren't we beginning our work on the legislative plan in August of this year? To be completed by December of 2003?

**Kelley:** Yes. That refers to the task of preparing an iga similar to this one that would outline that process in more detail and spell out the time frames and reimbursement in more detail. We don't anticipate getting into the meat of the legislative action until those preliminary studies are done, so there's a gap there while those studies are going on.

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**Saltzman:** So the actual real work starts after these studies have been done, and you said that was to be approximately June of 2004.

**Kelley:** I think we're showing July 2005 would be the official commencement of both the master planning on the part of the port and the legislative action on the part of the city. If they accelerate the studies, we'll be happy to start it anytime we get the information. You're right, there is more activity this year just to start the process.

**Katz:** Further questions?

**Saltzman:** I have one more. Regarding natural resource criteria we are adding with respect to impact of noise and vibration, we are basically putting a place holder in our conditional use master plan that will contain results of reports part 150 FAA noise impact study they are conducting right now. Is that correct?

**Bob Clay, Planning Bureau:** I think that is the correct way to characterize it. There is an existing set of criteria now for noise that's part of conditional use process but we've identified earlier on that there is probably some clearly limitations to that approval criteria. So what we are looking at is being informed by the faa part 150 study to help us further gauge what kind of additional--

**Saltzman:** Any mitigation options, recommendations, ideas that emerge from this part 150 process can become conditions of approval, of the master plan? Is that correct?

**Kelley:** I think probably subject to the legal filter about what our -- how far authority can extend.

**Saltzman:** But within -- if we're within that --

**Kelley:** Yes.

**Saltzman:** -- zone of nonpreemption, those will become conditions of approval?

**Kelley:** Yes.

**Katz:** I think we agreed on that. Thank you. The port? Come on up.

**Lise Glancy, Port of Portland:** I'm with the port of Portland. I'm happy to be here today. I think you're going to be getting copies of this, so i'll speak to that in a minute. I want to echo what gil said about this being a collaborative process. It included the full participation of the port and multiple city bureaus. I want to particularly call out some of the city staff that participated in the process. Bob clay and jay sugnet from planning were particularly helpful, susan feldman and sylvia kate, steve gerber from pdot, mary stevens and nancy hendrickson from b.e.s., jolene jensen claw son from oni, and matt and frank from commissioner Saltzman's office. We also appreciate the participation of citizen reps. John wygant, katy jenkins, and stan prosser. As gil said, we had nine meetings over three months, they were robust discussions, and we had our areas of agreement and disagreement, but I think we came out with a good product.

**Katz:** Thank you. Questions? Thank you. Let's have public testimony. Is there a.i.r. Group here? Come on up.

**Katz:** How much time do you need?

**John Wygant, Airtraffic Issues Roundtable:** It will be as concise as possible. We have it on a power point.

**Katz:** I'm not going to give you any more than ten minutes.

**Wygant:** Fine. The maybe purpose here is to indicate some heads-up. I'm john, I chair the air traffic issues round table.

**\*\*\*\*\*:** Fred, the vice chair of the air group.

**Wygant:** We see some potential conflicts, and we support this iga, so this is a heads-up for some future issues. Last year the a.i.r. Identified this problem that the conditional use permit process at pdx was ineffective. Essentially everybody agreed with that, and we proposed an iga process to initiate a legislative process within five years. We believe that should be accelerated. We've come to two igas now, this one, which we support, and the next one, which will create the legislative process itself. We believe the legislative process needs to follow fairly quickly the iga that creates

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it to maintain momentum. A gap of 31/2 years or so while studies are done, we believe is going to lead to some long-term conflicts. My original notes on this, the first draft of an iga I have is dated I think may 15th, so this is a process we started last april. Most of the contentious issues have been delayed to the second iga. There's a little bit left that we're concerned about. And part of the problem is that everyone still seems to be thinking inside the box when in fact we need some very creative solutions because we are stretching the land use process far beyond what it was ever intended to do. Pdx clearly has an impact, primarily a noise impact, that goes far beyond its borders. The opdr rule to notify people within 400 feet of the property line about hearings is simply -- simply doesn't apply in the noise impact zone. In most cases, the feds are partners with local communities to control most polluters. The epa and so forth. We have a reverse example with the faa where they are preempting local control of this kind of pollution. So the c.u.p. Process is designed for ordinary problems and we're not now faced with ordinary problems. We also believe there's a greater need for the port commission and the city council to engage, these -- because these are very significant issues. The city is charged to protect the general welfare, and unfortunately the land use process is the only tool we have available for the city to raise these issues. So our heads-up number 1 is the term of the conditional use permit. The port would like ten years, as was granted last time. We would remind the commission that the first two conditional use permits were for six years. So there are too many long process gaps in this where we can lose momentum to satisfy the general welfare. Air will request -- a.i.r. Will request or advise a three to 5-year term. We've all agreed it's inappropriate for the uses we're requiring, why should we use it for its maximum limit? If we do it for the three-year, we might say that's appropriate to allow the current economy and the events of 9-11 to stabilize while we simply optimize existing capacity, which is substantial. A five-year limit is enough to replace the current c.u.p. process. If we look at a major problem then is the scheduling of the land use -- of the master plan process and the legislative process to begin at the same time. You will note that the legislative process is scheduled in your schedule, your attachment 2, both go for 36 months. However, within the document it says the master plan is expected to take two years. This is a compromise. The port said we'll start the two together, whereas in the past they've done the master plan first and then expected the city to do its land use process based on that. We think that it's critical if the city wants to guide how development is going to go at the port, it really also needs to be able to guide how the master plan will be occurring. We'd suggest for a next heads-up, more studies, enough studies done by the port we'll know what to do next, yet the city doesn't even have staff to monitor. The conclusion is that the legislative process as foreseen needs some real help. We would warn you about the noise overlay zone. I'll skip that one. Our real problem here is that we need a dynamic legislative process. Pdx is dynamic responding to the community. The economy is chaotic. It is not predictable long-term. The plans we're talking about, both the c.u.p. and the legislative process, the plan district, are static unless there's monitoring and change built in. Systems principle is a dynamic systems that don't have feedback loops go out of control. And the feedback loop for the c.u.p. Is its term, five to ten years. The plan district will have no feedback loop. The planning commission is an effective means, because it's an on demand feedback loop, but we're trying to avoid it. The airport zone is a contentious issue. We're really looking at this diagram where we have a 20-year master plan, and we've agreed to look at phase 1 without really any view to the long term. This master plan was defined by the port's internal team that directed the consultant to prepare the plan. The port commission, then, reviewed the plan and approved it, a planning advisory committee made lots of comments, but they resulted in no changes, and most of their comments were focused here in the third runway, and we're down here trying to develop a conditional use permit that will focus on phase 1 without trying to look at the big issues down the line, the ones where we're really going to be spending \$3.5 billion. One problem is that the city is

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pretty much isolated from this process. It does have a hearings officer who gets to review criteria only with a very small fee and set conditions. That's the city's only involvement at this, and the planning commission is outside the box. So we would recommend to go ahead with this iga, better than that we revise the deadlines. This iga has language that really should be in the next iga. That's not really any problem, as long as the next iga resolves the problems. This iga claims to be a continuous process and we need to ensure that that happens. So we need some new plan district models, we need to insist that the legislative process be in place before any rfps for master plans are let, and we think five years is enough time to create one. The problems are difficult, large, and unique. The port is isolated, and the faa is even more isolated, so getting the city with a partnership here is going to be difficult. We might recommend that somehow we could subcontract major functions to the city, like noise, planning, transportation, or whatever. The budget will reflect the real coordination and planning, and right now the budget is for \$26,000, as phase 1 of a \$3.5 billion project. So our general position -- we are not trying to restrict pdx. We're trying to ensure that the city of Portland has a say in its impact and we believe that your involvement can only improve the process. Thank you.

**Katz:** Thank you. Do you want to say anything? Thank you. Questions? Thank you, gentlemen. All right. Do we have a sign-up sheet? Anybody else want to testify on this issue? All right. This goes on to second reading. [ gavel pounded ] 98.

**Item 98.**

**Katz:** Commissioner Sten?

**Sten:** Thank you, mayor Katz. We're bringing back to the council today a report on about ten months worth of work that's been going on throughout the region to take a very good look at the idea of regionalizing the water system. I won't go into all the details we've done at council in the past, but the situation that we have now and I think can be dramatically improved is that there's 27 water providers throughout the three counties and three sources of water, and although i've found all 27 of us to be smart, rational groups, the planning that 27 groups do is not the same that we would do if we had a more coordinated system. The Portland city council took the step last spring of putting on the table that if we could work out the details so it was a win-win for both the suburban jurisdictions and the city of Portland, we would be interested in looking at taking our Portland water bureau and turning night a bull run authority, and in essence sharing ownership of the bull run water supply with other folks throughout the region. At this point about 800,000 of the region's citizens, about half of them drink the bull run, and the ownership resides with about a half million of that 800,000. Portland citizens would not lose any ownership, they essentially would gain shareholders. And I think if you look closely at it, essentially 20 or 30 years down the road from now this community will need a substantial increment of new water supply. That's not an excuse to not conserve and it's not an excuse to not be efficient. The best way to get water immediately is to use what we have more efficiently, but eventually if you -- unless the population stops growing through natural causes, as well as in migration, the odds we'll be able to get by without more water forever are simply none. When it's time to get more water, and again, I think this is down the road, but you have to plan a long way ahead, we're going to be looking at either expanding the bull run or going to the willamette, or expanding the clackamas, which I think will be difficult, or expanding the tualatin trask, which doesn't have as much expansion capabilities. So I think really this regionalization movement is a forward-looking approach. I strongly believe that the type of work we're trying to do now is in some ways a little more organizational, but in some ways parallel to I think one of the most remarkable chapters of our history, which is when people went up 40 miles from Portland and decided to rope off this little stream the bull run and protect it, even though there was water everywhere. By my point of view, when they did that 100 years ago, they saw the bull run as a regional source. The reason Portland was designated was it was the only municipality that

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really existed, and the idea that gresham, for example, which sits between us and the bull run, even the folks on the other side of the willamette weren't designed to drink this, I think is absolutely historically inaccurate. So we're moving forward on this. The good news is, i'll give an update on the last ten, 11 months, we had just about all 27 water providers respond to our call to study regionalization. There was great interest. There was a study done by the managers of each system that has been shared with the council and copies are available. As of late last summer, the managers actually came to a somewhat bolder proposal than even was floating around and put on the table the idea of actually combining all three major sources, the tualatin-trask, the clackamas, and the bull run, into one regional water authority. The short version of what happened after that is that as the elected boards of each of the jurisdictions took a look at this, the collective I think political wisdom was that was too big a step to try and take on, and I agree with that. I think there's just too many moving parts and too many questions that need to be answered. So what we're recommending today is actually that we take a smaller but I think absolutely tremendously important step and explore the creation of a bull run authority. It would be a publicly owned, publicly run utility that would own the water rights to the bull run and columbia south shore well fields. Membership in this authority would be open based on a set of criteria that we tend -- intend to develop in great detail down to basically every detail in the next six months, and there were 14 agencies at this point who are interested in pursuing this, and going forward. I doubt at the end of the day we'll have 14 that join up right away, but I think we'll have some number that would like to do it. What we're asking for today is authority no move forward on a very detailed legal, financial, and organizational analysis. I don't have a specific proposal yet, but my expectation is once the various legal and financial and organizational models come together, I will most likely with the other regional providers, recommend something like a blue ribbon panel to look at all these, it will be aired very much in public, and I think there's been a lot of concern and I think rightfully so, is Portland standing to make money from this, or the suburbs standing to make money from this? And from my point of view, the reason to do this is the future. The reason to do this is efficiencies, the reason to do this is to make sure every Oregonian who can gets the benefit of the pure, clean water at bull run. At this point in time we use about 15 to 20% of what's available. On a day like today there's water flowing everywhere, but it's the summer months when we don't have enough storage that we need to plan for in the future. The point is not to make or lose money for any jurisdiction, it's to do it in the fair way. I generally see it as a cost neutral way, but I think in the long, long run, having a system that isn't 27 water providers with cities pitted against each other, that's what was happening three or four years ago, we'll save everybody's money. And more importantly protect the environmental asset of the bull run, continue the heritage of it and makes sure it's available to as many people who can. The more people who use it, as long as it's done in an environmental sensitive fashion, the more affordable it will be over time. We'll be looking to show that the finances are fair and treat everyone equitably. At this point I think it's no secret to anyone that suburban jurisdictions pay more for the bull run based on the reasonable theory that Portlanders invested in this system in the early days. They did that on the basis of 30-year contracts that are all up between 2004 and 2007. I think by taking this organizational step we will be in much better shape to negotiate a smart financial package. If this were to fail, we would still need to renegotiate those 30-year contracts, and I think it will be a difficult negotiation for a variety of reasons. There's depreciation issues with our system, there's equity issues, and so this is really trying to get out ahead of that process. The price and the arrangement for the bull run drinkers to continue to drink bull run will be on the table anyway we look at it. As a general principle what we've decided to do over the next couple years is essentially over short-term extensions to the 30-year contracts at the exact same terms they're under now to give ourselves time to work this out. It's also my expectation that those entities that choose not to join the bull run authority, and I think there's a variety of

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reasons one would choose not to do so, we would still look to sell water to, but it would be the bull run authority selling water to them rather than the city of Portland. A couple of quick issues I think have come up and where I stand on them now to give people a sense, is that you really break up water systems into three levels. It's supply, transmission, and distribution. Supply of course is the bull run itself, and the reservoirs up there. Transmission is essentially the big pipes that get it off the bull run to the region and distribution is essentially what gets it to your tap. I would propose, and I think most of the electives i've worked with, agree that the bull run authority should be a supply transmission agency, so in order to join it, you need to move your supply and transmission assets through a financial strategy that needs to be determined into the bull run. And then it could run distribution systems, I think it should be illegally authorized to run distribution systems, but entities would not be required to bring their distribution system in to join. So the city of gresham, tigard, could choose to keep their own water distribution system, but still join the bull run authority. Portland if we chose could move our distribution system into the bull run authority or not.

Depending on what we saw as most advantageous. There's still some concern, and I think rightfully so, about what the right organizational model is. At this point we're recommending using Oregon statute 190, which allows jurisdictions to voluntarily form a new governmental authority. It can be done contractually, but then the authority exists legally. I would say it's not a perfect mechanism. I think we'll hear testimony today that a pud might be a better approach and that's something we'll hear from some folks, certainly worth considering. My feeling at this point given the options on the table is that 190 is a cleaner way to do it. I also think it will be worth very much considering whether we should go to the legislature once we have a much more detailed scheme and ask for more specific authority to form an authority that's exactly as we would want it, because none of the legal paths are completely clear, and I would think if we had suburban and urban cooperation the chance of getting some specific authority to clean up the organizational details would make sense. There's continued public debate, and I think appropriately so, of whether or not the board that governs the bull run authority should be elected, appointed or some sort of hybrid. I think those are things we would air out and expect a panel to give us a little bit of advice on. And despite a clear stance from this council, there is still continued concern that as we go to a new system that we be clear that the willamette river will not be part of the system, and so I took the --

**Katz:** We noticed.

**Sten:** -- writing into our resolution that if the council passes this resolution, it also instructs me which I was going to do anyway, but it instructs me that in order to move forward the willamette has to be barred from a system we take part in, and I think it's better to be explicit about that at this point than not, although i've tried to kind of leave that debate to the suburbs who are having the debate, because it was never going to be in Portland anyway.

**Katz:** But people didn't believe us.

**Sten:** Right. So it's in there now. With that, I think we would open it up to -- do you want to give a short presentation, our -- from our interim director of the water bureau? I know tualatin's mayor is here, and i'd ask him to testify first after the presentation. Then we'll open it to citizen comment.

**Mort Anoushiravani, Interim Director, Water Bureau:** Good morning. My name is mort. I'm going to be giving you an update on the work that's been done on the regional water supply initiative. And I believe all of your office has been briefed about this, and also the work that has been done is the work of the staff and water managers of the participating agencies so far, and also with the help of the couple of the consulting firms that have been working the last few months.

What we have been able to do is just as a way of background, is coordinate 26 wholesale procedures in the region that they buy water from Portland and the bull run system, and the contracts are going to be up over the next four or five years. The region is blessed with a lot of water sources, and good water, however, there are problems with the whole system and the whole

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infrastructure, and the -- and also the future needs that needs to be taken care of. And some of those are just a growth in the region, that's going to be needing water, also there is going to be more and more stringent water conditions coming down the pike. And also there has to be -- fish and the other environmental needs that have. And also the system that is basically aging, it's going to be needing additional care and replacement and repair over the next few years. As it was mentioned, the commissioner Sten -- by commissioner Sten, the best way to take care of and deal with the regional needs is to -- for regional -- authority that will do this work in -- and coordinate that and cooperate in a corroborative fashion that would basically -- that would not duplicate the facilities and the services and all that. And a couple of -- the reason for that is that would basically allow the region to use the best source of the water, also to -- all this capital program and expansion in sort of a fair way and have la large rate base to cover it, if you will. Back in april of -- 25th of 2001, the council directed us to seek the other regional partners to see if they can get together and look at identifying scenarios and models of what a supply entity would look like, and also in the process consider the public input and their sentiments and values and report back to council. And that's what we are doing today. And we have 14 of the water providers in the region participate, so that covers 75% of the regional providers in terms of the population that they serve in the three counties, which is -- which is actually quite remarkable that we have that level of participation and cooperation so far. What we have done to date is basically, the staff work is -- we look at what was expected from us, we have identified and clarified the objectives of our assignment and we have identified criteria for good solutions. And then also we have conducted a search, if you will, both at the local, regional, and national level, of similar models that are available for such an agency. And then also we have done some work in creating some of this conceptual scenarios that would a new agency would look like, and then we have done basic evaluation of the scenarios versus the criteria we have come up with. And also we have had a considerable amount of public input and involvement over the last few months, and then we have also shared their ideas and have taken some from the elected officials of these participating agencies. And -- also identifying some of the potential next steps, and there is a meeting tomorrow night that is basically a report back to the boards and the city councils of the participating agencies. And just as a side note, all of the other agencies are having a similar process, basically sharing the work that has been done with their own city councils and boards, if you will. In terms of the public involvement, that has been -- that has been a cornerstone of the work that we have done so far and we've had four or five meetings over the last eight months, and at every meeting we had a public comment period, public participation, and it has been part of the meeting, and all the comments have been recorded and have become part of the meeting will notes that have been widely distributed. In fact, all the recent comments that we have received so far have become part of the report that's before you right now, and we have been -- the entire report and the public comments posted on the bureau's website. In fact, it was the public comments and involvement and their guidance that basically narrowed down the source that's they're -- that are being considered from the trask, tualatin, clackamas and bull run to just focus on the bull run. And the criteria that has been established basically established for the long-term goal, if you will. Basically most of the principles and criteria that was talked about by commissioner Sten to make sure it's done in a right way and an equitable way. We have identified five existing government structure that are part of the state statute that are being used in other states right now and they're all still on the table, even though we have recommended 190 iga type of structure as a part of the next steps. We are going to be looking and we are going to be looking and then evaluating the other structures that might be suitable for such an agency. And the recommendations are basically -- basically fall into two general categories. One is a long-term that may happen -- may never happen. We felt it was reasonable and responsible as people have done before us that whatever -- whenever you put a structure for a natural resource together, you do have a long-term

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vision and view, that it would make sense that you would have a multisource regional agency that would manage the source and treatment and the transmission of the water. However, the near-term proposal is just looking at the bull run and the current Portland system of the bull run, the columbia south shore that basically -- to allow us to manage and deliver those services under 190 iga, and then just look at the short-term work that we have to do right now, however, as we put the short-term framework in place, do not do things that would basically preclude long-term strategy. Some of the features of the near term strategy, as I mentioned, the source is the bull run and the columbia south shore wellfield that is basically our current supply, and the core services that would be part of this new agency is going to be the source and the treatment and the supply and the transmission of those, and if the agencies would like to bring other services or function as a part of it, that could be negotiated either now or down the road, things like providing laboratory services, including distribution services or construction services, or things like that. And then the board is going to be representative of the participating agencies. One other thing that we have here is because of the long-term contracts we have with these providers right now. At some level there is very little change in our relationship, if you will. So there is not a lot of risk involved to moving forward with such a proposal at this time. And then also, the fact that we have only just a single supply source. That would make the process a lot simpler in terms of moving forward. And then also, it would still keep the local control for most of these -- these water providers in the region. Next steps are, that's where the detailed part of the process, if you will, we are pursuing three separate important tracks of the finance, legal and governance part of this thing that would have enough details in it specifically and analysis that would result in a proposal that would let the decision-makers make decision as to -- as we move forward, and then as we have done in the first phase, there's still going to be involvement with all the other participating people on a cooperative basis. So far we've got most of the people that were involved in the first phase and we're expecting maybe two or three other ones might join up over the next few weeks. And also we think the cost of the next phase is going to be -- the total cost would be in the neighborhood of 200, \$250,000 range, and the cost is going to be shared equally by all the participating agencies. What we have before you today is basically accepting the -- accepting the progress report that has been preferred over the last few months, and also directing commissioner Sten to take the lead for the next phase as well as the fact that he's done for the first phase also, it would direct the water bureau to continue working with the other agencies to develop more detailed implementation plans. We'll also direct the water bureau to establish a public involvement strategy, including a formation of the cities and review panel -- a citizen review panel, and it will also direct commissioner Sten to prohibit using the willamette river as a source for city of Portland residents. And we hope that your support, you're going to be able to pull all this off and get back to -- get a more solid result by this summer. I'll be glad to answer any questions.

**Katz:** Questions? Okay. We may have some questions later on.

\*\*\*\*\*: Thank you.

**Katz:** All right. Lou, come on up. The mayor of tualatin. Lou ogden.

**Lou Ogden, Mayor, Tualatin:** Thank you, and good morning, mayor, council. I'll be very brief, because the presentation you had of course explains all the information in detail. But I want to do two things. One, to -- on behalf of tualatin in particular, enthusiastically support this recommendation, and encourage your passage of this resolution, and participation by Portland to move forward in phase ii of the study. And secondly, just once again want to thank commissioner Sten for first of all advancing this notion, bringing it to the forefront of public scrutiny, and this council to get on board with that. Six months ago when we were talking about this idea. It is in my opinion an opportunity for tualatin, and I can't speak officially for the rest of the participating agencies, but clearly in my personal opinion an opportunity for all of us to be able to share in this long-term resource that is as my kids would say, is a no-brainer. So we appreciate the opportunity

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to have participated to this point. Obviously the caveat that -- one of the caveats that lay ahead of us is the financial piece of it, and how we value that investment and how Portland is kept whole financially in terms of the long-term asset that you folks have owned and how other -- the rest of us can participate in an equitable way so we can share in the ownership of that resource. But that -- assuming that hurdle is one that we could all understand, appreciate, value, and afford financially, we are very excited about this opportunity. So I'd encourage your approval, moving to the next step, and I'm looking forward in fact, the group is meeting tomorrow evening in tualatin, and I believe all of the agencies except for maybe one or two have already formally approved moving forward. So I am anticipating a very short meeting tomorrow night, where we as a group will all nod and join lock step and move to the next step. I appreciate your passage of this resolution. Thanks for all the work you've done, and your staff.

**Sten:** Thank you.

**Katz:** Okay, karla.

**Katz:** Come on up. You all have three minutes.

**\*\*\*\*\*:** I'm not with their group.

**Katz:** You don't have to be.

**Frank Gearhart, Citizens Interested In Bull Run, Inc.:** My name is frank gearhart. Mayor Katz and council members, it's a privilege to be here again this morning and talk about a regional water. It seems like this is a never ending thing, but I guess since water is essential to life, it's something we're always -- we always have to contend with and talk about. And plan for. In going over this progress report, I note that the 17 criteria that we are proposing to look at to form a regional water entity. And it's interesting that 13 of these criteria are mainly policy statements of management and operating policy. We're not getting down to the 90y gritty of putting together a regional entity. There's only four out of the 17 that have anything to do with organization or operation of such an entity. The resolution that you have before you this morning takes another step forward in citizen involvement. And this is something that we have been fighting for and working for for the last decade and a half, is citizen involvement in our water resources. One of the things that gives us concern here, though, is the lack of really citizen involvement at the grass-roots. It's talking about taking public input, setting up a citizen review panel. We feel the bull run alliance feels the citizens need to have a seat at the fable table so that we can take about these things before they get cut and dried. We'd save ourselves a lot of time and energy if such were to happen. So we'd like to request, and we have sent a memo to commissioner Sten, and I think you've -- council has a copy of it this morning, we -- requesting that the bull run alliance and public at large be given seats at the planning sessions with equal planning rights as participants. We think this would be a bold step forward to solid identifying things and saving a lot of backtracking in the long run. We agree now is the right time to establish a regional supply entity for the bull run system, and we've been promoting this for the last couple years. So we have requested that commissioner Sten and the providers to respond to our request within 30 days. Thank you.

**Katz:** Thank you. Go ahead.

**Scott Fernandez, 1821 NE 65<sup>th</sup>, 97213:** My name is scott fernandez. I've done some community service for the Portland water bureau for several years, working with the water quality advisory committee. I have great respect for commissioner Sten and have sported his successful effort in incorporating the little sandy into the bull run watershed. I was a great victory for the citizens of Portland. Today I represent myself and the citizen ratepayers of Portland concerned about regionalization and the subsequent creation of a megawater provider. We are concerned that the essential criteria put forth by the progress report would unnecessarily increase financial impact of the Portland ratepayer. The Portland ratepayer has been faced with increasing costs regarding their water bill in July 2001, 6.9%. July 2002, approximately 12%. Regionalization would remove 15

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million plus dollars a year forever of cash flow from the wholesale water receipts. The megawater provider would keep that money for whatever purpose they wanted. No discernible benefit would result for the ratepayers and the loss of the cash flow would have to be made up by -- made up all or in part by the Portland ratepayer. The concern of mine is that new programs in other city bureaus won't have the support of a rate impacted public. My second point is that the definition of monopoly is a command of supply of a commodity controlled by one party, and the regional will water authority would be a monopoly. Regionalization would set into place a monopoly by the regional megawater provider. Four years ago the city council moved forward to stop a monopoly by at&t broadband. The day -- today we ask you to move forward to stop a monopoly, the regional megawater provider. What concerns us deeply is there no controlling authority for the pricing of water in the state of Oregon. They can raise rates at their whim and they have no one to answer to, unlike an electrical utility. My third point is accountability. The city of Portland would have one voice in a group of 15-plus. The megawater provider would be fundamentally unaccountable to the city of Portland ratepayers. Trading ownership and management water rights and the bull run assets would make us a customer of our own business. If you move forward with regional eyes asian, you will lose both money and decision-making power. In conclusion, in closing the concerned citizens of Portland want you to continue the long-term wholesale contract agreements. These contracts will provide financial stability and the -- define expectations by all parties. Reach out to the wholesale customers and provide them with assurance of supply and -- in writing. And that Portland ratepayers are subject to the same risks and rewards.

**Katz:** Thank you.

**Fernandez:** Wholesale customers will stay with the bull run water own and managed by Portland.

**Katz:** Your time is up.

**Fernandez:** Public discussions, the regional citizens recognized and the quality, value and the lower cost of the bull run water.

**Katz:** Thank you.

**\*\*\*\*\*:** Thank you.

**Katz:** Questions?

**Francesconi:** You know, we appreciate, I know commissioner Sten does, your concern for the ratepayers, which we share, but -- the theory is, and the reality, not the theory, the reality is, we face some major infrastructure expense, we, the city of Portland, the taxpayers are going to have to pay for through the rate structure in terms of the bull run system, given the aging infrastructure, increasing demand, environmental regulations. So the idea is to share some of that cost regionally. Which in the end could actually save ratepayers money. I think that's the idea. So I guess i'm a little puzzled by your testimony. Do you disagree with what was just laid out?

**Fernandez:** I believe that with proper fiscal management in the long term and short term, that the water bureau of Portland can provide for the infrastructure and -- infrastructure improvements through the appropriate receipts that will be received over the period of years that we look in the future by the wholesale customers. And through the incremental increases in the water bill that we're seeing currently. For security and others reasons. Infrastructure can be maintained through those incremental increases. We're going to see a possibility of water treatment coming up also in the next few years f we plan now to provide for money for that in the future, we can do that. What i'm saying is that if there's proper fiscal management now through the money and receipts that the Portland water bureau is receiving, they can maintain their own autonomy.

**Francesconi:** So is the autonomy more important than sharing the cost? I mean, there is an argument that management, sole management is a higher -- are you saying that's a higher priority?

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**Fernandez:** I think the fact if the city of Portland maintains its water rights and maintains its ownership and management of the infrastructure, that the whole region will benefit.

**Francesconi:** Okay. Thank you, sir.

**Katz:** Ralph?

**Ralph Crawshaw, 2884 NE Raleigh, 97210:** I'm ralph, an activist working through the bull run heritage foundation, and I want to thank commissioner Sten for this initiative. It's a sign of civic leadership that we really want to see, and -- throughout the city. That with the bull run heritage foundation, it fits very much with our ideas about process as contrasted to just structure. And our process has been over the years to see different parts of the government having difficulties. For example, the water bureau and the forest service were not talking together, and we were able to facilitate that they could talk together, and out of that has grown the kind of collaborative advantage. We saw the same problem with the water producers. The people who run all of the regional water areas, districts, and we have had breakfast regularly with them over the last two years, informal where we discuss. At the last one we had vicky thompson, the chairman of the gresham city council, present. She contributed a lot, and one of the things she contributed was that with all of these issues that we have around the proposal, it might be useful for the bull run heritage to sponsor an informal breakfast for the mayors, and i've written vera to this effect, and I don't know how the mayors would feel about it, but again, our real goal is process. We want to oil the wheels, so that all of these details, all of these different conflicting ideas iron out to fulfill the heritage that we have. And that is, we've got this superb gem of a source of water, and we have only to regionalize it and raise the respect that people have for it, and we are out of the difficulties that we anticipate if we don't do it. Thank you.

**Katz:** Thank you. Questions? Thank you, gentlemen. I'll get back to you on your request.

**\*\*\*\*\*:** Thank you, vera.

**Tom Boon:** My name is tom boone, I live in southwest Portland. Good morning. I've been involved with the bull run hair tan foundation for quite a few years, and recently resigned to devote a little more time to root community activity, promoting a new sport in my child's high school will and getting him involved in just what is like to be a member of the community. This is what I think this proposal and this process really represents. It represents a way for a dialogue to establish and be perpetuated throughout the metropolitan area. It takes Portland out of a position of being an owner of a water source and allows everybody else to come to the table and say, these are our needs, and this is what we want. It been a little interesting watching in the last year as we've seen the identities of the different water districts try posture themselves in saying, we want this criteria, and we want to have things done in this sort of way. But I think that what's important to look at is the overview of it. And to say the dialogue is continuing, it's important, and that we're all interested in one thing, and that's the supply of bull run water to as many people in the region as possible. And so I certainly support commissioner Sten and what he's doing, and I think that allows all of us the opportunity to see this happen. And whatever form this takes later on, whether it's a form of a panel, a blue ribbon panel, as you said, or other means, I think that everybody has the opportunity to be involved in this at all the stages so far and will continue to be, and that's very important for regional planning. Thank you.

**Katz:** Go ahead.

**\*\*\*\*\*:** My name is -- i'm not feeling well today, so pardon my --

**Katz:** We'll behave.

**Regna Merritt, Executive Director, Oregon Natural Resources Council:** Okay. I'm executive director of the Oregon natural resources council. We have over 7,000 members. I'm also on the city's citizen treatment panel, but i'm not speaking on behalf of that panel as I offer these comments. Again, thank you for city council efforts to protect bull run/little sandy. That's a wonderful thing.

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At this time we neither support nor oppose regionalization efforts. There are a few unanswered questions that can and must be addressed at this time, and can be addressed in the proposed process.

The discussion of an agreement in terms of governance and financing are on the table, but there clearly are not necessarily related to questions of water rights and the ability of the city to assert its rights and interests on behalf of its citizens over the long term. In "the Oregonian" editorial which ran yesterday, "the Oregonian" referred to a regional agency, but can act as a stepping stone toward a full-blown regional water authority, which could manage and coordinate all other water supplies in the three-county area. And we heard this again, this distinction that most made between long-term and short-term goals of the bureau. We hear different things from different city council members, and different bureau staff regarding assumptions, regarding the pooling of water rights. And the major question here is, what power or authority will Portland retain and -- in decision makers as one of 14 or perhaps in the long term, 26 water providers? Once the water rights are relinquished? Portland city council has passed with a lot of community support some fantastic citizen council resolutions. And we need to have answer I think now by august what standing of Portland city council resolution would have if Portland was merely one of 14 or later 26 -- one of -- one voice in that larger group. And I think it's appropriate that that question be -- that we tweak this resolution perhaps to incorporate some research into that area. I'd really like the council to direct the city attorney to answer those questions, and so perhaps that could be -- I recommend that that resolution be modified to include that direction. There are -- there's an important sidebar in here, which is direction that the commissioner stipulated, including water be prohibited from using the willamette river. I think there's some other sidebar that's should go in, and they should be present in -- by august, when we see this next iteration. So I would -- I think it's going to be an obstacle to those of us who are interested in moving forward with this if we don't have more sidebars and we don't have clear direction today from the council to direct the city attorney to address these. They need to be addressed by a panel as well, and onrc will be happy to work with the panel and the city in any way to make those things obvious.

**Katz:** Thank you.

**John Wish, 1537 SE 72<sup>nd</sup>, 97215:** My name is john wish, i'm retired economics professor from lewis and clark, I live in southeast Portland. Mayor Katz, thank you commissioners, thank you for being here. I want to -- as a citizen I want to say thank you to commissioner Sten for incorporating citizen input. There were some weeks in the early going where some of us felt that the water providers were not listening to our comments, and commissioner Sten has incorporated most all of comments that I have been a part of and that i've heard of from other citizens in this resolution. I'm especially thankful for point 6, it's explicit that willamette water is not a source of drinking water. But thank you. I support the resolution.

**Katz:** Thank you.

**Jay Formick, Public Utilities Review Board:** Good morning mayor, good morning commissioners. I'm chair of the water committee for purb, and what I would like to present to you today is a set of principles that the members of purb have agreed upon, and set a of -- a set of question that's we hope will guide the process of at least the marketing aspect of communicating what's going on to the larger public. We believe that any changes in ownership or operations of the bull run water supply must protect the financial stake Portland ratepayers have in the system and enhance protection of the bull run watershed itself and guarantee Portland ratepayers bull run water indefinitely. We also believe that any proposal to form a regional drinking water entity that impacts Portland's ownership of bull run and related water supply assets, must be tested against the following principles. The safety and purity that would be the presence of disease-causing organisms, chemicals, pesticide residuals, turbidity, others, of other water supply sources that might be mingled with the water supply system and serving Portland ratepayers has to be considered, and

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should be looked at very, very carefully. Portland ratepayers should receive full compensation for any part of the bull run and related assets that are transferred to a regional drinking water authority.

I'll come back to that after i'm finished with this piece. Public participation is critical in making a valid decision about the disposition of the bull run system. Notice of meetings between potential partners, distribution of notes of past meetings, and printed materials distributed along -- among potential partners should be made available to any interested persons and the purb. Regionalization should make building redundancy in a regional system more efficient, logical and cost effective, and by redundancy i'm talking about transmission and other security issues, sort of the infrastructure, should be made redundant where it's logical for safety and security reasons. Regionalization must adhere to the cost of service principle. Don't heap things like street maintenance fees on to billing systems, or other methods of paying for the system itself.

Regionalization must enhance protection of the bull run watershed, including but not limited to decommissioning of macadam roadways, clearing of undergrowth and expansion of the buffer around the bull run watershed. The legal aspect of regionalization include any existing covenants, can't, restrictions associated with the bull run supply, should be fully assessed as soon as possible. Finally, water conservation programs must be included as a condition for the creation of any regional entities in order to improve the efficient use of water, improve the ability of the existing storage system to meet summer demands and delay the need for expensive new investments in major regional water supply --

**Katz:** With the council's okay, I want to let him finish his testimony. Go ahead.

**Formick:** -- capacity. I won't read the questions. You can look at that for yourself. That's just a simple guide, as I said. I want to say very quickly about ratepayer -- compensating ratepayers for any part of the bull run system that is sold. It has come to purb's attention there is some controversy around this concept. Our firm belief is that the Portland ratepayers have invested in this system and should get full compensation if the system is turned over to any other kind of governance or any other kind of authority. There should be no controversy around that. We're a bit puzzled that any participant would call into question the validity of Portland claiming what belongs to Portland ratepayers and asking to be paid for it.

**Katz:** Thank you.

**\*\*\*\*\*:** Thank you.

**Katz:** Questions?

**Moore:** That's all who signed up.

**Katz:** Anybody else want to testify? All right. Do you want to make comments now?

**Sten:** Maybe i'll just very quickly try and -- I haven't heard anything particularly dis -- I particularly disagree with. For every two or three broad categories of concerns people have shared, about public input, when you have all these jurisdictions it's always a little tricky to figure out exactly what the centralized public input is, because each jurisdiction is having hearings, and I think people have been pretty aggressive in being involved, and I think as the water advocates usually are, my assumption going into this was that the 14 of us are going to commission a very detailed study of finance organization and structure, and legal issues, and that that study would result in a series of options, and I don't think it was one option. There may be a preferred option, I don't know, what -- it depends what comes out of it. I would think once that study is written we would convenient I think a lot of public process. I'm thinking about perhaps maybe a regionally based panel that would actually review each piece of it and hold hearings, certainly each of the jurisdictions are going to hold hearings, and i'm open to what the right way to process it is. I think starting -- what I didn't want to do is start a formal process before we did the study, because then you're going to have just tons and tons of hypothetical questions. But I envision the study as laying out multiple options so people can look at all of those. I'll make sure any of the questions that are

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formally submitted to us, both from citizens groups, onrc and purb will get incorporated into that, so I think getting all the questions answered formally by the city council and by the consultants that the region hires should not be a problem. And I think anything that comes forward will make sure the best of our ability get addressed, and then -- I expect several months of sort of repeated public hearings, and i'd like to set up some sort of citizen body to convene those, as well as the existing council. Of course the reason i'm also not putting a specific proposal on the table today is I need to work that out with the other entities that are looking at this too and make sure it meets their needs. But there will be a lot of public process, and I think that leads me into the other big question obviously is finance, and is this good or bad for Portland ratepayers. I have not heard any controversy, although i'll check in with jay, over whether or not Portland should be compensated for the assets. What i've heard substantial controversy about is, and this is why we're going to do a study that we're going to ask economists and others to look at, what's fair. And there's just to give you a taste for it, Portlanders own it for 30 years, 300,000 people throughout the region have been paying a premium on it. And so there's an argument that they ought to get some compensation for the fact they've been paying for our rates all along. There's arguments about how much our equipment is depreciated, what we should be charging for people on it, there's arguments about our ownership. So the actual cost of the system is debated, and I think fairly so. But I think what those -- we can do is come to some conclusions and some at nature ways of approaching that. As it stand now -- some alternate ways of approaching that. Portlanders pay substantially less for water than the wholesale customers. Portlanders benefit very much. If we couldn't reach organizational agreements or contracts and those wholesale buyers decided to go to the willamette, which has happened in some cases, Portlanders would pay more for water. If more people bought the bull run -- so there's a lot of different scenario. And we'll be very explicit, we'll have to put some assumptions forward, model them, and see what a fair price is. I think whether or not Portlanders should be treated fairly, I don't see on the table, but I think there's a lot of legitimate financial assumptions to work through. But I think the best thing to do is -- just as we do the rate processes, and people will be able to come to their own conclusion. My goal is not for one side to win or lose, it's to do it fairly.

**Katz:** Thank you.

**Sten:** I think that's all the questions. I can't remember any other ones.

**Katz:** Thank you. All right. Roll call.

**Francesconi:** Just briefly, maybe regional land use and transportation, public schools and bull run water are probably the defining qualities of us not only as a city, but hopefully if this occurs, as a region. So it does take civic leadership that commissioner Sten has really demonstrated, to initiate a process that can lead to a broader benefit for more of our partners. Given some really long-term costs that are -- our citizens face given population, given appropriate care of the environment, given aging infrastructure. So these are all issues that we're trying to address in this creative solution. I do think that there really are the three issues, the civic involvement side that commissioner Sten has talked about, and he's going to make sure it happens, and provide a little more details on by august. The other is kind of the financial ramifications and how this really works out, which is really critical. And then the third is the power, the authority question that was raised here. Those are the three areas that have to be addressed for us. And the goal is to be fair to our regional partners, but the city's in a pretty good position, because if we determine that it's not fair to the regional partners, but also to the citizens of Portland, we can continue the president process. At which we negotiate with our partners, we keep the assets. So I don't see any harm in -- and only pluses in proceeding. So our duty is to be fair to our regional partners, but it's also to protect the residents and citizens of Portland, both historically and future, and this can be a mechanism for doing that, as we proceed through tough negotiations with all the questions raised, and up front and realizing that we have a

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lot in common, but we have some economic issues that are different, and we try to hammer them out. If not, we keep the present arrangement. And that's the way it should be. But this is a bold step, a good step, and I hope we can pattern this on housing issues, on economic development issues, and on park issues, because we actually have more in common as a region than we do separate, and it's the regions that work together that are going to be successful in this global economy. Aye.

**Hales:** Well, erik and to your team at the water bureau and the consulting firms and citizens that worked on this, this is absolutely on the right track. It's a sound process and a good product so far. I think it's not only substantively valid, and gets us to a platform where we can make the long-term investments and capacity out there that we need to make, but it also at a political level I think means a lot. First, the enemy, one enemy of good government is turf, and this helps really get through a lot of that. And that ain't easy. Because it's usually emotional, not rational, and you have to make some fairly dramatic gesture I think to get people out of some bad habits, and you've made that gesture and the habits have changed. Secondly, I think although it's no one's fault, the relationship that we've had with the rest of the metropolitan area in terms of water has created kind of a bad climate of sort of dependency and that this gets us through that and allows us to again take on other issues like transportation, maybe without some of the baggage that has come from this particular set of transactions. So it's hard to predict how something that ephemeral is going to play out in the future, but I think it will, and it will play out again to the benefit not just on a balance sheet basis, but on a common sense basis of how a coherent region ought to work. I'm very pleased with the work so far and look forward to the next stage. Thank you. Aye.

**Saltzman:** We always need more good models of regional cooperation, and this is certainly one. And I want to thank commissioner Sten for his leadership. One of the things I think that is a hallmark of who we are in Oregon and Portland is our ability to reach out and work with the 24 other governments in the three-county region. I guess we have, what, 27 water agencies? More or less a good match-up there. But it's not easy to do that and it takes relationship building, and a lot of trust and cooperation, and this is really -- this underlies this entire effort to establish a regional water supply authority. I do think there's some interesting questions raised, and I think onrc raced questions about what in effect is a resolution binding upon a new regional water authority with respect to using willamette river water. I think that's a very valid point, but the whole point is to accept this report and purb brought up some good points too, but the -- we don't have those answers yet and let's all agree that this is a worthy concept and let's advance it on so we can start getting those answers to those question and really making the real decisions which we have all the information in hand. Good work. Aye.

**Sten:** Quickly lied like to thank the council for their support so far. I'd -- I keep getting asked, if -- is the council going to go forward with something, and they've thought about this and they're -- I really appreciate the support. A quick thing i'd like to share, will the three sources are not even identified right now in any real way. If any one of the sources go down there's not a back-up. One of the other future things we've got to look at, a real tangible benefit to ratepayers is trying to get a row bust connection between the three sources so that in deep terms of problem we wouldn't be without water. I would also say I think i've been explicit about this, but i'm in 100% support of moving on bull run authority if we can work out the details. The bigger plan of putting all three together I think I don't want to imply we're there. I think what -- we see this as potentially a building block, but the bull run authority itself could stand alone and I think would it -- I think it would take another round of debate to get at that question of should those authorities work contractually together, would you look to a bigger consolidation. And I think that's really off the table at this point, although it's a possible future step. I think it's more -- and finally I want to thank the team at the water bureau. It's been I think safe to say the most stressful year in water bureau's at

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least recent history with the billing system and very, very tough budget to prepare, and I think it takes a remarkable focus to spend most all of the time which they have been doing on fixing the fire that's burning in terms of the billing system and the budget, but not comb politely lose track of the long run, because what would be the bigger tragedy of the billing system would be if we failed to look for the next 30 or 40 years because of what's been so terrible over the last 24 months. And I appreciate that delicate balance and the fact that we're able to bring this back despite all of those problems. So very good work. Aye.

**Katz:** Commissioner Sten, you ought to be congratulated. Thank you. This is good work, legitimate questions were raised, legal questions, organizational, structural questions, finance, accountability for the taxpayer. I know with the community who's been in in support of this or -- and the community that's watched this issue over the years and all the water issues, I know that whoever is in charge will have to address them. And certainly we will have our legal counsel address those issues that would be raised almost immediately to get to closure on. Sometimes having a regional government cuts both ways, as i'm learning as a member of impact. You want your independence as a city, but you also want to kick the council for not taking strong action on issues that you support. And so we'll have to work through all those issues. Aye. [ gavel pounded ]

**Item 112.**

**Katz:** Item 112. Is anybody here to testify on this? Roll call.

**Francesconi:** Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye.

**Katz:** Mayor votes aye. [ gavel pounded ] 113.

**Item 113.**

**Katz:** Anybody want to testify on that? Roll call.

**Francesconi:** Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye.

**Katz:** Mayor votes aye. [ gavel pounded ] 115. -- 114.

(Commissioner Hales left at 11:07 a.m.)

**Item 114.**

**Katz:** Come on up.

**David Schaff, Employee Relations Manager:** I was hoping for a pass. Council, i'm david schaff, the employer relations manager. I bring to you the latest contract provision that we've come to agreement with one of our unions on. The recreation instructors unit about 50 people. Actually excuse me, about 80 people. This mirrors the dctu agreement that we achieved back in october. It's a cpi increase back to july 1 of 2001. A three-year agreement. And it achieves our major goal of benefits redesign and the three-prong approach that we have agreed to with the dtcu, and that's an increase in our city contribution towards benefits, plan redesign that guarantees a minimum level of savings, continuing to talk about plan design, and premium share in the third year of the contract. So we're -- where employees will contribute to the cost of the premium. Those are the highlights of this agreement. It does continue -- it does have language about the joint bargaining, trying to achieve a goal of 25% over the guaranteed 19, and you will be receiving a message from me later today that tells you last night we did achieve our goal of reaching the 25% level with the dctu and the recreation bargaining unit. So despite the fact you're going to be adopting this, i'm going to be back in front of you in a month's time amending the dctu and recreation agreements to reflect the 25% level of savings. We're very pleased with what we were able to --

**Katz:** And we'll hear about it tomorrow.

**Schaff:** You'll get an e-mail from me later today.

**Saltzman:** Good work.

**Katz:** Questions? Thanks, david. Anybody else want to testify? Roll call.

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**Francesconi:** What is -- that is great work. It's also great work on behalf of our union partners that we were able to work this out. So I guess i'd like to thank them. More particularly i'd like to thank the municipal employees union for working through some very difficult budget cuts in parks to help us work through this. Not accepting it, but helping us identify those. And also for their help as we seek some additional help from the taxpayers. Aye.

**Saltzman:** Aye. **Sten:** Good job. Aye.

**Katz:** Mayor votes aye. [ gavel pounded ] 115.

(Commissioner Hales returned at 11:09 a.m.)

**Item 115.**

**Katz:** Anybody here to testify?

**Nancy Jesuale, Office of Communications and Networking:** I'm nancy, i'm with comnet. Really i'm just here to answer any questions you may have that -- as you're looking through this.

**Katz:** Council have any questions? Nancy, an eighth -- in 8th grade language, what is this -- what is the result of this going to be?

**Jesuale:** This is going to allow us to turn on our voice switch without -- without these agreements we will not be in compliance with federal and state requirements, and so we're going to execute a lot of arrangements with the carrier community so that when you place a call to new york from your phone, all the carriers in between here and new york take their percentage of a penny to route the call.

**Katz:** Thank you. That was select. All right. Thanks. Anybody else want to testify? Roll call.

**Francesconi:** Turning on a voice switch is good. Aye. **Hales:** Aye.

**Saltzman:** As long as it's just a percentage of a penny I guess it's great. Aye.

**Sten:** Aye.

**Katz:** Mayor votes aye. [ gavel pounded ] 116.

**Item 116.**

**Saltzman:** Madam mayor, this is a revised ordinance to refer the Portland children's initiative to the voters on november 5th. We've revised the ordinance to better reflect some of the findings that we found out we had not really clarified in the first passage of this, particularly that with respect to targeted investments and early childhood, programs and also the programs funded by the children's trust fund must be proven -- must be proven programs that work and are proven to be cost effective.

**Katz:** Anybody want to testify? It passes on to second. [ gavel pounded ] thank you, everybody. We stand adjourned until 2 o'clock.

At 11:14 a.m., Council recessed.

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**2:00 PM**

\* \* \* [ roll call ]

**Katz:** Saltzman, commissioner Saltzman is on business. Before we start, because i'm going to forget it, today is officer scrugg's last day, so you will not be seeing him in this position. He'll be working at central precinct, I think it's fair to say at night, and he's also a candidate for the legislature. So we may even see him in salem. We'll miss you.

\*\*\*\*\*: Thank you.

**Katz:** Okay. Next item.

**Item 117.**

**Katz:** Okay, frank.

**Frank Hudson, Deputy City Attorney:** Good afternoon. This is an evidentiary hearing. This means you may submit new evidence to council in support of the arguments. This evidence may be in any form, such as testimony, letters, petitions, slides, photographs, maps or drawings. If you haven't given the council clerk a copy of the evidence you plan to submit, you should give it to the council clerk after you finish your testimony today. Any photographs, drawings, maps or other items shown to the council during your testimony should be given to the council clerk after your testimony to make sure that it becomes part of the record. The order of testimony will be as follows -- we'll begin with the staff report by the planning bureau staff for approximately ten minutes. Following the staff report the city council will hear from interested persons in the following order -- the appellant will go first and we'll have -- will have ten minutes to present his or her case. Following the appellant, the persons who support the appeal will go next. Each person will have three minutes to speak to council. The three-minute limit applies to whether you're speaking on behalf of yourself or an organization such as a business association or neighborhood association. The principle opponent will have 15 minutes to address council and rebut the appellant's presentation. After the principle opponent, the council will hear from persons who oppose the appeal for the application. If there is no principle opponent, the council will move to testimony from persons who oppose the appeal or application after supporters of the appeal conclude their testimony. Again, the person will have three minutes each. Whether you're speaking for yourself or on behalf of an organization. Finally, the appellant will have five minutes to rebut the presentation of the opponents of the appeal. The council will then close the hearing and deliberate. After council has concluded its deliberations, the council will take a vote on the appeal. The vote is a tentative vote. Council will set a future date for the adoption of findings and the final vote. If council takes a final vote today, that will conclude the matter before council. If you wish to speak to the city council on this matter and have not signed the list located outside of council chambers, please sign up at this time with the clerk. Finally, I would like to -- here are some guidelines for today's hearing. Any testimony and evidence you present must be directed toward the appeal board for -- the appeal criteria or other criteria in the city's comprehensive plan or zoning code which you believe apply to the decision. Planning staff will identify the approval criteria as part of their staff report to council. For the -- before the close of the hearing any participant may ask for an opportunity to present additional evidence. This kind of request is made, the council may grant a continuance or hold the record open for at least seven days to provide an opportunity to submit additional evidence. And will hold the record open for an additional seven days to provide an opportunity for parties to respond to that new evidence. Under state law, after the record is closed to all parties, the applicant is entitled to ask for an additional seven days to submit final written arguments before the council makes its decision. If you fail to raise an issue supported by statements or evidence sufficient to the council and the parties an

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opportunity to respond to the issue, you will be precluded from appealing to the land use board of appeals based on that issue.

**Katz:** Okay, frank. Thank you. Any ex parte contacts, since these are our applicants? And friends of applicants. Conflicts of interest? None? Anybody want to challenge? Nobody wants to challenge our silence. All right. Let's go.

**Sylvia Kate:** Good afternoon, mayor and commissioners. I'm sylvia kate, and this is stephanie liefeld. We're the opdr planners resigned to this land use review. We'll be giving you a short presentation of the hearings officer's recommendation to you on this matter, and present a few pictures of the subject site. The proposal is to amend the comprehensive plan map designations and zoning map designations for two areas along the east bank of the willamette river. Area one is comprised of the riverbank between the steel bridge and the marquam bridge, including the area currently developed with interstate 5 and the east bank esplanade. The proposal is to change the comprehensive plan map designation from industrial sanction ware to open space. And to change the zoning map designation from general industrial one to open space zoning. Area 2 is an inland area just north of the marquam bridge, totalling less than four acres. The area is currently developed with an older industrial building, an open gravel area, which have been used for parking. The proposal is to change the comprehensive plan map designation for this area from industrial sanctuary to mixed employment, and to change the zoning map designation from general industrial one to general employment 1. These maps show the site in two sections. The north is on the left, and the south portion is shown on the right. The site is located between the steel bridge toll the north, and the marquam bridge to the south, along the east edge of the river and downtown Portland. The entire site area is currently zoned general industrial one. The area proposed to be changed to open space zoning is shown here in green, and mirrors the existing open space zoning that lies along the west bank of the willamette river. The area proposed to be changed to general employment zoning is shown here in blue. For contacts, the adjacent area currently designated mixed employment is shown here with blue stripes. It is important to recognize the larger context within which this proposal fits. By approving this request, the city will complete a strategic action item that is crucial in the ongoing efforts of implementing the river renaissance vision. The hearings officer's report to you is 58 pages of detailed analysis of the goals and policies of the comprehensive plan. However, it is perhaps best summarized by a statement the mayor made in her status of the river renaissance speech. A few weeks ago, while standing at the south end of the site known as the east bank present, the site can go from what is basically a dead use to something much greater. The land area currently zoned industrial is so constrained between the riverbank and the interstate, as to be undevelopable for such uses. But it is developed with the east bank esplanade, and is envisioned to develop with additional vibrant waterfront uses that will connect the river with the citizens of Portland. The intent of the proposal in front of you today is to facilitate the development of a recreational and cultural amenity along the east side of the willamette river as detailed in the east bank riverfront park master plan adopted by city council in 1994. Now we'll take a quick tour of the site, starting with area one, which is developed with the east bank esplanade trail, and interstate 5, and as proposed to be designated open space. The trail is one phase of the overall east bank heart master plan development. The trail is accessible to pedestrians and bicyclists and stretches the entire length of the site. It is developed both on the riverbank and on floating platforms as shown here. At the north end of the site, the trail provides connections to regional attractions, including the rose garden arena, which we see here in the distance, and the convention center. Other amenities associated with the esplanade, with the overall riverfront park master plan, include public plazas and viewpoints, historic markers, and

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public works of arts. Immediately to the east of the esplanade trail is interstate 5, as seen here. The right of way for the interstate is in excess of 500 feet wide in some places and significantly constrains feasibility for industrial development along the riverfront in this area. The trail also offers many views of downtown Portland and of Tom McCall Waterfront Park located on the west side of the river. The proposed zoning will correspond directly with the existing zones on the west side of the river. With such an approval, the open space zone will complete a necklace of green on both sides of the downtown riverfront. The rail and the vision of the riverfront master plan includes many different elements, including the architectural features and built elements seen in the previous slides, and a more natural riverbank features shown here. The vision is to create a multifaceted amenity with a mix of educational, cultural, and recreational opportunities. The esplanade trail serves as a multimodal transportation facility, and the current path extends along the waterfront with connections to the bridges such as the ramp we see here. The esplanade also provides public access to additional docks and other opportunities to interact with the river. Area 2 of the site is located just north of the Marquam bridge, inland from the river, and is proposed to be zoned general employment 1. The warehouse building seen here is known as the Holman building is -- and is a potential future site of the development of the east bank amenities that would connect citizens to the river. In the background you can see the recently constructed Portland Community College building. As seen from the west side of the river, the esplanade blends with the existing urban fabric of the inner east side. The proposed amendments to the comprehensive plan map and zoning map are intended to facilitate further development of the area as a regional amenity and as a connection between the city's east side and the Willamette River. On balance, the hearings officer found that the proposed amendments are supportive of the comprehensive plan goals and policies, are consistent with state planning goals, and with Metro's functional plan, and are supportive of the applicable transportation, neighborhood, and other area plans. The hearings officer recommends approval of the requested comprehensive plan map and zoning map amendments, as detailed in his report to you. He also recommends a condition of approval prohibiting individual retail uses over 60,000 square feet in size in the area to be zoned again employment 1, which will be in compliance with Metro's title 4. Thank you very much.

**Katz:** Let's put the lights on. Questions of staff? If not, will the applicant come up?

**Hudson:** I need to correct something for the record. When I was reading the rules of procedure I referred to this as an appeal hearing.

**Katz:** I know. I corrected you.

**\*\*\*\*\*:** Oh, did you?

**Katz:** Softly.

**Hudson:** In any event, for the record, this is a hearing for council to review the hearings officer's recommendation concerning the comprehensive plan map, zoning map amendment. Thank you.

**Katz:** I didn't want to interrupt you.

**\*\*\*\*\*:** Good afternoon, mayor.

**Katz:** Do you want to grab the mike, please?

**Peter Finley Frye:** My name is Peter Finley Frye, I'm representing the applicant. With me is a member of the Portland Development Commission, Michael McKellway, and George Lovegoy, and we are pleased to be here today. I would just simply like to say that we do support the staff's recommendation, the hearings officer's recommendation, and we're pleased to be part of this process. I believe they both would like to say something too.

**Katz:** Thank you.

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**Michael McElwee, Portland Development Commission:** Mayor Katz and city council, michael mckellway with pdc. I thought staff did an excellent job in describing this. The commission strongly supports this action. It's one more very important element in building the east bank esplanade on the east side. I also want to thank union pacific railroad and the Oregon department of transportation. They've been significant ongoing partners in this whole project. We think staff has done an excellent job in summarizing this and the commission supports it.

**George Lozovoy, Portland Parks and Recreation:** Portland parks and recreation. Parks and recreation supports the zone change in the comprehensive plan amendment and recommends the changes to you. This wouldn't be related to -- this wouldn't be related to the east bank if it didn't have the complications, and this process was no exception. The -- in the end we believe the time taken to craft a plan that will work for everyone has been time well spent. This zone change and comp plan amendment supports a receiver renaissance vision embracing the river as Portland's front yard, connecting it to neighborhoods. As a central city plan and vision, the zoning at the holman building -- river related recreational uses. It is envisioned these activities can stand alone for now, but eventually will be supported by the future development of the crescent park. Portland parks and recreation looks forward to providing more opportunities to the public to spend time at the river's edge.

**Katz:** Questions? Thank you. Anybody want to testify?

**Moore:** We have a susan lindsay.

**Katz:** Come on up. Anybody else?

**Susan Lindsay, Co-chair, Buckman Neighborhood Association:** Hi. I'm susan lindsay, cochair of the buckman neighborhood association. Forgive me if i'm covered with chalk. I've been in the classroom for four straight hours, and I just walked out of there. We're very much in support of the zoning change, and as a part of a process in order to protect the odot and the railroad lands from possible future development in terms of a way -- we are very supportive of the open space designation as part of an overall plan at some point for what's going to take place on the east side on the river. And we want there to be a maximum amount of access for people on the -- on the east side neighborhoods to get to the river and utilize the river.

**Katz:** Thank you, susan. Anybody else? Come on up.

**Susan Pierce, Chair, Hosford Abernethy Neighborhood:** Hi, i'm susan pierce, i'm chair of hosford abernethy neighborhood, which is also a part of this. I have nothing to add to what's already been said, everyone has said it pretty well, but except to say that our neighborhood is in support of the plan. Thank you.

**Katz:** Thank you. Anybody else? If not, i'll take a motion.

**Hales:** Move approval of the comp plan amendment and zone change as recommended by the hearings officer.

**Sten:** Second.

**Katz:** Roll call.

**Francesconi:** Well, we in parks and we thank our partner pdc, but we're very proud of the east bank esplanade and this zone change is very appropriate to open up the river. I think when we look back on this it really -- the central east side has been a jewel and is a jewel for a very long time, this -- but this is the rest of us embracing it. It's going to be a very significant moment, the whole east bank esplanade in terms of opening us and -- opening up and us appreciating more the east side of the city. It's also the river, and all the work that -- the connection to the receiver renaissance, but I also think it's the beginning of us really having a vital central city, not just a downtown. And this

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zone change is all part of that. Finally, michael, I want to thank you in particular for all the work you've done for parks, for the central eastside, for pdc and for this project. Aye.

**Hales:** Good work, everybody. Thank you. Aye.

**Sten:** Good job. Aye.

**Katz:** We're looking forward to the next phase. It will be a little slower than we had anticipated because of a court issue, but it will happen. And this will allow it to continue and will allow the central east side to continue them to blossom and share its vision, its new vision with the rest of the city. Aye. [ gavel pounded ] okay, everybody. We stand adjourned. Remember, 6 o'clock budget hearing. [ gavel pounded ]

At 2:22 p.m., Council adjourned.