



CITY OF  
**PORTLAND, OREGON**

OFFICIAL  
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **18TH DAY OF AUGUST, 2004** AT 9:30 A.M.

THOSE PRESENT WERE: Commissioner Saltzman, Presiding; Commissioners Francesconi and Sten, 3.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Harry Auerbach, Chief Deputy City Attorney; and there was no Sergeant at Arms.

Item Nos. 979 and 991 were pulled for discussion and the balance of the Consent Agenda was moved to August 19, 2004 at 2:00 p.m.

<b>COMMUNICATIONS</b>	<b>Disposition:</b>
<p><b>971</b> Request of Freedom Child to address Council regarding police abuse, misconduct, unfairness of Independent Police Review process and bias of Capt. Schenck (Communication)</p>	<b>PLACED ON FILE</b>
<p><b>972</b> Request of Dr. Michael David Krupp to address Council regarding homeland Security, campaign funds and thank the Mayor (Communication)</p>	<b>PLACED ON FILE</b>
<p><b>973</b> Request of Richard L. Koenig to address Council regarding one who had declared war on the public right to use the streets has been identified (Communication)</p>	<b>PLACED ON FILE</b>
<p><b>974</b> Request of Charles E. Long to address Council regarding history as a resource for Portland's future (Communication)</p>	<b>PLACED ON FILE</b>
<b>TIME CERTAINS</b>	
<p><b>*975 TIME CERTAIN: 9:30 AM</b> – Approve Oregon Health &amp; Science University Meter District implementation on a permanent basis (Ordinance introduced by Commissioner Francesconi) <b>Continued to August 19, 2004 at 2:00 PM</b></p> <p>(Y-4)</p>	<b>178687</b>

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<p><b>976</b>    <b>TIME CERTAIN: 10:00 AM</b> – Accept Salmon-Safe Certification for Portland Parks and Recreation park system (Resolution introduced by Commissioner Francesconi)  (Y-3)</p>	<p align="center"><b>36245</b></p>
<p><b>977</b>    <b>TIME CERTAIN: 10:30 AM</b> – Accept the Housing and Community Development Commission report and recommendations on strategies to increase minority homeownership rates in the City (Report introduced by Mayor Katz and Commissioner Sten)  (Y-3)</p>	<p align="center"><b>ACCEPTED</b></p>
<p align="center"><b>CONSENT AGENDA – NO DISCUSSION</b></p> <p align="center"><b>Mayor Vera Katz</b></p> <p><b>978</b>    Appoint Ernie Bloch and Carole Morse to the Regional Arts &amp; Culture Council Board of Directors for terms to expire June 30, 2006 (Report) <b>Continued to August 19, 2004 at 2:00 PM</b>  (Y-4)</p>	
<p><b>*979</b>    Amend an Intergovernmental Agreement with Multnomah County for the Police Bureau to provide three officers to work for the District Attorney Office (Ordinance; amend Contract No. 51544)</p>	<p align="center"><b>REFERRED TO COMMISSIONER OF FINANCE AND ADMINISTRATION</b></p>
<p><b>*980</b>    Amend contract with Ball Janik, LLP to provide legal and consulting services for Spectator Facilities Development (Ordinance; amend Contract No. 34506) <b>Continued to August 19, 2004 at 2:00 PM</b>  (Y-4)</p>	<p align="center"><b>178676</b></p>
<p><b>*981</b>    Apply for a \$200,000 grant from the U.S. Environmental Protection Agency for environmental cleanup of Lot 8 at RiverPlace (Ordinance) <b>Continued to August 19, 2004 at 2:00 PM</b>  (Y-4)</p>	<p align="center"><b>178677</b></p>
<p align="center"><b>Commissioner Jim Francesconi</b></p> <p><b>*982</b>    Authorize an agreement with Portland Public Schools to provide support for TLC-TnT summer camp program (Ordinance) <b>Continued to August 19, 2004 at 2:00 PM</b>  (Y-4)</p>	
<p><b>*983</b>    Authorize an Intergovernmental Agreement with TriMet for contract management and personnel services for the Portland Aerial Tram (Ordinance) <b>Continued to August 19, 2004 at 2:00 PM</b>  (Y-4)</p>	<p align="center"><b>178679</b></p>

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<p><b>*984</b> Authorize contracts with GeoDesign, Inc. and Pavement Services, Inc. to test and analyze City streets using Falling Weight Deflectometer in support of the Portland Office of Transportation (Ordinance) <b>Continued to August 19, 2004 at 2:00 PM</b></p> <p>(Y-4)</p>	<p align="center"><b>178680</b></p>
<p><b>*985</b> Amend agreement with W&amp;H Pacific, Inc. for technical support for transportation capital improvement projects (Ordinance; amend Contract No. 32670) <b>Continued to August 19, 2004 at 2:00 PM</b></p> <p>(Y-4)</p>	<p align="center"><b>178681</b></p>
<p align="center"><b>Commissioner Randy Leonard</b></p>	
<p><b>986</b> Accept report from the Private For Hire Transportation Board of Review interpreting Board Order No. 014 to allow exceptions to the mandatory minimum rates for towncar service under certain conditions (Report) <b>Continued to August 19, 2004 at 2:00 PM</b></p> <p>(Y-4)</p>	<p align="center"><b>ACCEPTED</b></p>
<p><b>987</b> Accept report from the Private For Hire Transportation Board of Review on costs and benefits of requiring Global Positioning Systems in taxicabs to improve driver safety (Report) <b>Continued to August 19, 2004 at 2:00 PM</b></p> <p>(Y-4)</p>	<p align="center"><b>ACCEPTED</b></p>
<p><b>*988</b> Consent to franchise transfer from Portland General Distribution LLC, doing business as Portland General Broadband to OnFiber Communications, Inc. (Ordinance) <b>Continued to August 19, 2004 at 2:00 PM</b></p> <p>(Y-4)</p>	<p align="center"><b>178682</b></p>
<p><b>*989</b> Consent to transfer of FirstPoint Communications, Inc. now named Enron Broadband Services, Inc. physical assets to Time Warner Telecom of Oregon LLC (Ordinance) <b>Continued to August 19, 2004 at 2:00 PM</b></p> <p>(Y-4)</p>	<p align="center"><b>178683</b></p>
<p align="center"><b>Commissioner Dan Saltzman</b></p>	
<p><b>*990</b> Designate and assign a pump station, water quality and sewer easement in property owned by the City known as Whitaker Ponds Natural Area for the South Airport Sanitary Trunk Sewer Project, Phase 4 (Ordinance) <b>Continued to August 19, 2004 at 2:00 PM</b></p> <p>(Y-4)</p>	<p align="center"><b>178684</b></p>
<p><b>*991</b> Amend contract with Global Resource Management, Inc., assisting the City with a Tribal Coordination and Communication strategy for Portland Harbor and Lower Willamette River natural resource issues (Ordinance; amend Contract No. 33493)</p>	<p align="center"><b>REFERRED TO COMMISSIONER OF PUBLIC AFFAIRS</b></p>
<p><b>*992</b> Authorize an agreement with Black and Veatch Corporation for \$797,330 for design and construction support services on the Conduit Trestle Vulnerability Reduction project and provide for payment (Ordinance) <b>Continued to August 19, 2004 at 2:00 PM</b></p> <p>(Y-4)</p>	<p align="center"><b>178685</b></p>

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<p><b>993</b> Authorize an Intergovernmental Agreement with Metro for \$35,000 to administer the Master Recycler Program (Second Reading Agenda 960) <b>Continued to August 19, 2004 at 2:00 PM</b>  (Y-4)</p>	<p><b>178686</b></p>
<p style="text-align: center;"><b>REGULAR AGENDA</b></p> <p style="text-align: center;"><b>Mayor Vera Katz</b></p>	
<p><b>994</b> Direct the Office of Management and Finance to take the necessary next steps to acquire and implement an Enterprise Resource Planning system (Resolution)  (Y-3)</p>	<p><b>36246</b></p>
<p><b>*995</b> Authorize the Director of the Bureau of Human Resources and the Director of the Bureau of Maintenance to execute a settlement agreement between the City and LIUNA Local 483 relating to the settlement of four class action grievances filed on February 27, 2004 (Ordinance) <b>Continued to August 19, 2004 at 2:00 PM</b>  (Y-4)</p>	<p><b>178688</b></p>
<p style="text-align: center;"><b>Commissioner Jim Francesconi</b></p>	
<p><b>S-996</b> Create a local improvement district to construct aerial tram improvements in the Portland Aerial Tram Local Improvement District (Second Reading Agenda 970; C-10009)  (Y-3)</p>	<p style="text-align: center;">SUBSTITUTE <b>178675</b></p>
<p style="text-align: center;"><b>Commissioner Dan Saltzman</b></p>	
<p><b>997</b> Limit annual water and sewer utility license fee payments to the General Fund to \$16,993,474 (Ordinance; amend Code Chapter 7.14)</p>	<p style="text-align: center;"><b>PASSED TO SECOND READING AUGUST 25, 2004 AT 9:30 AM</b></p>

At 12:21 p.m., Council recessed.

**August 18, 2004**

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,  
OREGON WAS SCHEUDLED THIS 18TH DAY OF AUGUST, 2004 AT 6:00 P.M.

**DUE TO THE LACK OF A QUORUM, NO MEETING WAS HELD.**

<p><b>998</b> <b>TIME CERTAIN: 6:00 PM</b> – Consider the proposal of Waybo Partners and the recommendation from the Hearings Officer for approval of a Comprehensive Plan Map Amendment and Zoning Map Amendment for an area located between NE 74<sup>th</sup> and NE 78<sup>th</sup> Avenues and between NE Roselawn and NE Alberta Streets (Previous Agenda 720; Hearing; LU 03-177121 CP ZC)</p>	<p><b>Disposition:</b></p> <p><b>CANCELLED CONTINUED TO OCTOBER 20, 2004 AT 7:00 PM TIME CERTAIN</b></p>
<p><b>*999</b> Amend the Comprehensive Plan Map designations and change zoning between NE 74th and NE 78th Avenues and between NE Roselawn and NE Alberta Streets at the request of Waybo Partners (Previous Agenda 721; Ordinance; LU 03-177121 CP ZC)</p>	<p><b>CANCELLED CONTINUED TO OCTOBER 20, 2004 AT 7:00 PM TIME CERTAIN</b></p>
<p><b>1000</b> <b>TIME CERTAIN: 7:00 PM</b> – Amend Title 33, Planning and Zoning to clarify and improve the regulations for accessory structures including accessory dwelling units, without changing policy or intent of the original regulations (Ordinance introduced by Mayor Katz; amend Title 33)</p>	<p><b>CANCELLED CONTINUED TO OCTOBER 20, 2004 AT 6:00 PM TIME CERTAIN</b></p>

**August 19, 2004**

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 19TH DAY OF AUGUST, 2004 AT 2:00 P.M.

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

At 2:32 p.m., Council recessed.

At 3:04 p.m., Council reconvened.

Commissioner Francesconi was excused from the 3:00 p.m. item.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Linly Rees, Deputy City Attorney; and Officer Anthony Merrill, Sergeant at Arms.

Minus Item Nos. 979 and 991, on a Y-4 roll call, the balance of the Consent Agenda was adopted.

<p><b>1001 TIME CERTAIN: 2:00 PM</b> – Consider the proposal of Glenhaven LLC, dba Banfield Pet Hospitals and the recommendation from the Hearings Officer for approval of a Comprehensive Plan Map with concurrent Zoning Map Amendment with Adjustments for the construction of a three-story office building with underground parking, an associated surface parking lot, and a fenced off-leash dog park at 8020 NE Tillamook Street (Hearing; LU 04-019454 CP ZC AD)</p> <p><b>Motion to approve the Hearings Officer's findings and conclusions:</b> Moved by Commissioner Francesconi and seconded by Commissioner Saltzman and gavelled down by Mayor Katz after no objections.</p> <p>(Y-4)</p>	<p><b>Disposition:</b></p> <p><b>ACCEPT HEARINGS OFFICER'S RECOMMENDATIONS AND APPROVE PROPOSED COMPREHENSIVE PLAN MAP AMENDMENT WITH ZONING MAP AMENDMENT WITH ADJUSTMENTS</b></p>
<p><b>*1002</b> Amend the Comprehensive Plan Map designations and change zoning at 8020 NE Tillamook Street at the request of Glenhaven LLC, dba Banfield Pet Hospital, and Multnomah County School District No. 1 (Ordinance; LU 04-019454 CP ZC AD)</p> <p>(Y-4)</p>	<p><b>178689</b></p>
<p><b>1003 TIME CERTAIN: 3:00 PM</b> – Update Fire Station 6 lagoon dredging cost estimate and request \$450,000 from the General Fund contingency in FY 2004-05 (Report introduced by Commissioner Sten)</p> <p>(Y-3)</p>	<p><b>ACCEPTED</b></p>

At 3:24 p.m., Council adjourned.

GARY BLACKMER  
Auditor of the City of Portland

By Karla Moore-Love  
Clerk of the Council

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

**August 18, 2004**  
**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.

**August 18, 2004      9:30 AM**

[Roll call taken]

**Saltzman:** Mayor's absent. So we will do the consent agenda first -- i'm sorry. Communications. Yeah, communications.

**Moore:** Ok. 971.

**Item 971.**

**Moore:** She's asked to reschedule until next week.

**Saltzman:** Ok.

**Item 972.**

**Moore:** 972. He's also rescheduled to next week.

**Saltzman:** Ok.

**Moore:** 973.

**Item 973.**

**Richard L. Koenig:** For the record, my name is richard koenig, southeast Portland. Good morning, Portland, city council. Nice to see a few faces here this morning. I'd like to thank everybody that's been supporting my effort here. It makes it easier with other people helping me get here. Thank you. I've got some interesting news for all you folks out there in television land that want to give me a call. My calendar item that says one who's declared war on the right of people to use the safe streets of Portland has been identified. Let me get back to that guy later, if I have time, but today i'm pleased to report that one of the good guys has emerged from the ranks of the suspects. City auditor gary blackmer and I attended one of the most exciting citizen review committee meetings ever last night. After the meeting mr. Blackmer and I came to an understanding that he's not withholding a city charter amendment that gives the Portland police bureau the power to regulate the public or their automobiles. The reason he didn't provide it under the public record law is it does not exist. So we can continue to rely on what the Oregon supreme court ruled in the matter of calage vs. knapp. The city of Portland cannot have greater police power than the state has to grant in the city charter. Since the state does not have the power to regulate the public or their automobiles, neither can the city of Portland. That's in volume 73 of Oregon reports, by the way, folks. I addressed the citizen review committee last night and suggested that since Mr. Blackmer was present he could resolve the question as to whether the city charter amendment allowing the police to regulate the public of their vehicles exists or not. When this was suggested, and it was recalled that attorney richard a. Rosenthal had exercised the right of every criminal suspect to remain silent at the previous c.r.c. meeting, attorney Rosenthal fled the meeting not to return last night. During that meeting, chairman of the citizen review committee, hank miggins, commented that systemic corruption in the Portland police bureau is not something that he, as a member of the citizen review committee, can do anything about. That allegation is all the more interesting because attorney rosenthal was quoted in the august "Portland alliance" as saying that his system doesn't "examine conduct relating to the truth or falsity of a citation issued by a police officer." if the citizen review committee, or independent police review, can't or won't do anything about individual officers lying in their police reports and systemic corruption can't be addressed either, who does that leave as responsible to protect the public from police abuse? I believe that you

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will soon be hearing from mr. Miggins after we figure out how to incorporate the fact that Portland police bureau traffic commander mike garvey has failed to timely respond to another public record law and demand for his authority.

**Saltzman:** Richard, your time is up.

**Koenig:** Ok. The report on the bad guy is -- follows on my paperwork. Thank you.

**Moore:** 974.

**Charles E. Long:** Yes. I'm charles long. I live in northeast Portland. Portland's future depends on the imagination, the vision of its leaders, especially the city council. An excellent example of this is from the Portland of 1900, scarcely applied decades after its incorporation in 1851, our leaders envisioned a world's fair, an event that would put Portland on the world map. Within five years that vision came to reality. It was called the lewis and clark centennial exposition and oriental trade fair. It was a gigantic project for a city of only 90,000 residents in 1900. It was a smashing success. Built on swampy land northwest of what is now called montgomery park, guild's lake was transformed into a glittering showcase of the west's future. Huge buildings encased the area with a lagoon to enhance the ambience. The world's largest log cabin was constructed on a knoll to showcase the booming logging industry. In 10 years, Portland's population soared to 207,000. This amazing story is captured in the great extravaganza. The Oregon historical society is planning to publish a new expanded edition of this well-illustrated work, this fall. When it's available, be sure to secure a copy. This event was particularly important to me, because my father came from calispell, montana to see the fair and the city so impressed him that he decided to make Portland his home. That's why I was born here. Other books I would recommend in addition to steven ambroses "undaunted courage," is Dorothy johansen's "empire of the columbia." and of course jewell lansing's outstanding and comprehensive book "Portland, people, power and politics:1851 to 2001." History indeed plays an important part in discovering Oregon's future. Thank you.

**Saltzman:** Thank you. Is that it?

**Moore:** That's it.

**Francesconi:** Thank you, charles.

**Saltzman:** Let's move to the consent calendar. Are there any items that members of the council wish to have removed?

**Moore:** We have the two items to be removed off, but we'll have to vote on it tomorrow when we have four members at 2:00 p.m.

**\*\*\*\*\*:** On the ballot.

**Saltzman:** Ok. I would like to remove item 991.

**Moore:** Right. And we have 979 also to be removed.

**Saltzman:** 979.

**Moore:** That's one of the mayor's. Uh-huh.

**Saltzman:** She wants that one removed?

**Moore:** Yes.

**Saltzman:** And i'd like to have, as I said, 991.

**Moore:** Ok.

**Harry Auerbach, City Attorney's Office:** Do you want to continue the balance until tomorrow afternoon? Because you don't have four present to vote on it, on the consent item.

**Saltzman:** Oh, I see. We can't do consent at all.

**Auerbach:** Correct.

**Saltzman:** Then we won't do consent at all.

**Auerbach:** Continue it until tomorrow afternoon.

**Saltzman:** We'll continue it until tomorrow afternoon at 2:00.

**Moore:** Ok. 979.

**Auerbach:** Mayor wanted that referred back to here. Is that right, karla?



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**Moore:** Yes.

**Saltzman:** Ok. So without objection that will be referred back to the mayor's office. Then I would like -- are you going to read --

**Moore:** 991.

**Item 991.**

**Saltzman:** I'd like to have that returned to my office. Ok. So that takes care of our consent until tomorrow. And now we'll move on to our time certain. Item 975.

**Item 975.**

**Saltzman:** Good morning.

**Randy Miller, Portland Office of Transportation:** Good morning, commissioners. Randy miller, office of transportation. The item before you is an ordinance which approves the transition of a pilot meter district into a permanent meter district at the ohsu campus. In early 2002, ohsu approached the Portland office of transportation with the desire to create a short-term parking on the public right-of-way for visitors to ohsu property. As a result, pdot convened a project advisory committee in august of 2002 to evaluate the need for metered onstreet parking at marquam hill. The project advisory committee was formed to provide a forum for public involvement in the methodology, design of objectives, and the development of finding relative to the onstreet parking environment at ohsu. The 10-member committee included representatives from all of the key stakeholder groups, including ohsu, doernbecher children's hospital, veterans affair medical center, shriners hospital, the homestead neighborhood, and ohsu employees. The committee held 14 public meetings prior to making recommendation to the city council for implementation of a pilot meter district for a period of six to nine months to determine if permanent meter district is appropriate. In october 2003, the council approved the pilot meter district with the initial installation of smart meters on southwest gaines streets from southwest sixth drive to southwest ninth avenue. The district went live in december 2003 with initial installation of six smart meters. Initially enforcement was light with just warnings being issued throughout the month to ease customers into the idea. After the holidays, parking enforcement deputies began issuing citations. Since going live, the project advisory committee has analyzed the operation of the district. This analysis has included occupancy and turnover in the district, as well as enforcement and revenue production. Occupancy in the metered area has ranged from 79% to 94% and turnover has increased. Based on observed and calculated occupancy turnover revenue production and enforcement data the district is operating exactly as it was intended. What the p.a.c. has determined from the available data is that the meter district has produced turnover by pricing on street parking, provided short-term parking for visitors closer to their intended destination, created on-street compatibility to the existing pay-to-park environment, provided an opportunity for increased enforcement in the homestead neighborhood and enhanced alternative modes of transportation to the ohsu campus. By june, nearly six hundred citations had been issued with over half being for overtime violations in the homestead a.p.p. over 1300 citations were issued during the same time frame, with nearly 70% of the citations for not displaying an a.p.p. permit. The parking meter district policy provides for the preparation of revenue allocation plan for new meter districts. Any revenues remaining after capital and operating costs expenses are covered may be allocated to support district transportation and parking services. Up through july 2004, gross meter revenues generated have totaled \$46,242. The actual allocation of any net revenues would be recommended by a revenue allocation committee. The project advisory committee has agreed to reform as a revenue allocation committee. The transition to a permanent meter district will provide the opportunity to meter the remainder of the onstreet parking areas in the district and there by provide consistency in the onstreet parking environment and uniformity in the pay-to-park environment at the ohsu campus. The p.a.c. has recommended these additional spaces be implemented with long-term meters. Prior to implementation of any new meters, we will evaluate how best to provide meters and safe pedestrian

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access to those meters. The passage of this ordinance would be an important step in the furtherance of the objectives of the marquam hill plan as approved by the council in july of 2002. I believe we have some additional testimony.

**Saltzman:** Any questions of the council before we have testimony?

**Francesconi:** There's just a procedural issue. I guess I want you to alert you to, mr. President, maybe the people testifying. This has an emergency clause on it, and so it takes four votes. And there is -- the reason is there's some timing issues in terms of when the temporary district expires, I guess, is my understanding. And so if possible -- maybe you want to deal with this after the testimony -- it would be another item to continue to tomorrow afternoon.

**Saltzman:** Ok. Sure. Why don't we go ahead and have the testimony and then I guess we'll have the vote tomorrow afternoon, thursday.

**Moore:** Ok. If you'll come up.

**Amanda Fritz:** Good morning. I'm required by my employer to state the following -- although i'm employed at Oregon health and science university i'm not representing ohsu, its board or any of -- actually i'm representing some of its employees -- and their position on this issue. I'm here representing the association of university registered nurses. We're district 52 of the Oregon nurses association. We represent the 1500 registered nurses working at ohsu. The association of university registered nurses urges you not to approve the district. The expansion of the district or the continued pilot meter. The pilot project summary made no mention of the impact on employees of the meter district. It mentioned that there was citations for overtime, some of those would probably be employees who were held in meetings longer than they expected. They could have been patients, who, as we all know, medical appointments run over. Ohsu is the only hospital in Portland where patients and staff have to pay for parking. And in the previous discussions on this issue, there has been very little mention of the impact of paid parking on employees. And I want you to know that if you approve this district, there will be significant impacts on some employees. There are some employees, particularly in some of the service departments, who rely on that parking, that long-term, unpaid parking, to be able to get from their day job at ohsu to another job elsewhere in the city. And the other alternatives, transit, shuttle, satellite parking, are woefully inadequate, and there is not enough attention paid to the fact that it takes forever -- it took me 40 minutes to get from downtown to ohsu on the tri-met bus. It's not feasible to expect employees to be able to go to their second job on tri-met. And the satellite parking is inadequate, the shuttle is inadequate, and very little discussion of that. And the association of university registered nurses thinks there needs to be more attention paid to that. And I know that some of the people sitting next to me have worked very hard on this, however the solutions are just not there yet. To change this area of parking to metered parking is going to cost some people a lot of money. It may even cost them their jobs. Currently there's a waiting list for parking at ohsu. Even when you can get it, it's \$74 -- \$78 to \$104 a month to pay for parking. And there needs to be more consideration of how employees are supposed to park, where employees are supposed to get to ohsu. The city did a good job of retaining ohsu as an employer in the city, however parking was the number one issue in the survey that the association of university registered nurses did as far as job satisfaction. And if the university wants to retain and recruit qualified, excellent, registered nurses, there needs to be more consideration of how parking on the hill affects those employees.

**Saltzman:** Thank you.

**Angela Timmen:** Good morning. My name is angela timmen, the director of parking and transportation at ohsu. As was presented back in October, the demand for parking at ohsu far outweighs our supply. Ohsu is a pay-to-park environment, consistent with the downtown Portland core. We have more than 11,000 employees, as well as upwards of 3,000 patients and guests who visit our campus daily all needing a parking space. The reality is ohsu has less than 4,000 parking spaces available for daily use. The ohsu parking office is forced to turn away between 30 and 70

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cars daily. Many of these folks are patients, visitors and guests, and some are even our own part-time employees. Through a partnership with the city of Portland that was initiated back in august of 2002, made up of members from the -- from the city's transportation office, the homestead neighborhood, the v.a., shriners, the ohsu parking office, and ohsu union represented employees, we started identifying that portion of the southwest corner of the ohsu campus that was currently under the city's jurisdiction that would be better utilized to serve this population needing short-term parking accommodations at ohsu. We had several public hearings and initiated a pilot project back in october of 2003. During this pilot project, we feel that we have been very successful in accommodating the short-term parking needs of our patients, visitors, guests and part-time employees. As well, the ohsu parking office has been very diligent in providing acceptable alternative transportation solutions to the ohsu parking situation, consistent with the guidelines set forth through the marquam hill partnership and the ohsu master plan. We now have five express tri-met buses to ohsu, three flex cars, which are free to ohsu non-parkers, two satellite parking lots with shuttle service that runs from 4:00 a.m. to 9:00 p.m. daily to better serve our 12-hour shift employees, as well as great incentives for bikers, walkers and carpoolers. We're asked to reduce our single-occupancy vehicle rates coming to ohsu through the master plan, but we do have day passes available for folks that need to drive to ohsu through the booth that's consistent with ohsu's pay-to-park environment. We would respectfully ask that the city council approve extending the pilot project into a permanent meter district. Thank you.

**Sten:** A question. Could you talk a little bit about the efforts to include employees in this discussion?

**Timmen:** Sure. We had union-represented staff as part of our group, from august of 2002 on, there was a union-represented staff person that was a voting able to vote in our discussions. Our other union represented staff on the parking committee that vote to move forward any policies or procedures that are suggested by the parking office.

**Sten:** Ok. Were there forums for just the regular employee to learn about this and weigh in on --

**Timmen:** I think we had 14. Through the 18-month process. I know the last one we had was on july 26. And I think there were -- you know, unfortunately about five employees came. But we gave 20 days' notice to our last forum, which was july 26. We had it in the evening, so it would work with people's schedules, and unfortunately not very many folks attended.

**Saltzman:** Ok. Is there an in-house newspaper, ohsu newspaper?

**Timmen:** Uh-huh. An email broadcast.

**Saltzman:** And this was well publicized?

**Timmen:** Yes, very well publicized.

**Francesconi:** My question is not on the process, but what can be done to help the employees in terms of parking, especially the lower-paid ones? What are the alternatives here to this?

**Timmen:** Well, the alternatives, as I mentioned, when we started the pilot project, we reopened two satellite lots that are very close to ohsu, and we extended the hours of service. We are hearing one of the reasons people were parking on the street is they started their shift before bus service started. We have shuttle services that begins at 4:00 in the morning, runs until 9:00 in the evening. It's a lower cost than oncampus parking. It's not free, but it's a lower cost. We're constantly working with tri-met to increase and improve our bus service direct to the hill. We added recently three flex cars to the campus that are free for people to use up to three hours a day to come back and forth to the campus. Those are the things we're working on. Obviously we have plans with the south waterfront expansion to do different things with parking at that location as staff move to that location. But at this time the -- you know, the demand just simply far outweighs the supply. And ohsu is a pay-to-park environment. If you're going to bring your vehicle to ohsu, there's a cost associated with that.

**Saltzman:** Ok. Keith, sorry to keep you waiting.

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**Keith Claycomb:** Yes. I'm Keith Clayholm, live on southwest 13th in the homestead neighborhood. I've been a resident there for some, boy, 55 years. I've seen quite a bit of change in the parking. I represent the university that is the homestead neighborhood to the university on the parking committee, and also I've been a member of the study group for this meter district. Initially we had plenty of room to park. In fact, I worked up there for some 34 years, and I could drive seven blocks to work, but I complained, I had to pay \$3 a month parking. Things have changed obviously. It got to the point that when I was chairman of the homestead neighborhood, we had to put in pay for parking in front of our neighborhood. And that was -- of course, that was a real fight that Helen Baron is the one that was able to bring it about. And so even if the neighbors want to park in front of their place, or up there anywhere, on the street, if they don't have a parking permit, they can only park two hours, guaranteed. The parking permit's \$35 a year, which is a bargain, of course, but you wouldn't believe it talking to our neighbors. Therefore they had to do something on parking. We put in permit parking up there. It keeps people from parking in front of our neighborhood all the time. They can still park two hours, but not long-term parking. So then we decided to work with the university and the transportation on meter district to see if that would work, turnover -- give us faster turnover. The neighborhood are not anti-people or anti-cars, it's just that a lot of those places that are built does not have offstreet parking in fact, the new policy, if I understand, they only want with 10% offstreet parking. Going to exacerbate the problem. Anyway, we've had several meetings on this. And we decided to try it and saw it did some work. We're not so much in favor of it, but we have to face reality. You've got to pay-to-park up there, whether you're a resident or an employee or even a guest. So therefore the neighborhood said we would go along on this pay-to-park because after all we're paying, other people I guess will have to pay to park up there, too, one of the privileges or one curses of being a member of the university up there. And then a thing that sold us at the end was revenue sharing. Our streets are pretty down and shoddy up there. You can see there's place where a fire engine hopes there's nobody parked if they try to get back into a fire or such. So we decided to go along with this, providing if they -- the city follows on through with revenue sharing. Therefore we could get sidewalks put in. We need some sidewalks. Inside the university, there's sidewalks there, they've done this, but outside there isn't. One of our busiest streets that connect -- a few people have been up there, you understand there's very few ways to go from north to south campus. Veterans hospital road, Terwilliger boulevard, southwest 11th. And southwest 11th is blocked with vehicles. I don't know how we're going to handle that neighborhood-wise, but we would like to get some revenue sharing, to get sidewalks in, to get some pedestrian crossing. We're concerned about pedestrian safety.

**Saltzman:** Ok. Thank you very much.

**Francesconi:** We'll follow through with the money. How much is that we're -- you're going to -- if this passes. How much is generated?

**Claycomb:** Well, I'm on a committee, and we'll probably argue that out. I don't know.

**Francesconi:** Ok.

**Saltzman:** Thank you. Are there other people? This is on the item of parking at OHSU?

**Richard Koenig:** Parking meters. I'd like to -- my name is Richard Koenig, for the record, southeast Portland. I had a little talk with Mr. Turner -- or excuse me -- Mr. Miller recently. And it turns out that the city attorney's been left out of the loop on this, on -- I shouldn't say this item here, but parking meters at times have not been reviewed by the city attorney, nor the courts were taken into consideration. I'd like to make a few notes -- have people who are concerned about traffic meters take a couple notes. There's a body of information available from our courts, and those relevant documents can be accessed through, number one McQuillens laws of corporate municipalities. Number two, Corpus Juris Secundum. Number three, American Juris Prudence. And another one, Blasfields encyclopedia of automotive law. In those works you'll find there should be no net revenue on parking meters. That is an oxymoron when it's applied to the quarters that go

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through the parking meters. They're supposed to be used, those quarters, for parking mitigation exclusively. The courts have consistently ruled that the money that's collected by meters is not for revenue-generating purposes, but for -- to cover the administrative costs of parking and improve parking circumstances. Now this project appears to fit within that parameter. There's a second concern, though, and that's the applicability of parking meters. If we look at the previously-cited law journals and the courts' decisions in those, we'll find that consistent with the supreme court decision in *Callage v. Knapp*, the city of Portland cannot have the power to regulate the public or their automobiles. That would include parking. The parking meters are for motor vehicles, a legislative term of art, which means those that are engaged in the transportation of persons or property or both for compensation or hire. So for the nurses who are not hauling patients up the hill for hire, I'd like you to at least take a look at those books that I -- I've mentioned. I'll try to leave some kind of list, a reading list, with the city clerk, and you folks can reference it there. Thanks.

**Saltzman:** Thank you. Any other --

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

**Saltzman:** Anybody else in the audience wish to testify?

**Francesconi:** Could I ask one question of Randy?

**Saltzman:** Yeah. Randy, come on back up. Got a couple questions for you.

**Francesconi:** Go ahead.

**Saltzman:** I'm looking at the organizations represented on the pac of the project advisory committee, on p.a.c. I see one representation of employees, Michael Bandy.

**Miller:** Michael Bandy, yes, sir.

**Saltzman:** And he represents union employees?

**Miller:** Represents the union employees.

**Saltzman:** Ok. I guess given that it is a 24-hour place and a lot of people that work there who, you know, maybe can't participate in 9:00 to 5:00, 7:00-type meetings, did we do -- maybe I should ask the university to -- proper outreach -- to those employees that work swing shifts, graveyard shifts, things like that, too.

**Miller:** The outreach included the internal email newsletter system, as well as many of the meetings were held during portions of the day, all portions of the day, including the public hearings, which were held in the evenings. We tried to distribute the time frame to make ourselves available to as many people as possible.

**Saltzman:** Uh-huh. Ok. Commissioner Francesconi?

**Francesconi:** It's back on this issue of the employees and where are they going to park, you know, especially the lower-income folks. You heard OHSU answer that question, both in their testimony in response to my question. Is there anything more that either OHSU can do to assist those low-income employees, in your opinion, or is there anything transportation can do beyond what we've talked about?

**Miller:** The new meters are intended to be long-term meters, which are -- which will provide a parking resource, additional parking resource for employees. Those are the one meters that the city does operate, which are available to feed. In other words, you can plug those and get new time on the meters. But that's a resource. And I believe the --

**Saltzman:** And how long are those?

**Miller:** Five hours.

**Saltzman:** And you can plug them?

**Miller:** You could plug them. You can get a total of -- you can keep going. Well, at least 10 hours, a complete work shift.

**Francesconi:** Any other ideas? It's tough.

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**Miller:** It's a very tough environment. I believe that the marquam hill plan provides -- first of all, you should recognize that the marquam hill plan requires that the single-occupant vehicle trips be reduced to the hill. So in part that's what's driving --

**Francesconi:** Well, I remember in all fairness to ohsu here, I remember us sitting up here beating up on ohsu quite aggressively on this issue. But anyway --

**Miller:** But in terms of the total transportation system, the tram and what's going on with south waterfront and the ohsu campus down there, and streetcar, buses, flexcar, all of these pieces together provide a pretty comprehensive approach to providing transportation to and from the hill.

**Saltzman:** Any further questions?

**Francesconi:** I guess I have a question for ohsu that I just thought of.

**Saltzman:** Ok.

**Francesconi:** Are the lower-end employees on this issue of parking having to park other ways, kind of treated the same as the higher-end employees?

**Timmen:** All parking is treated the same at ohsu. We do provide a highly-subsidized transit passes that costs ohsu employees \$144, where I think the cost from tri-met is \$669 for an annual pass. So we provide that as an opportunity for folks who simply can't afford parking. But as far as parking rates on campus, they're all the same. Our satellite lots are a little less than what it is on campus. But the rate at parking -- because the demand is so great, it's fixed. One other thing that we did do that I failed to mention, when we moved the meter district, we ended up displacing some vendor parking that we had within our onstreet parking structures and offering those spaces to folks who were on our wait list who couldn't get to work on a bus. We did that with about 30 folks and put the vendors out at the meters. They're really there for more short-term. We did try to identify and work with folks who, you know, really had a situation where they'd get to work before 6:00, before the buses really start to run, and need to have a car on campus for whatever reason. And so we did that with about 30 folks, some of whom included our nursing staff.

**Francesconi:** Ok. Thank you.

**Saltzman:** Ok. Thank you. So this will move to tomorrow at 2:00 for a vote. Now we'll move on to our next time certain, item 976.

**Item 976.**

**Francesconi:** If I could briefly introduce this.

**Sten:** Sure.

**Francesconi:** With parks' help, but the help of many bureaus, bureau of environmental services, offices of sustainable development, the endangered species act program, we've achieved a great distinction here to be salmon safe. Our parks are salmon safe, the first parks department in the country. It was a combination of efforts here. And deb lev is here with zari the head of parks to talk about this. But this is another success along the river as part of a river renaissance program, but also a tribute to our employees and others who have focused on the quality of our, not only river, but watersheds, and how we all need to be stewards of this. This is ray great distinction for parks. That doesn't mean we don't need to do more, but it's good to celebrate milestones along the way. Zari.

**Zari Santner, Director, Portland Parks and Recreation:** Good morning, commissioners. Portland parks and recreation. We're very, very excited about this accomplishment. And we wanted to let you know that we have been following your directions since the passage of the resolution a few years ago when you committed the city to recover the endangered and threatened salmon. We've been working very hard. We're very, very proud of this accomplishment. And we wanted to share this with you. I think being a certified salmon safe organization exemplifies our core mission which is having healthy parks, and healthy parks obviously contributes to having a great city to live, work and play in. However, it also means taking good care of our playgrounds, ball fields and trees and grass, but it also means to be good stewards of our watersheds and water

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bodies. We can do that by making sure that in terms of our maintenance and management practices we reduce the use of chemicals and we make sure that the water -- stormwater that collects in our parking lots from our paths, they are treated in bioswales, and cooled before they enter our water bodies. These are the practices that we have been using and are committed to use to ensure that we create healthy water bodies and also a healthy watershed, both for people and for animals. As commissioner Francesconi mentioned, this has been a collaborative achievement. Many staff from many bureaus in the city were involved in helping us. And deb lev, our senior planner in charge of our natural areas, will explain the process and what it has taken to accomplish this. But also, I want to mention that the passage of the 2002 levy gave us the resources to provide enhancements in our parks in terms of maintenance, and that meant that taking care of -- restoring some of our streams, banks in our streams, and our natural areas. We're very, very proud of this, and it also means that we have to continue to commitment to certain additional restorations that we intend to do, and I would ask deb to explain that.

**Deborah Lev:** Thanks. Deborah Lev, Portland parks. I'm just going to go through this powerpoint presentation and just show you a few of the things that we've done in our parks. And there's some other folks here from -- staff from our bureaus and people from the community that can tell you a little bit more about the connections and implications to the community. As zari said, we're maintaining our parks as healthy landscapes, and that's benefiting not only our human residents, but also the wildlife and the watersheds in Portland. So this was a rigorous evaluation that took place from the staff of the salmon safe organization, as well as their hired consultants. We had fisheries, biologists, and integrated pest management specialists, as well as park maintenance specialists, that interviewed our staff, that looked at our policies over a very long time period, as well as went out to a number of our parks. And these are some of the elements that they looked at. We have 71 park sites with fish-bearing streams or their tributaries, but as you may be able to see in the shaded portion of this map, all of our over 200 park sites are in one of our watersheds, and what we do on them, in our over 10,000 acres of parkland, certainly can affect the health of our waterways and the salmon. So in these 71 parks with fish-bearing streams, or the tributaries, the evaluators paid particular attention to the condition of the stream channels, of the vegetation in the zones around the streams, of the condition of our wetlands. Paid attention to stream crossings, roads and trails. And erosion issues near the streams. But in the rest of our park sites, once again, those also have an effect on the water quality, both our large parks and even our very small ones, such as mill ends park. It matters what we do. So how we deal with our surface water management, our chemical use, were evaluated. So here's some of the things that we're doing well in Portland parks that the evaluators saw. One is our stewardship programs where we're inviting the community in to help us plant native plants, remove invasive plants. We've established swales to help clean the water and infiltrate the water as it comes down through our parks. How we maintain our trails is important to do proper maintenance and consider erosion control. We have our opportunities to test new things, like our little educational kiosks with eco roofs on them. Our irrigation system is important. We have -- are increasing the amount of our parks that are on our automated irrigation system, tied into rainfall, but we're not overwatering our parks. And in our new park development, like this north park square that you'll be seeing developed in the next year, we're making use of stormwater on site. Wanted to call particular attention to our integrated pest management system, our i.p.m. Plan, which has been called that as an example -- called out as an example for other cities and has gotten recognition from the -- from noaa fisheries under the endangered fisheries act. In the past 10 years or so we've greatly reduced the amount of herbicides that we use in our park, their primarily used for specialized areas such as riparian restorations or particular applications on golf courses. Some of the things we do to avoid using a lot of chemicals are mulching in our beds. Instead of spraying in our turf areas, we aerate and fertilize when necessary. We have areas, such as our community gardens where we don't use chemicals at all. In our informal turf areas we don't spray. We let the

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broadleaf weeds grow, and that's great for kids to play, as well as for our salmon. We have, in our salmon safe certification, it was based mostly on our day-to-day operations, how we manage our parks, but they've also called attention to some of the infrastructure issues that we'll be dealing with overtime. An example is the retrofit we did in willamette park here where this little tiny couple-inch-high berm catches all the stormwater from the parking lot by the boat ramp and takes it through the swale before it gets to the river. We'll be partnering with b.e.s., as well as -- through a federal grant to do some kind of similar treatment on the cathedral park parking lot which now drains directly to the river. We have other opportunities that the salmon safe evaluation pointed out, like some planting in gabriel park that we've recently gotten a grant to do. And some more great partnerships with the endangered species act program to fund further alternatives to pesticide research in our parks. In june we celebrated the certification with a community celebration. And very soon, if you haven't already, you'll be seeing these ads on buses and billboards around town. So in summary, we're maintaining our parks, healthy parks, and that's good for Portland, that's good for the people in Portland, and it's good for the wildlife and our watersheds. Thank you.

**Santner:** I believe there are some of our partners who have signed up to testify. And i'll be back here in case you have questions.

**Saltzman:** Who issues the salmon safe certification?

**Santner:** It's an organization that's --

**Lev:** Right. It's an independent nonprofit organization called salmon safe, and I believe dan kent is here to -- somebody from the board to --

**Francesconi:** Dan kent from salmon safe. Scott montgomery, if you're here, or somebody from the parks board. Claire puchy from the esa program, I hope I pronounced her name right and --

**Saltzman:** She's here.

**Francesconi:** Matt emlen, sustainable development commission and Barbara hart from river renaissance. I think that's our panel.

**Saltzman:** Why don't you come on up. Kent, you can pull a chair up.

**\*\*\*\*\*:** It's ok.

**Saltzman:** Ok. If you could just give us your names and you'll have three minutes.

**Dan Kent, Salmon Safe:** Good morning. My name is dan kent. I'm representing salmon safe, Portland-based environmental, nonprofit. As commissioner Francesconi said this morning, really the certification is a tribute to the employees of the city of Portland, and I just wanted to start by noting that really this salmon safe certification for the city, this partnership between our organization and the city of Portland, came about from an idea that was first brought forth by the e.s.a. program back in 1999 or so, maybe 2000, shortly after the e.s.a. listings in the willamette. The idea was further formed and refined through multiple meetings of the sustainable Portland commission and they were a great help as we -- as we formed this project. And then of course all of the implementation by Portland parks and recreation. But then as we've worked on the public education side and doing outreach to urban citizens, we've worked extensively with the river renaissance program and also with b.e.s. So it really has been a collaborative effort. I'm here this morning to say again congratulations to the city of Portland. As commissioner Francesconi noted, the city does indeed have the nation's first salmon safe certified park system. Portland parks and recreation joins what is really an elite group of land managers on the west coast that are managing land to protect native salmon and water quality. These are land managers from loganetis creek in northern california, in the san francisco bay area, where we're working with farmers, all the way up to the snoqualmie valley east of seattle. Salmon safe has been certifying farmland since 1996 as a powerful means to protect water quality and fish habitat. Since then we've certified about 35,000 acres of farmland. We've certified 70 or so. [unintelligible] we've certified products ranging from Oregon hazelnuts to bison meat to goat cheese, cut flowers, to salmon safe organic pears from the hood river valley. This morning i'm pleased that we have with us ken newman of newman family



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farms, organic pear grower, and our most recently certified salmon safe farmer just in the last week or two. Ken brought a gift to the city council from the hood river valley. The very first crop of salmon safe certified pears.

**Saltzman:** Thank you very much. I'm sure we'll get to those.

**Kent:** So in closing I wanted to share two recent developments in this project. First, that the city of Portland is serving, again, as a model of environmental stewardship. Seven other cities, from the city of seattle down to the city of ashland, look at implementing salmon safe practices in their city parks. Second, i'm happy to report that these urban standards that the city really had such a huge role in helping us form and develop are serving as the foundation of a new project, a corporate campus certification program focused on water quality protection, and that nike and its campus in beaverton, Oregon, has committed to being the first site to go through that assessment process. And we're really looking forward to launching that later this year. So i'd like to introduce one of our board members, a founding board member, and our board vice, Lee Jimerson, who I know has signed up. I'm not sure if this is the order or not. But lee is marketing manager --

**Saltzman:** If he signed up, he'll get a chance to -- go ahead and introduce him.

**Kent:** Can I introduce him?

**Saltzman:** Sure.

**Kent:** Ok. I just wanted to say lee is a manager of a Portland-based company, a company that is forest stewardship council certified. Really we wanted to illustrate the power of these third-party certifications in both the marketplace and public arena. It's been a key to their being a competitive company on the global marketplace. Thank you.

**Saltzman:** Thank you. Barbara?

**Barbara Hart:** Good morning. I'm barbara hart from the city's river renaissance initiative. Very pleased to be here today to applaud the innovation and the leadership demonstrated by Portland parks and recreation in creating our first -- the nation's first salmon safe park system. This is a really fine example of river renaissance in action, because healthy parks connect to healthy streams and rivers, and help make this a livable city for people, fish and wildlife. The outstanding policies and practices used by Portland parks and recreation make a significant contribution to river renaissance goals for a clean and healthy river, for Portland's front yard, and for partnership, leadership and education. Because this is a multi-objective approach, it gives us multiple benefits. It's also, as you've heard, an opportunity for Portland to lead by example. And demonstrate that we're wise and careful stewards of our public resources. It's another example of Portland changing the way we do business to better serve all who live and work and play in Portland. And it's enhancing Portland's positive identity and helping us attract visitors from around the country and the world. It represents the broader effort to coordinate and integrate city efforts directed by council resolution 35978, passed in 2001 to adopt the river renaissance vision as the unifying framework for river-related activities. And ultimately it's a great opportunity to celebrate our success and applaud what may not be visible to Portlanders, but certainly is an achievement worth noting, and it helps us realize that these achievements help contribute to a great city and a great river and are part of the ongoing river renaissance initiative.

**Saltzman:** Thank you.

**Claire Puchy:** Good morning commissioners. I'm Claire puchy representing the endangered species act program with the city of Portland. On behalf of the program i'd like to say first that this truly is a groundbreaking piece of work and appreciate all the hard work with a number of people sitting here in this room, and many others who are not present this morning. Especially the parks and recreation staff and salmon safe folks. As you know, the city has been partnering with many people, including organizations like the Oregon department of fish and wildlife to really understand habitat uses within the city. What we've learned among other things, nothing new here really, is that fish not only need healthy water, but need healthy watersheds in the lands that drain to our

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rivers and streams. A lot of people in the past have said, well, that's just right off the urban area, it just doesn't matter, but that is not the case. We cannot do that. What we do here in the city really truly does matter. Portland is situated in a very critical location for salmonoids, but so many salmonoids pass through the city of Portland on their way to the ocean, and to many other streams and rivers throughout the region. We have not only legal obligations under the endangered species act, but also have the city council resolution that you passed several years back, saying the city will assist with recovery of these species, and we take that very seriously. So what we do here really does matter. Efforts such as this really, truly contribute to making Portland safer for salmon, making our waters and our watersheds safer for salmon. Since there are over 10,000 acres of parkland that we manage here in the city, that's very significant in how we treat and how we manage those lands will really make a difference for salmonoids. A reminder, that the parks certification and the actions were peer-reviewed and deemed protective of salmon. That's very significant. We're not just telling you that they are safe for salmon, but others have said so as well. This is a piece of a much broader effort to make the city safe for salmon and to assist with recovery. And it will benefit many other aspects of our watersheds, including the wildlife that reside in these parks. And we hope that it will also help avert future listings of other species that may not be doing as well. So there are many, many other benefits. So we're very happy to see this come to fruition.

**Saltzman:** Thank you. Karla, other people?

**Moore:** Is that all on your panel?

**Saltzman:** Then we'll go to a --

**Moore:** We've lost our microphone, so people will have to speak up.

**Saltzman:** We've lost our microphones?

**Moore:** Yes. They're working on it.

**Saltzman:** Please speak up.

**Kent Snyder:** Good morning. I'm kent snyder, one of the cochairs of the sustainable development commission. We wanted to endorse this, and kind of remind -- the council adopted the sustainable principles back in 1992 or 1993. This all came out of conversations a number of years ago when salmon safe came into do a presentation to the commission, and parks had come in about the same time, and we said this would be a great way to do some more things with environmental management systems, get some outside certification, input into the whole process, looking at how they manage the parks. It's taken longer than anybody expected, but what developed out of that is really an example of the kind of collaborative -- the successes that come from the collaboration. You've got outside third-parties. You've got the city bureaus. A variety of bureaus. It enhances more ownership, more civic pride. I mean, the community knows that not just do we have nice parks, but actually being operated and managed in ways that are become more and more -- they have the potential for health for the future, but also in ways that are being used by businesses generally, environmental management systems, something that the commission has endorsed for a long time. And I know commissioner Francesconi has talked about how to incorporate environmental management systems. As this is becoming more the norm in business operations, the citizens and the business look to the city and its corporate activities to also adopt environmental management systems that are third-party certified as a way to become more environmentally sound in their operations. They're good for the community and they also have great economic benefits. You know, you've got promotion for farmers, for activities. This is a way that we can help bridge the -- this urban/rural divide. We're taking agricultural activities and applying it in an urban setting. This is a great example of how this -- these collaborations really works. And as I and other members of the commission have gone out and talked to a lot of community groups, and other communities, because Portland is looked to as a leader around the world really for these kinds of activities, this is something we've always touted. Well, we're in the process of getting salmon safe certification for our parks. It's nice to see this come to fruition. And as they mentioned, there's

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seven other communities up and down the coast starting to do the same thing. So a lot of hard work has gone into this. A lot of work by the bureaus. They should be validated and commended for everything and for the leadership the council has shown in keeping this process going. So the commission wholly endorses the resolution. Thank you.

**Saltzman:** Thank you. If you could just state your names. You'll each have three minutes to testify. There's a clock in the lower part of the screen there.

**Moore:** I don't think it's working.

**Saltzman:** Oh, it's not working.

**Moore:** I'm sorry.

**Lee Jimerson, 5548 SW 18<sup>th</sup> Dr., 97239:** Lee jimerson with the collins companies. I want to talk about the benefits that salmon safe certification can afford the city of Portland and by extension commerce in Portland as well. One thing salmon safe certification, all the folks that have talked this morning, it gives integrity to our claims as a city, as a parks system, that we're doing what we say we're doing. It's very easy to make a claim and not back it up. Salmon safe helps back up that claim. It helps illustrate that we're working very hard to eliminate the externalization of environmental costs that historically have been a function of all human activity, and parks included. We want to be held accountable for our actions here in Portland. This is what we're doing with this resolution. Certification is the marketing of integrity. There was a focus group done when a firm was trying to figure out, should they do certification or not. This focus group was in the room for three or four hours. They couldn't come up with a messenger that everybody could trust. They looked at industry. Industry is the least believed of anybody out there. They want to maximize profits at the -- and externalizing costs on to someone else. That's the stereotype. Government is made up of changing administrations and different personalities, all with different views within -- whether it's federal, state, or city government. Media, typically the right's accusing the left of -- there we are.

**Saltzman:** Our microphones are back.

**Synder:** The right accuses the liberals of being in control of the media. Academia, where do they get their funding on particular projects? Environmentalists, environmental nonprofits. They're the most believed out there, but they're trying to protect the environment at all costs. So there's really no group that doesn't have bias out there, no matter how independent, how neutral we want to be, there's really nobody is that is out there. Really the only true-blue messenger that is out there is someone or some thing that can be combined that would take two groups that are diametrically as opposed historically, taking the environmental community and taking industry and coming together with a message that they both agree upon, have come together with all the stakeholders, and say, here's our message, and it takes all aspects into account. The social, the economic, and the environmental. And that's really what salmon safe does with this program. So I guess it's the magic of all of us working together, and rather than working apart, that makes this all work. And isn't that a place that you would like to live and work, a place where this works? And that's Portland.

**Saltzman:** Thank you. Thank you very much.

**Jim Rapp:** Jim rapp. I'm the past president of Portland audubon society, also the former executive director of the former forsake of the salmon nonprofit, of which I guess the Portland is a member. I also consult with noaa fisheries and california fish and game on salmon recovery issues up and down the pacific coast. I'd like to say that staff at Portland audubon has been involved from the beginning in the development of the certification standards that salmon safe incorporated, has had the opportunity to first apply here in Portland. They've worked closely with dan kent and his staff and his contractors, and with the city to bring this great program to fruition. So from that perspective, Portland audubon society very much encourages the city council to go ahead and adopt the resolution and formally put into place what effectively your parks department and your city has already done, and that is create a salmon safe parks for this urban area. For sake of the salmon was

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actually a partner with salmon safe until we closed our doors earlier this year. In marketing the salmon safe program throughout the pacific northwest and california we partnered with them, and we're going to help them take the program to other cities and implement that program in other cities. As such, I had the privilege of being able to -- late last year -- travel through Portland's parks with the certification team and your staff as they went through the process of building their certification report, and I also sat through the actual certification process where the professionals decided where you pass muster, and Portland did very well. The certification team was very impressed with the work you had done. I was very impressed with the work the city had done. The salmon safe program makes parks safe, not just for salmon and good for salmon, it makes them safe and habitable for other kinds of species, including the human species. I think the kind of changes and improvements that you saw in the overheads will not only benefit salmon, but clearly benefit the public and the users of the parks. Much better to have a stream that is healthy and a stream that is as good habitat than a stream that is stripped of all vegetation. That's some of the changes you'll see as these salmon safe standards are applied over time. This is a great opportunity for the city of Portland to be a real leader. You'll be the first urban area on the pacific coast to adopt a rigorous certification program for salmon. So seattle talks a lot about salmon recovery. Other cities talk about salmon recovery. Portland, though, is going to be the first to be able to say we do it in such a way that it's certifiable and that it demonstrates that we've done our job. So I strongly encourage the council, both from the standpoint of the audubon and my -- my role as, I guess, a salmon professional to go ahead and adopt this forthwith. Thank you.

**Saltzman:** Thank you. Thank you both.

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

**Saltzman:** Anybody in the audience wish to testify on this? Ok. Roll call -- oh, zari did you want to --

**Santner:** Questions? No.

**Saltzman:** Sounds great. Roll call, please.

**Francesconi:** This is a proud day. And it's happened, and the speakers have said it very well, and for several reasons. Our citizens have annette thick of stewardship here that has defined who we are as a region. So it really comes from the decisions up to the decision-makers. Two is a standard has been high about not only not doing any more harm, but restoring the environment and our watersheds by the council and by -- by the council, which deserves credit for that. Thirdly is we have terrific staff who have been out there who embody this ethic of stewardship, but also have the ability and the talent to involve citizens to actually do it. And then, you know, who practice what we preach in terms of bioswales, pesticide-free parks, and the other elements that led to this certification. But then we have outside certification, which is really important to give credibility to all these efforts. You know, saying it ourselves doesn't carry the weight of having somebody on the outside say it. So we're a leader, not only in the city, but now we're encouraging other cities to do the same thing. And that's all a terrific thing so we have much to be proud of. The cautionary note here, and zari kind put it in her comments, and i'm directing this at the council, is that you also need resources to do this. Part of the resources is people, but part of it is the budget to maintain our natural areas, to do the bioswales, to do the enhancement. And we're at a tough point here in Portland with how we fund -- because we want our parks to push the bar as we've done here. But we also have recreation programs and we have other missions. So we have to watch how we do this. It's important that we demand of parks that you push the envelope and do more in terms of stewardship, but we have to make sure that there are resources available to do this. Anyway, so thank you, everybody, for your efforts. And we'll continue to do more. And thank you for all of our partners. This was not a parks effort. This was a team effort, as was dramatically demonstrated here today. Aye.

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**Saltzman:** Well, I think this is really a real accomplishment, a further luster to already our crown jewels, our parks. I want to congratulate all the people who made this happen, and who developed a whole third-party salmon safe certification. As commissioner Francesconi said, and as you may recall under our city's green building policy, we also require independent third-party certification, that we meet green building standards. That's because it's so important to have an impartial group and a group that consists typically of, as the gentleman said, usually the extreme -- the environmental people and the business people, and they come together and they meet in the building, and they believe there's guidelines that should be followed, whether it's salmon certification or green buildings. That's why getting that independent certification is so, so important. This is truly a great step forward, and I'm very proud of the work that's been done. And it's nice to know that there's -- there's one animal in our parks that doesn't engender any controversy. This is a great one. Aye.

**Sten:** It took me a minute, but I got it. I want to thank commissioner Francesconi and zari and deb and the whole team at parks, and claire and jim middaugh who couldn't be here, who runs the endangered species program this is a terrific step forward. It's very needed. I think it will cost money. The issue is that the -- the job of restoring the rivers and getting the pollution out that's been put there hasn't been charged to the right places all along. So we have these costs that we have to pay as a society. Five or six years ago mayor Katz asked me to lead the city's effort to respond in whole to the endangered species act. Next month I'm going to bring back basically a report to the council that relieves me of that duty. The reason is not because the -- I'm tired of it, I'm not tired of it, I think it's very important work, and it's not because the job is done, it's because we don't need a stand-alone endangered species political effort, because the bureaus have taken it on. We'll have an endangered species program housed in b.e.s., but the expectation was that we would build the response as a way of doing businesses on each of our practices, rather than having something, typical of cities, where you get stuck with the regulatory requirement and you kind of come up with a document to respond and then try and hide out and make sure that hopefully that gets signed off and nothing happens. Actually if you study the endangered species act nationwide, it's very costly. It clearly is the right thing in terms of saying humans shouldn't be putting species out of business, but there's very little evidence that it actually restores species. What it does is say things are getting bad, you're on a decline toward extinction, so you have to stop doing those things. But if you're declining toward extinction and stop, you'll slow it but not change the trend. So I think really with parks here leading the way, some of our departments, we're on the way. What we want to declare is this is no longer something we talk about as a stand-alone piece. We have a response to the federal government, but real response, to our citizens, the river and the fish, is under way, and is part of how we do business. So it really helps having the certification, having the business partners, everyone involved in this. I think this is really great day. Aye.

**Saltzman:** Ok. Thank you, everyone. We'll move on to our next time certain. Item 977.

**Item 977.**

**Saltzman:** Commissioner Sten.

**Sten:** Terrific. I want to welcome everybody today, totally different subjects, but both this issue of minority home ownership and the last one we talked about, are dealing with issues that have been going wrong in our community for a very long time for systemic reasons. In this case they're economic and human. We have done a lot of work on home ownership programs as a community, as in a city for many years, and I guess the simple way I would share my analysis of where we are today, is I think we have pretty good home ownership programs of to be blunt, I think they're not getting to minority communities at a rate that's equal to that of the majority community, and we have a lot of work to do to get there. We had a discussion of this at the council in January. And it became clear, I think, to everybody on the city council, and certainly to all the folks in the audience, there that day, that more work needed to be done, not on how you do home ownership, but how you

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get the home ownership programs that exist into the minority community where the numbers are really not even close to acceptable compared to what this community should want. Today the subcommittee, the home ownership advisory committee of hcdc is back way very compelling report i'll let them present today. Before I do that, I want to say we didn't sit and wait for this report. We knew some of this was coming. I have a memo that I hope we can circulate around to people to take a look to say that we've had a chance, seen a draft, and I wanted to open up today with proposals, that the city follow up on this with three key areas. One again is that we push again to convene the lending community, and fannie mae, other banks here today to talk about that. One of the issues you'll hear today is that the decline rate for minorities is much higher than for the majority population, that can mean a lot of things, but it's something we need to talk with the banks about. There's issue of getting ready to buy a home, of everything -- of confidence, of believing that you can get through the process. Those are all things that the city cannot solve, but I think we can provide leadership to solve by bringing the private sector and community groups to the table. Secondly, we're really going to push to do some new partnerships with some of the community groups that are out there. You have large projects going on at the housing authority, at new columbia and other places, where home ownership units are being built as we speak, and to let those get sold without a very active approach to help minority families buy them would really be a missed opportunity. And so there's another place. Likewise, the community development corporations have many renters who have been there for many, many years, I believe qualified to buy a home. Maybe there's an outreach effort that can be done there. We want to continue to work with the home buying fairs, very successful from the african american community, latino community, asian community, and particularly would like to keep the fairs going. The african american home ownership alliance last year took it a step further and did an extended outreach piece to go with the fairs. I would like to work to extend that pilot project for the next couple of years and see if we can also do it with the other two fairs now that we've seen successful, let's not let it go. It was one-time funding, but let's find a way, which i'm proposing today, to keep it funded for the next couple of years. Finally, and the good news, really good news, I wanted to share, is that had you come in a couple weeks ago, a little harder for me to say this, but there's a very strong push from the entire city council, in a very hard budget year, were cutting all sorts of things as everybody knows to get more money into affordable housing. And the city affordable housing allocation is up quite a bit. With that i'm proposing to bhcd that in this next year's budget -- I couldn't do it until we finalized the budget which happened last week -- that we triple the amount of money going into home ownership programs next year. We'll have to fight the year after to maintain that a second year, but this year I believe we can get over a million dollars immediately on to the street. Those funds, of course, go to everybody in the community, but if those -- if the work that you're talking about today through the various groups and the private sector can be targeted to make sure minority buyers are ready to take advantage of those funds, I think we could make a jump on this gap this year. And after this work, what's important to me is that this not be a study that goes on the shelf, that we move forward and try and make something happen. So i'm proposing, and will have the support on the council i'm quite sure, to move over a million dollars into this immediately to try and get an r.f.p. on the street in terms of finding units. Really it comes down to me. There's a shortage of unit that are affordable, that's clearly part of it, so we need to put resources in to building more affordable units. There are issues that have to be addressed with the private sector. Only the private sector can do that, but we can all show leadership on that. If the units are there, if the private sector loans are there, then you've got to have the community there, who's got to do the outreach themselves. Frankly i'm convinced that city outreach programs don't work. You have to community-based outreach programs, people in the community have to find their friends, their peers, their family, their church mates and say, here's an opportunity, you can do it, and do the peer counseling and pieces I think have shown to work. I don't want to steal your thunder, but I want to

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say this is where we're going. With that, let me introduce our panel today. Rosario roberts and john miller I think are the cochairs who are going to lead this. Why don't you go ahead and introduce the committee members who are here and walk through this. Thank you so much for your hard work.

**Rosserria Roberts:** Good morning. I'd like to thank the city councilmembers for giving us time on the agenda this morning to present our information about affordable housing and the city council's concern to make sure that we provide affordable housing for all citizens of Portland. My name is rosario roberts, and i'm the past chair of the home ownership advisory committee. I'm the current cochair of the housing and community development commission. In July 2000, a proposal was made to hcdc for the transfer of the operation of the home ownership advisory committee from Portland development commission to the Portland community -- the housing and community development commission. After some meetings, a transition committee was formed and a final presentation was made to hcdc executive committee. It was the intent of p.d.c. to making a formal motion to establish the home ownership committee as a subcommittee of hcdc. Hoac under pdc had provided valuable insight and advice and worked towards being a sounding board for pdc regarding home ownership issues. However the members of the initial committee identified the need for a coordinated citywide effort, with clear policy objectives, goals and an evaluation process. With the agreement of barutee artheree as the director of housing, the hoac committee and portland development commission staff, the decision was made that the committee better fits the mission of hcdc and worked toward that end. The committee would have the primary role of policy level advice and recommendation to hcdc. Hcdc would in turn provide advice to city council and would recommend actions that best meet and advance policies as expressed in the consolidated plan. The geographic scope of hoac is the city of Portland with liaison relationships with gresham and Multnomah county. There's also linkage to the housing and evaluation groups in terms of data provider and assessment. The committee would be staffed by the bureau of planning, personnel, and would have representation by Portland development commission, the bureau of housing and community development, h.u.d., city of gresham, the county, and h.e.g. The city council adopted resolution 35970 in february 2001. The objectives were to charge to recommend guidelines and action in support of the city's home ownership goals, define the role of the city in support of home ownership, identify tools to be used and/or developed based on recommended priorities, review and comment on the impact of new and/or existing housing policies on home ownership. At this time I have the pleasure of introducing to you the chair and a few key members of the current home ownership advisory committee. To my right is rita mccain walker, john miller, and ruth benson. Thank you.

**John Miller:** All right. Thank you. John miller. I'm the chair of the home ownership advisory committee. I want to start off by stating that back in January we presented the report to council. Our annual report. In the past this had been pretty much just a snapshot of where the city was at as far as home ownership goes and how the city programs were meeting some of the goals that we had set. One trend that stood out pretty drastically was the minority -- the gap between white homeowners and minority homeowners. At that time Francesconi -- commissioner Francesconi asked us to actually put together a -- some strategies and report back on those strategies to close that gap. The staff and the committee worked for several months on this, and what we've come up with is a pretty aggressive goal. And the goal is to actually close the gap completely by the year 2015. We're looking for parity between white homeowners and minority homeowners. It's a very aggressive goal, but we feel it needs to be aggressive in order to get to where we need to be. To start, the way to frame this, first of all, is to really look at the overall home ownership trends in Portland. You really have to look at that to frame any sort of discussion about home ownership in general. Overall the median home price in the city of Portland has been rising much faster than the median income. What this has done -- well, what it means is that it's actually hard for anyone to purchase a home, so within that context let's go on and take a look at what's happening as far as the

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minority groups compared to the whites of the city. This next slide here really illustrates the core issue. And the data represented here provided the incentive for the entire report and why we're really here today. 59% of white households in Portland own their own home. That compares to 38% of african americans, 55% asian pacific islanders, 30% hispanic/latino, and 34% of native americans. I want a footnote that the native american number is -- it's very hard to actually get accurate census data on native american families. So the feeling among the native american community is that's actually a much lower number than 34%. So you can see that minority home ownership gap is striking. Overall minority households are at 41% as opposed to the 59%. It's about a 17% -- or 18% gap there. We wanted to translate what -- what it means in numbers. And we looked at the next -- where we're at today, we put in trending as far as population growth, and we came up with the following goals. We'll need to create 3,560 new african american homeowners in the next 10 years. We'll need to create 2,711 new asian pacific islanders homeowners. 5,698 hispanic-latino homeowners. 655 native american homeowners. In all, we need to create 12,623 new minority homeowners in the next 10 years. So the next step is obviously, well, how do we get there? Before we take a look at that, we wanted to figure out why -- some of the things as to why this gap does exist in the first place. The first thing we thought we might look at income. Very easy to think, well, income is where it's at. So in looking at -- this is all based on 2000 census data, which is the earliest data -- the latest data that we had that included native american incomes as well. In 2000 median income for white families was \$52,918. African american, \$32,000. Asian families, \$49,000. Hispanic-latino, \$33,000. And native american, \$34,000. But even among families with similar incomes, whites have higher home ownership rates than african americans, hispanic and native americans. We took a look at -- let's partition this off and look at families between 51 and 80% in the different race groups. 48% of white families are homeowners compared to 33%, 15% less, of african americans. And so forth. You can read across there. But you can see the continuing gap. So then we thought let's look at the next tier. 81% to 95%. Again, 58% of white households own their homes. Contrasted with 45% african american. 58% asian pacific islander. 33% hispanic-latino and 50% native american. Going on to families at 95% of median family income and above. 77% of white families own compared to -- 67% of african american. 60% and so on. Again, the gap is still there. So it's not necessarily a function of income. So we looked -- took a look at a lot of other factors. We looked at loan denial rates. One of the dynamic is inadequate information on how to become a homeowner. There's a confidence gap amongst homeowners -- or home buyers. Credit history is a challenge. Lower average incomes is a challenge as well. And of course limited supply, as the first slide illustrated, there is a limited supply of units, affordable households, at incomes below 95%. One of the things we really zeroed on in is denial rates. Looking at all income levels, the denial rates for minorities is much higher than the denial rates for whites. Looking at the above, 7% of white households are denied loans compared to 15% african american, 9% asian. Hispanic is 10%. And native american 13. The denial rates are playing into it. You can read across there for the other statistics. So clearly, hopefully, that sets the stage for some of the issues that we've been facing here. I'm going to now turn it over to rita mccain walker and she'll talk about some of the specific findings from a survey by fannie mae.

**Rica McCain-Walker:** Good morning. My name is rita mccain walker. I work for the Portland development commission. I was hired there to oversee increasing home ownership for residents of the city of Portland, specifically helping p.d.c. to define their role in increasing minority home ownership. So I've been working in the last several months trying to define that. As I define pdc's role in working and increasing minority home ownership, I got pulled into hoac, and I have to really commend the folks that have really sat around the table and took this very seriously. And I think that a lot of good work came out of it. There was a lot of discussion. But just a little bit about me, and I think I must tell you this, i've spent the last 12 years working on several initiatives to increase



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minority home ownership. I've really been in this business, because i've got a banking background for the last 30 years. Anybody that knows me here in Portland will tell you that I take this very seriously and i'm compassionate about the work that needs to get done.

**Francesconi:** That's what we need.

**McCain-Walker:** Ok. But i'd like to start off the part of my presentation by just talking about just home ownership in general. And americans of all ages, incomes and ethnic backgrounds believe deeply in home ownership, and will go to any effort to become homeowners. It is really the most common way for american families to build and pass on wealth from one generation to the next. So home ownership really is about building wealth for families. According to a recent fannie mae survey that was done earlier this year, fannie mae studies show that minority families are still not obtaining home ownership at the rate of white americans. And they categorize those gaps -- categorize those home ownership gaps into four areas. One was credit, affordability, confidence, and information. And as the committee members looked at that, we began to -- it gave us really a framework to really develop the strategies that i'm going to talk about. But the first thing that, you know, came up was credit. We hear a lot of talk about credit. But what the report cited was that most minorities, particularly african americans, the number one reason why they can't buy homes is because of their credit, credit histories, credit scoring. And as we looked at this credit issue, you know, we found some other research to support that it is not really just about credit, credit histories and credit scores, but it has to do with cultural differences, perceptions, and the long history of race problems in this country. Then the second gap had to do with affordability. And that really was the most common reason why people cited, particularly minorities, why they would start the process, but they would not really finish it through. And that really had to do with not having the money for the down payment and closing costs, expenses. Although, you know, I have to say that the rising cost of homes is making it increasingly difficult for all americans to pursue home ownership. Then the next level has to do with confidence. Many minority home buyers still believe the process of finding a home, applying for a mortgage, and getting a home loan is beyond their reach. Or they really feel that they're not people -- there are not people out there that really want to help them to succeed. The overall gap in confidence is reinforced by concerns over other factors, such as discrimination and future home price increases. The fourth gap had to do with information. And despite all the work that's been done, and I would agree with the commissioner, I think the lenders have done a great job in developing products, but the minority community still lacks the general public in having really accurate information about what it takes to become a homeowner. So really to achieve our goal of minority home ownership, and it is an aggressive goal by 2015, it is going to be critical that we change our approach and thinking to reach minority families. Again, much discussion among hoac members has gone into the development of the short-term strategies that are first steps in addressing Portland's low home ownership rates among -- low home ownership rates among minority household. There are long-term strategies tried around the country and they're successful, but we have to first take the tiny steps to get us to some of those long-term strategies. I strongly believe that there are two key components that we need to really close the minority home ownership gap in Portland, and I have to really thank the commissioner Sten for stepping up, because that's what I was going to say, that we need political and civic and civic leadership and need the active involvement of all our housing partners. I often get asked a question -- what is p.d.c. Going to do? P.d.c. Is only a small puzzle in all of this. It takes everybody. There's no way p.d.c. Can bring 12,000 homeowners and make them home buyers in the city of Portland. It's going to take a -- really a community effort to do that.

**Francesconi:** Just to give you a heads-up, i'm going to ask what is p.d.c. is going to do.

**McCain-Walker:** Ok, ok, and that's a good question. I think we can begin to answer some of those questions for you. The first thing that we need to do is to market the city's commitment to minority home ownership. And really, what that really means is that the city has to come out front

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and say they're real serious about this, because there are minority families in this community, and i've spent some time really talking with folks in this community, that really don't know about services that we really have to offer to people. And so we have to make it very clear, by doing some marketing, that we really are serious about this, and we'll be looking at different solutions, you know, to make home ownership real for people. And I know that can be done, because i've worked on a campaign that successfully made some changes. Work with community and housing partners to create a positive atmosphere. And what that means, again, creating this environment that supports minority home ownership, and really making it really comfortable for people to begin to ask the questions, to walk into different institutions, to get the home buyer counseling and education that's needed for them to become homeowners. Third, we're going to create a working committee to exploit issues and design solutions. And there has to be a meaningful debate between our partners, because everybody has a role, and i'm not going to sit here and accuse the lenders of not doing loans, because I think that we need to sit down and talk with our lenders, talk with all of our partners, to find out what roles we each are going to play, and what can we do to kind of -- to close the gap. We're going to examine the mortgage loan process. And by doing that, what we really want to do is to really -- you know, I know that the lenders have products, but being able to match those products to the products that -- for minority families. You know, I could give you some examples of some of the things that have happened to me since i've been here, and I was personally looking for a mortgage loan, and I had a lender in this town who wanted to refer me to a subprime lender. Now I had a great loan officer that said, oh, no, this doesn't have to do -- go that way. What i'm saying is you you've got to have people in positions that really are real serious about really helping people to become homeowners. Again, we talked about publishing a comprehensive home-buying resource directory, and it could be available in print or electronic format. And again, having some number of -- somewhere folks can call in to get information about predatory lending. You know, if i'm going to be working with a predatory loan, what does that mean? Am I in a predatory situation? Is there information? Can I qualify for a grant? You know, the information is out there, but it's really kind of scattered for people to really find. Again, we have to track the loan activity to measure progress. And I think my other copartner's going to talk about really that whole track and measurement that we've come up with, that will help us to track first-time minority home buyers. Number six was to expand education options to increase and reach -- you know, to have that success rate. We're talking about 12,000 people. It's got to be all kinds of mechanisms by which people can get home buyer education. We talked about employer-based education programs, getting into working with businesses and employers, doing home buyer education training. And I know some of that has gone on in Portland. We want to pretty much step that up. Home study. There's web-based learning. There's all kinds of information for people that's on the website we need to broaden our horizons and look at that. Again, home buyer education that's provided by the community, such as I and the faith-based communities, working within the faith-based, the churches, to design home buyer education. Because they have the folks that are there. It's going to be real easy to work with the churches to get them to really feel that -- and get the people to understand that it's going to be part of this whole initiative.

**Sten:** We have to push through because I want to make sure we have time for testimony.

**McCain-Walker:** I'm almost done. We want to champion this effort from city hall. My last thing. This is a community problem. And it calls for community responses by all of our partners. And you can see the puzzle. It's all our partners there. If you're going to close the minority home ownership gap it would take a genuine commitment from everyone. It's not just about helping minority families, but it's truly about helping all Portland residents to reach the goal of home ownership. Home ownership not only benefits residents, but it also will benefit the city of Portland. It makes for better city, a better community, and a better neighborhood. Thank you.

**Sten:** Thank you. Your passion is obvious.

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**Miller:** I will quickly go through what we're hoping to get from you, city council. First and foremost, we're looking for leadership in this effort. And looking for this effort to be championed from city council. We would like you to adopt the goal of closing the home ownership gap by the year 2015. We would like to increase funding in future budget years and thank you, it looks like we may be able to get some in this budget year, which is an excellent move also, really looking at your rallying cry to mobilize the private and nonprofit sector to increase the capacity of this effort. And focus city resources on closing the gap. Now I'd like to invite Tom up. He's going to talk a little bit about how to measure our success in this effort.

**Sten:** Good morning, Tom.

**Tom Cusack:** Good morning. I'm Tom, Cusack, field office director, HOAC. I appreciate the opportunity to talk about the tracking mechanism that we set up as part of the HOAC group. The reality was many of us were surprised when the home ownership rates didn't change at all for African Americans and or Hispanics during the last decade. So what's really critical is establishing a goal that's being proposed to the city council is the first national situation I'm aware of in a city this size where a city would actually commit to that goal. So it's really, really important, and it's very a very positive step, but equally positive and important is making sure we track our progress toward that goal every year. So while I know the federal government is often accused of never doing anything fast or simple, the one-page form that we've put together as part of this package and page 23, as I recall, based will just track performance against that goal on an annualized basis so that we can make adjustments and kind of see, you know, what positive things have happened and what the trends are over some period. And the hope is to be able to do a baseline analysis of recent progress and then use that as we move forward to sort of see how we can improve the performance that's occurring.

**Sten:** Thank you. Are there questions from the council for the panel? Thank you so much. And we're going to go to public testimony now. And I did have a couple invited guests. Peg Malloy from the housing center and Bernie Foster from the African American -- or Vicky Bell. [inaudible]

**Saltzman:** He couldn't stay away from the microphone.

**Sten:** Your invited testimony, given that the crowd is building up behind you, see if you can limit it to three minutes.

**Bernie Foster:** I'll be real brief. My name is Bernie Foster. I've been involved in this project for quite some time. There's some very, very important points missed by the HOAC committee. By the way, I do want to recognize some of my members back here as well. I think they made some extremely good points in terms of tracking this particularly, and also fact that information is -- I say information is a catalyst for change, often resulting in changes. So it's important that the information that we do at the top level gets filtered down to those that necessarily use it in the service. One of the things that I found out, too, and I think Commissioner Francesconi made a good point, when he said earlier, in the other hearing, was the fact that -- that the policies -- the grassroots people are the ones that make those levels, and bring it up to you guys to make the good, hard policies. So if you've got good programs that work, look at those programs, not saying that some are not good, but look at those new programs. If we continue to operate in 1940, which this is 2004, then obviously there's a lot of shortcuts. So the issue I just want to say, and I'll just shut up now and turn it over to Vicky, but I think that HOAC committee has made a good report, looking forward to working with you, and we want to thank you for your support and your help, but let's look and think beyond -- out of the box. We can continue to function -- can't continue to function in the way that we have the last five, six years, if you intend to close that gap. It's really a major problem out there. By the way, I do this because it's important to me. I should be out trying to make a few dollars, but I'm here today, but I think it's important that -- that we get out and do these kind of things. I think, you know, it will be a better society. I'll turn it over to Vicky now.

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**Vicky Bell:** My name is vicky bell, representing african american alliance for home ownership. And our group was formed by bernie foster in 1999 because of his concern of the low home ownership rate of african americans in Oregon. He brought together housing, business, governmental professionals, to see what could be done to bridge this gap. Our mission is to increase home ownership, economic stability for african americans by improving access, ensuring advocacy, and providing awareness in education. As a group, we immediately made history. Never before in Oregon had 700 african americans been brought together with the focus being on home ownership. And we had our first home buying fair, which was a huge success. Thanks to all of our supporters and vendors. We have had an annual event since then, and we're about ready to plan our fifth fair. Just as there's been a leading role to make that happen, we should be playing an active and leading role in bridging this gap. There are a lot of hard-working people in the housing industry, but we -- we feel that we best serve this niche. We're requesting that the Portland city councilmembers strongly support our continued work. We can best lead this effort, because we show african americans respect and dignity, and we are not judgmental, we are compassionate, and we're not making excuses why things can't be done. We are thinking outside of the box. Bernie stole that from me, but -- we don't care how many calls we have to make. We are here for the long haul, to help people reach their goals for home ownership. We have the experience and expertise and commitment. And we are willing to go to them through -- to our churches and to the employers and to the schools. And our expectations higher, and we know it can be done. We have proven results. Because of our efforts several people have become homeowners. We give motivated -- give motivation needed to overcome hurdles. We have all heard the statistics, so i'm not going to repeat any of those. I was a little girl in Oregon, and I heard my grandmother and my parents speak the same words -- we have a long ways to go. Well, now, I have grandchildren, and i'm still hearing the same words -- we have a long ways to go. We need to take action now. To give all the reasons why we're in such a disparate gap is far too complex for me and could be part of the symptoms of the past. Just last week, I had to reassure a client of mine that the language in her covenants and conditions and restrictions, cc&r's, do not apply and are illegal. It's stated that there would be no sale to asians or negroes in the subdivision, and she was highly upset. On saturday, we had a table set up at the bethel church. A young girl came up to my table and asked me, what would it cost to buy a house? And I said, well, you could probably find one for about \$140,000, and she gasped. She said -- in shock -- what? I said, wait a minute, how old are you? She said, i'm in the tenth grade at lincoln high school. I told her to get the best education she could, the best job, and to save her money, because she didn't have to have the whole \$140,000. She just needed to have a down payment in the bank. And the bank would finance the rest. I gave her my article that I had done and told her to read that. And the reason I brought that up is because Oregon will need 3500 new african american homeowners within the next 10 years to close the gap. And I knew I was probably talking to one of those future homeowners in the next seven years or so. To reach the goal we need everyone working together as partners. We need employers. We need schools. We need the churches and government, housing professionals, banks and mortgage companies. And we can't have business as usual. We don't want to work with partners that are in it for the minute. We are not going to allow someone to just decline a loan and not give us a plan of action on what to do about it. And I -- so our goal is to help bridge that gap. Thank you very much.

**Sten:** Thank you.

**Peg Malloy:** Peg malloy, Portland housing center.

**Sten:** The mikes have been having problems today. So speak up.

**Malloy:** Sitting here for the testimony, I was trying to come up with something a little different. First of all, we're closing our fiscal year 2004. And we have 328 new homeowners that bought houses that we've been able to track. And of those 120 were minorities. So trying to think through what kind of lessons have we learned, and what kind of new things could happen, I wanted to relate

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it to the fannie mae survey. One thing on the leadership part, which would be kind of curious, and i'm not sure how to save this quickly, but it would save a lot of time if we would a credit report error-free city. A lot of times credit scores are based on so many errors on a credit report, and they're based by credit companies just not getting all the facts straight. So it would be nice if Portland itself said we want to have a city that doesn't put errors on its credit reports so people can buy houses. Also every time you get a -- go to the gap and buy something, and they offer you a credit card, and they do your credit check, that, too, going to make your credit score lower. So there's little things that can happen. Maybe not on this mike. The other thing is we've had probably a thousand people come to our door this year. A lot of people, it's friends and families, 60%. That's how they're hearing it. But the leadership in terms of the council is that Portland is a good place to buy a home, that it isn't just about low-income people. There's a lot of people of color that aren't yet buying in Portland. And initiatives like the african american alliance is really doing something about trying to get people to think Portland is a place to settle in. I think those kinds of things need to be supported. The affordability gap is huge. There still needs to be more inventory. It's about \$25,000 that you really do need to be able to have to buy a house. And even then there needs to be subsidy. So I think that we have the -- we all have the capacity. I think part of it is still the financial education. You're talking 10 years out, you're talking about schools. And we're looking to do more financial education in the schools, because it's going to start earlier to get the customers of tomorrow to be able to actually know that what it means to have credit cards and what it means to pay bills on time. And those are the folks that we're really looking to have be our future homeowners. So having those kind of programs, a credit report error-free city, and really have more leadership on the council to also think in terms, not of what only services in english, but in spanish too. If you've listened to some of the spanish language stations, those interest-free loans do cost people a lot of money. We need to get more information out about, yeah, house prices are going up, but there's other ways you can purchase. Thank you.

**Sten:** Thank you.

**Daisy Santos:** Hello. My name is daisy santos, one of the homeowners that participated in the programs you've been hearing about. I've had my home for the last 90 days. If you asked me two years ago if I would have been a homeowner I would have laughed and said there was no way I would have even considered it. I saw my single income, also saw my race, and my gender as barriers that I did not think I could break down in order to own a home. I also didn't feel that I would have family support as a single woman out here, my family is back on the east coast. So I chose to stay a renter. It was through the awareness of friends that led me to the fair that also subsequently to the classes. I was able to raise my i.q. when it came to knowing about home ownership, what it would take to go through the process, and to learn that daunting language, but there was also something that was missing, and that was the confidence-building and encouragement. I got that through the awe program that added the coach. The coach for me provided a system that I would have normally have gotten from a family, but I was able to get it through this mentoring coaching system. It also helped me with the motions that tend to -- emotions that tend to get in the way when you're about to purchase a home. It also gave me the reassurance that I was balancing by i.q. academically. A coach really did coach me along. It was through the -- all the pieces coming together that helped me to become one of those numbers that you see to step out and put a face with the number. So I want to encourage you to support these programs and to help to dispel son of the notions that because we walk and talk we look good, but really there's a lot that goes on inside, and about establishing networks to make major steps and also have those conversations. Culturally, I overcame barriers by being able to see people like myself who have the same culture experiences as myself, that could relate to what I was feeling, as well as helping me articulate, and also balancing the real world. If I can do it, you can do it, and that's what I needed, that encouragement. Also I really appreciate all that daunting contractual language able to

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be broken down and give me the reassurance that I did indeed have an i.q. to understand it all.

Thank you.

**Saltzman:** Thank you.

**Sten:** Do we have any people signed up to testify?

**Moore:** We do.

**Sten:** We'll call you three at a time and you'll each have three minutes.

**Henry Esparza:** Good morning. My name is henry esparza, with gmac mortgage. I'd like to thank the council and particularly commissioner Francesconi for including us in this conversation. We appreciate the opportunity to give our perspective on possible partnerships with the city of Portland concerning what we can do to improve minority home ownership in the city of Portland. Basically after I was asked to participate here today, I solicited the help of gmac mortgagee head of minority home ownership his name is enio garcia. With his help we'll be able to offer a commitment when the city is open and ask us for that particular commitment. Gmac mortgage we believe the first steps to home ownership, are education, reliable and responsible real estate professionals, and a variety of programs and products that fit today's market. These include closing cost grants, 100% products, subordinate financing options, and adjustable rate mortgages, both in conventional and government guide lines. Also the available of interest-only products has even opened the door further for some minority homeowners. After access to the strategies set forth by the committee, some of the ideas mentioned include closing cost grants, of course, affinity programs, which include lower costs, and also lower rates. Access to our extensive list of programs and funds set aside at a predetermined rate. I had like to express our commitment and open-mindedness to this issue before us and would like to open the floor if there are any questions that I can answer for you.

**Saltzman:** Thank you.

**Sten:** Thank you.

**Bahia Overton:** Good morning. My name is bahia overton and I'd like to say thank you again to the council for inviting, and specifically commissioner Francesconi for inviting me to speak today. I'm actually right now currently a resident of vancouver. Not because I really want to be, but because that's really where I can afford to be right now. I'd like to say that I am a graduate of harriet tubman middle school, and benson polytechnic high school, and fisk university, and finished my graduate studies at Portland state university, as did my husband. I met him at tubman and went to benson together. We went away with the idea we'd come back, be in our community, and be success stories for a lot of the residents for how we were able to go, get a good education, come back, get good jobs, and be able to have a home and be in the community. And what we found was that we were no longer able to afford homes in the communities we grew up in. I grew up off of ninth and fremont. He grew up on 18th and prescott. The homes in those areas are way higher than what we can afford. Actually they're not even that much higher than we can afford, it's just that when we actually went to try to get a house, and we went through the process, and we saved a little bit of money, and realized that we might want to put it towards our closing costs, because it wasn't going to help us to put it down, we were learning as we went along. What I kept finding is that all my friends that I went to school with, mostly my white friends, were able to get these really nice gifts from their families that they put down \$30,000, and then they were able to afford homes that we would -- I mean, we have the same incomes, similar credit ratings, everything, but we couldn't afford on a monthly basis those mortgages, because we didn't have that amount to put down. I'm just coming to hope that maybe the council, since i've heard is very dedicated to maintaining diverse communities, and inner northeast being the most diverse community in Portland, that there might be some money secured in some areas, some -- to help families like ours, so that we can be in the community and we can be able to -- you know, can share with the younger folks what we've done and what we were able to accomplish. I think if that doesn't happen, if there isn't money to help

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with closing costs, if there isn't money set aside to help with down payments, then we're going to continue to have to move out and won't be able to be here. So thank you.

**Saltzman:** Thank you.

**Mike Paul:** Thank you. Good morning, commissioners. My name is Mike Paul. I'm with a bank. I'll speak on behalf of the Oregon Bankers Association this morning. But not that loudly. I want to confine my comments to three or four areas. First one is there's a strong correlation between home ownership and networking, not only with households and the community. Definitely a parallel between home ownership and wealth. Thank you. There's a greater value -- greater stability of property value in -- with home ownership than non-home ownership. Business investment tends to be higher in areas that have high incidence of -- feedback -- high incidence of home ownership, and also the whole liability factor of communities would be higher.

**Sten:** Speak up and get it away from you.

**Paul:** Yeah. Some of the statistics are a little bit alarming. [unintelligible] maybe I should send an email. It would be easier. [laughter] in any case, I think where the banking association can get behind what's happening here, would be in the area of a down payment assist program. That I think is the biggest factor that can lead to more immediate qualification for minority households. There are a number of things happening right now among lending partners out there. The network of affordable housing that does very much that same thing for multifamily housing. There's a movement under way to provide more financial literacy education in the high schools and grade schools, middle schools. That's been happening for a couple years. And also the federal home loan bank that makes mortgages, funding assistance available, also has some down payment assistance. In short, or long, very much like to work with the city in providing some additional resources to make sure that we can close that gap by 2015.

**Saltzman:** Thank you very much. Anybody else?

**Jane Leo:** I'm Jane Leo, governmental affairs director for the Portland metropolitan association of realtors on southwest Macadam. And on behalf of the 6100 members of the association, we encourage you to accept HCD's recommendations to increase minority home ownership in the city. I have using acronyms, government is one big acronym so when I refer to Pmar I do mean the realtors association. Pmar has long supported efforts to increase the number of minority homeowners. We provide resources to our members as to the needs of minority clients. Additionally we've undertaken efforts to attract minorities into the real estate industry. Outreach targeted communication and mentoring have been key to this program. Home ownership is key to a stable, healthy and economically viable community. Our strong belief in the value of homeownership has made Pmar a natural partner with many you've heard from today, such as host, Portland Housing Center, Fannie Mae, U.S. Department of Housing and Urban Development. It's heartening to see the support for home ownership, but the report and recommendations coming before you are just the starting point. The city is encouraged to take the next steps to develop and implement the strategies outlined in the report and fund a program that ensures the strategies are carried out, measured, evaluated, and taken to the next level. The city needs to commit the financial resources to, at minimum, a full-time staff person responsible for championing this home ownership program. I understand that the program is currently fragmented between three city staff people. This structure won't get the job done. It certainly doesn't reflect the commitment to home ownership and keeping families in the city. A commitment -- a comment rather is made in the report that traditionally the city has not allocated an equitable amount of resources to home ownership programs. We encourage you to take this opportunity to change that truth. We agree with the statement found on page eight, and you've heard it here before here from others, that to reach our goals two keys are political leadership and the active involvement of all our housing partners. We ask that you expand your partners beyond the traditional real estate groups to include the community leaders such as those that have spoken today and those also mentioned by

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commissioner Sten. What the realtor association has found is that while the minority group may have the financial resources, there are cultural boundaries. For example, in some asian languages, there is no word for escrow, and yet anyone who has gone through the process knows that's a key component to all the steps. Those hurdles can be overcome, and that's where community leaders, as trusted individuals in the individual neighborhoods can become a conduit of the message of the value of home ownership and the process. The employer-assisted housing programs mentioned in the report are supported by the association. Years ago, I explored with commissioner Francesconi what the city could do to provide incentives to private business to implement down payment assistance programs. I asked that the city model the way, and it did through the creation of the afl-cio home street down payment assistance program, and we ask that you to continue to model the way with this program.

**Saltzman:** Thank you, jane. Your time is up. We have your statements.

**Leo:** Ok. Thank you.

**Francesconi:** Do you have any money, jane, to put into this from the realtors?

**Saltzman:** While you're here.

**Leo:** We did achieve permission through the legislature in our last session to start a home ownership foundation. And that would be -- funds would be used through that. We're modeling it after a very successful program that was started by the colorado association of realtors. And we are looking at minimum \$5 million a year going into that program. But we had to get permission through the legislature first, so we're just at the beginning steps of that. But there are many programs that can assist in the down payment process, and a lot of it, though, is getting information out to people so that they know they can tap into those. And that's where your website is exciting and we do have those pieces of information we can contribute to it. So we do ask that we be able to partner with you in putting this program into place and building something that will really succeed.

**Saltzman:** Thank you.

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

**Saltzman:** Anybody else in the audience wish to testify on this item? Ok. Then we'll move to roll call.

**Francesconi:** Well, this is terrific. And the testimony, especially from those that could benefit the most, was terrific here today. I appreciate commissioner Sten leading this effort and committing us to a specific goal by which we can measure things. And also committing a million dollars to the effort. That's all very significant. As to how this is staffed I leave to commissioner and to the bureaus. It sounds like we have somebody dedicated at p.d.c. to the issue, but it seems like there does need to be some dedicated staffing to this issue. I'd like to thank gmac, the Oregon bankers, the realtors as well for coming, and one of the things I like about the report is the effort to engage the private sector, because this is all of our responsibilities. We all want this to happen. I also want to thank bhcd and the committee for really taking the initiative on this because you actually issued a report to us about eight months ago, nine months ago, in which you pointed out the problem to us and asked us to step up. So that's why I pushed for a million dollars in our budget hearing, but this was a better way for the -- for it to come about. So I appreciate you doing this. But again, if i'm unaware of all that's happening by this next remark, then forgive me for it, but i'm a little surprised it's taken this long to get to this. I do understand you need championship from the council, and I do understand you need resources set aside, but the lenders have been out there. We're aware of the problem. A lot of this didn't have to wait for this report. You know, the fact that we haven't done more to engage the private sector on an issue that's so critical here, there's frankly not a lot of excuses for it. I'm saying that by way of now we have to make sure this report doesn't sit on a shelf and that we need to execute based upon this. I'm confident that we're going to do that. So if we could have regular reports to the council as to the progress being made on this, at least written



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reports every three months or so with more detailed reports later, but also do what you did in this report, which is say to us what it is you need for us to do. I mean, the role i'd like to help commissioner Sten play is on the private sector side, how we engage more on the private sector. I still believe in the employer-assisted housing idea that was referenced by Jane Leo here. We did put together a program with the AFL-CIO's resources. That buy down payments in fact somebody in my office used the program to buy a home. How we do that with other employers that are looking - - we have so much talented people of color coming into the community, and they're very much demand by many employers. If they would assist in employer-assisted housing programs, it's a way to keep some of this talent in our community. So I do believe University of Portland's model has now surpassed Emanuel Hospital, and it's a very good model on employer-assisted housing we should gauge in this. There's little ideas that Peg Malloy had to improve the credit, that I had no idea about, that we should also take advantage, but her bigger point about marketing our city as a great place to live, raise children, and have families with good schools, is something that we do need to do, because many people of color are choosing to move outside. And how we market our city is something I hadn't quite thought of until Peg said it. So continue to push us, as you've done. We'll continue to push you. And the reason is we want to benefit some of these potential home buyers that testified today that will make us a better city. Aye. Oh, and I want to thank Malik Bell for the work he's done on staffing this. Aye.

**Saltzman:** I want to commend the committee. You've given us a good report, some tangible goals now. And I think we have at least the beginning of the resources to make some substantive progress towards those goals. I think as Commissioner Francesconi just said, we have to hold each other -- each have to hold each other accountable, you through our budget process, and us through our ability to perform with how we use these taxpayer dollars. I'm particularly heartened to see money going toward down payment assistance. That's the biggest area where we can get the most home ownership for the dollar. I think that's where we need to really focus our resources. Aye.

**Sten:** I think I made my closing comment at my opening, so I'm once again going to thank the committee, thank our private sector partners, the staff as bhcd, Trell Anderson and his team, and also p.d.c. It was terrific to hear your passion and expertise, which is the great combination you've got to have both. With that, I don't want to say more, I want to say bring it back and show some action rather than talking about. Aye.

**Saltzman:** Ok. That brings us to our regular agenda. Item 994.

**Item 994.**

**Saltzman:** I think the members of the council will recall that the city's current core financial system is a 16-year-old system that does not efficiently meet the city's business needs. A technology-needs assessment was completed by the government finance officers association in 2004. The recommendation of the report was the replacement with an enterprise resource planning system. During a work session that we had just recently on July 27, the office of management and finance briefed the council on the need for this enterprise resource planning system to replace the current system and many shadow systems. At the conclusion of the work session, the council directed the office of management and finance to take the necessary steps to acquire and implement the enterprise resource planning system. This resolution formalizes the council's direction on the enterprise resource planning project. Did anybody need to say anything? Ok.

**Ken Rust:** Ken Rust, director of the bureau of financial services. Commissioner Saltzman, I think you did a good job of summarizing the resolution that's in front of you and how we got here. I'm here to answer any questions you may have.

**Saltzman:** Any questions? Ok. When we get Karla back, she'll call the roll. We're ready for the roll.

**Francesconi:** Well, this is an expensive undertaking to begin, especially now, but it'd be more expensive not to do it. I wasn't quite sure what I thought about the timing of this project, until I

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talked to one of my bureau managers, who told me that the lack of adequate financial data by which the plan can project how to move forward with the running of the bureau, actually a little frightening, so we have no choice but to do this. Now the next step will be make sure we execute it in the most cost-efficient way without errors that end up haunting us. I have confidence we have a team in place, but it's incumbent on all of us to watch this and make sure it's done right. Aye.

**Saltzman:** This does seem to be a very necessary investment, and i'm confident from our briefing on July 27 that we will employ all the safeguards in the selection of a vendor that we have with the selection of our computer information system for water and sewer billing, and so I feel very confident we've got the right mechanisms, independent quality assurance, and all that in place to make sure this process moves smoothly. Aye.

**Sten:** Aye.

**Saltzman:** Next item is 995.

**Item 995.**

**Saltzman:** Ed, take it away.

**Ed Rutledge:** All right. I'm Ed Rutledge the labor employee relations manager. I work in b.h.r. This concerns the settlement of four grievances that essentially stemmed out of the -- it's hard to remember all this when it's 85 out, but you may recall the last new year's holiday era, there was a snow event that kind of froze the city down. During that period of time a number of employees in the bureau of maintenance worked an extraordinary number of hours, and as we did some research, and I want to compliment both the bureau and also local 483, on the amount of research that went into getting to these particular grievance settlements, but we did find a number of situations where employees worked through meal periods and etc. It's taken a number of months to do the research, work with the local -- work with the bureau, and we offer up these -- this settlement package for these four grievances, one of which is going to be withdrawn.

**Saltzman:** Any questions? Ok. Does anybody wish to testify on this? Ok. Roll call.

**Harry Auerbach, City Attorney Office:** It's an emergency item, so you'll want to continue the vote till tomorrow afternoon.

**Saltzman:** Okay. We'll continue the vote until tomorrow afternoon. Sorry about that.

**Francesconi:** If it's all right let me make a brief comment now then I won't do it again. I just wanted to thank everybody at the bureau of maintenance, local 483 and especially the workers. They performed heroic duties during this. And they really stepped up and it was really a privilege for me to actually be able to observe it. They really kept commerce flowing in the city of Portland. They kept residents able to function. They did such a terrific job through the course of it there were some grievances that arose, but none of that was ever thought of by the employees who came in and gave of their time and were -- shifts were a little irregular and people were coming in, but nobody thought of that, they only thought of the city. Afterwards we had to work through some issues, and both sides stepped to work through it, with the leadership of Jeannie Nyquist, who's leaving us, who's retiring or about to retire, soon to retire. But I want to thank her, but the leadership of Mayor and local 483 for coming together and resolving this so we can continue to do our jobs on a day in, day out base. So thank you.

**Saltzman:** Ok. We'll move on to the next item, which is s-996.

**Item 996.**

**Francesconi:** I think we can vote on this one right now. [inaudible]

**Matt Brown:** I thought this was the one that worked. Good morning. Matt Brown, project manager with pdot. Just wanted to get a few things out before we go to the second reading on this. As you know, the decision before council on this item is a critical step in our aerial tram process. And approving the local improvement district for the tram will essentially lock the final funding piece of the project into place. It's about 2/3 of the project funding. So this is very critical for the project. As we move to finalize construction contracts over the next few months, it's very important

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for to us have these funding commitments locked in place. The tram is really the most critical piece of infrastructure in our redevelopment strategy for south waterfront. And it's essentially the key that unlocks the development potential for the district. The catalytic nature of this project's already begun to transform the district. We see the ongoing development activity in south waterfront, but also increasing property values. And it's really not the end. It's not just the central district. It's the entire district this project is going to transform, accelerating the rate of development, increasing property values, and ensuring we're able to meet the development potential of the district. Beyond that, the tram is going to help energize and revitalize parts of our neighborhoods in south Portland. Pedestrian bridge, taking regional traffic out of the neighborhoods. The tram again is going to help do those things. We think we've crafted a very fair l.i.d. strategy for the project. Consider some specific pieces about the l.i.d. We've given specific consideration to each property in the district in terms of credit for future street right-of-way dedications, future greenway setback. They then based the assessments on the developable area of each parcel so we're not assessing property that won't benefit from the project. We've applied a distant factor that acknowledges the higher benefit that properties closer to the tram will have based on their higher development potential and their ability to capitalize on the thousands of riders using the tram. I think the approach is fair and equitable and it's really seen in the majority of support that we've received from property owners in south waterfront. We're sitting at about 56%, if you look at just the south waterfront area. So, I mean, ultimately that's a very fair test of whether methodology is fair and equitable for local improvement district. We've heard from property owners in this process about the issues of fairness and equitability. We've been able to address some, but not all of those issues, that have come out, and specifically the extent of benefit that z.r.z. Reality and swinerton have raised in the context of this l.i.d. and how much they believe they'll benefit from the tram. We have evidence in front of you in the record that supports the proposed assessment methodology for the tram, including the analysis performed by eric hovey for pdot, and that shows that properties throughout the district will benefit from the tram project, even if those properties have higher land costs and lower redevelopment densities. In contrast, I think in front of you you have evidence that z.r.z. Reality has submitted through its consultant eco northwest, that contends that property values may even decrease as a result of the construction of the tram and the assessment of the l.i.d. On the other hand they say that one day we will benefit from the tram project. So setting aside that assertion that property values are going to decrease, because I think it's pretty inconsistent with the recent experience we've seen in property values in the district, what's happening today, as well as, again, the evidence that we've entered in from our consultant with eric hovey, I think their point that they will ultimately benefit is fairly telling on this. It's precisely the standard upon which you form an l.i.d. and the measure that you -- you use. And so their benefit has to be defined based on the highest and best use of the property, even if that's 10 or 15 years out into the future. So in closing, I just want to reiterate, you have the findings in front of you, I think, to be able to move this ordinance on, including the findings that the properties will benefit from the tram project, at least to the extent of their assessment. Over time I think we're all going to discover that these properties are going to benefit greatly from this project, and that the l.i.d. was formed fairly and equitably. Thank you.

**Saltzman:** Ok. So this is the second reading, so roll call.

**Francesconi:** Well, with -- this is also about jobs, both construction jobs now, construction jobs in the future, based on -- a research-based university, but with the matter here at hand, we do have an analysis from two economic firms in front of us, but we also have some recent experience from property values in the district that has been provided to us by the central district property owners. Our findings here today, my belief, is that the analysis by eric hovey showed a variety of scenarios for redevelopment in the district that would generate property value increases in the district. At least as high as the assessment. This is supported by the property values that we've already seen rising in anticipation of the tram being completed. I have to find that the assertion of eco northwest,

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that the tram is not going to benefit the z.r.z. Properties, and potentially even reduce the value, just not as credible. So with that finding, and with the belief that we can disagree about things like findings, but still find common ground to move ahead, which i'm confident that we will do, I vote aye.

**Saltzman:** I also believe the findings and the reports adequately demonstrate that there will be substantial benefit in terms of property value increases to the property owners in excess of the cost of this l.i.d., and therefore I support it. Aye.

**Sten:** Aye.

**Sten:** Ok. 997.

**Saltzman:** Members of the council, this proposal i'm submitting today is a first reading, will cap the dollar amount that the sewer and water ratepayers pay to the city's general fund at this year's level of just under \$17 million. Capping the utility license fee will provide our water and sewer ratepayers with some much-needed rate relief. I hear, and we all hear, from ratepayers almost every day, that our rapidly rising utility rates cause them real pain, and this is true for both our residential and for our business ratepayers. In particular, our commercial and manufacturing customers find themselves pressured to relocate to other cities. I've seen the numbers and our increasing rates create a competitive imbalance with other cities nationally and abroad. In some cases Portland companies have an annual cost for water and sewer upwards of \$1 million. In april I had the chance to visit dean foods in north Portland, in the rivergate area. Dean foods, may not recognize their name, but you would recognize their labels, steinfeld's pickles, nalley's pickles and relish. They are a national company, even a global company. We talked a lot about their sewer costs, particularly for this plant in Portland and what it's going to keep to keep this plant here with the 150 jobs it maintains, and also the many farmers who grow cucumbers who it supports. And their unit sewer cost for their primary plant is twice that of their green bay plant or of their colorado plant, both of which are real possibilities where they could be consolidated, too. They also further face the risk that these jobs could actually be exported overseas. So the risk of high sewer costs and the jobs that are in jeopardy as a result of them are very real, or were made very real to me by this situation in my visit with them. I want to be clear here though, that portland's average rate payer will not see a dramatic decrease in their sewer and water bills next year. The benefit really will increase over time. Larger customers like our struggling manufacturing employers will see a proportionately larger benefit. But this action will help all rate payers. On the water side alone we are projecting a savings to rate payers of approximately 5.5 million dollars over the next five years. And the savings to rate payers will continue to grow in the future. Those are real dollars staying in people's pockets. Our sewer utility pays the current utility license fee out of its debt coverage. So this means that the rate payer's savings begins more gradually and accelerate over time. Sewer rate payers will save approximately \$156 million over the next 20 years with my proposed limits. Still we must be careful not to overpromise. This is a necessary step that will not by itself solve the problem of high water and sewer rates. What it does is puts in place a first instrument to slow the pace at which these rates will increase. And it's also important to note that sewer and water customers still will be contributing \$17 million annually to vital services such as police and fire currently funded through the general fund. This proposal will not create a gapping hole in the current general fund. It halts future increases in the amount paid to the general fund out of the license fee. But it does so in a manageable way, I believe. And I believe that setting this limit on the utility franchise fee shows let our community that the city council gets it. We finally heard ratepayer concerns about sewer and water rates are as significant as any issue we have dealt with. People from all walks of life have testified to us about the impacts of high water and sewer rates, and as I suggested a few months ago I think it was time to bring consideration of this proposal to cap the license fee as one way of bringing some rate relief. Albeit realizing there is an impact on the general fund. We know these bills have an impact on people's lives and on businesses bottom

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line. I'm committed to doing everything in my power to soften that impact. I hope my colleagues can join me in supporting this commitment. We have some people to testify. I want to invite up martin wilson, first, the chair of the Portland utility review board because I realize he has a time constraint. Marty? You're first.

**Marty Wilson:** Thank you, commissioner Saltzman. Marty wilson, chair of the Portland utilities review board, better known as purb. I will be very brief. The current purb is very supportive of commissioner Saltzman's proposal to limit the license fees for both water and sewer utilities to about \$17 million. As a cap. We like the cap and I should say that prior purb's going back as far as I have reviewed have all been in favor of either the roll back or the elimination of this fee. We think it's a great start and we like it for one more reason and that is I am a forever optimist and I know we are projecting rate increases and it seems very practical that these rate increases will happen. But I also have to think of the possibility of rate decreases. And this cap would even, this philosophy here, would still allow us to actually pay less, if we are able to decrease rates in either of the sewer area and/or the water area. So we welcome it. And we are very supportive of it. Thanks.

**Saltzman:** Thank you. Do we have people signed up?

**Moore:** We do. We have scott fernandez, greg peden and kent crawford.

**Saltzman:** If you could just state your name, you have three minutes.

**Moore:** I have a timer.

**Saltzman:** Karla has a timer going.

**Scott Fernandez, 1921 NE 65<sup>th</sup>, 97213:** My name is scott fernandez and I am also a member of the Portland utility review board. I am here to speak only on my behalf, though. I would like to thank the council for bringing this issue forward. And especially commissioner Saltzman and I believe that this issue complements what we have heard this morning. We have heard about affordable housing and this is another part of that and the cost of living and the cost of maintaining a house is one piece of the puzzle that we need to keep in mind. This would help that situation immensely. Earlier this year, I attended neighborhood meetings on budgets for the city of Portland, and at the rose city budget hearing, where I was, the cost of living and the cost of doing business was a concern for the citizens. We also heard that at the st. John's budget proposal meetings where testimony was given by the business and residential community on the cost of doing business and cost of living and the ultimate impacts that they would have. We have heard earlier this week that forbes magazine has listed Portland as one of the more cost of living -- one of the highest cost of living cities in the united states and yesterday we saw that the northwest natural gas is going to be increasing their utility bills approximately 18%. Possibly this fall so that's going to add to the cost of living. Therefore, I strongly support the ordinance that you have put forward, and I think that this is a starting point, a first step that should be periodically reviewed for its impact on the cost of business and the cost of living. Thank you.

**Greg Peden:** Commissioner, greg peden with the Portland business alliance. Good afternoon. I think I would be echoing what scott has said and what dan, commissioner Saltzman has said. We are very supportive of this ordinance. And this alteration to the franchise fee. We have spent a lot of time with commissioner Saltzman and his staff talking about the sewer and water rates and this issue in particular. I would like to commend you and your staff on listening. Glad to hear that you have gone out and looked at businesses and understood directly from them their, the impacts of sewer and water rates and appreciate the recognition that this is an issue for business and your willingness to take it on. Thank you.

**Kent Craford:** Commissioners, good morning. My name is kent craford. I am with the portland water water users coalition and as you know we are a group of large industrial and commercial water and sewer customers in the city of Portland. Our coalition includes dean foods as a member and I don't know if anybody from dean is here in the audience today but they are right in the middle

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of their fresh pickle pack so they apologize but they are just extremely busy right now. Although I will tell you that they are strongly supportive, as all of our members are, of this proposal. And so I am here today to express our support. I have a prepared statement. I encourage you to read. But I would just like to really focus in on a key kind of fundamental, underlying issue here that your proposal addresses, commissioner. And that is that you of course, set the utility license fee or franchise fee, you also decide how to spend that money. But you also set the rates upon which the revenue from that fee is generated. In our minds this is very bad public policy. Because what it does, whether this incentive is followed or not, it does create a perverse incentive to keep water and sewer rates high. So we felt for a long time that delinking these two is a very important step, a cap would do that. Because it does not charge a rate on water and sewer revenues, but simply just a flat transfer so this is a very positive step in the right direction. I think it's good public policy. We strongly support it. We would eventually like to see a continued phaseout or even an ultimate elimination of the franchise fee altogether. We do not feel that this is a justifiable or relevant fee to be charging Portland's water and sewer utilities and we are essentially double dipping or double taxing the Portland ratepayer by doing this. So again we appreciate this. I do want to tell you, too, we commend your I guess level-headedness in approaching this issue, recognizing that while this is a step in the right direction, it will not mean significant rate relief. We know b.s. Alone is projecting 5.9% rate increases for the foreseeable future. Over five years that compounds to over 33%. What we are talking about today is .14% decrease in that rate of increase for b.e.s. So this is really just nipping at the margins. It's a positive step but in terms of rate relief, we have a lot more work to do. We appreciate the efforts your office has taken in the last few months to address those issues. Appreciate and thank you for recognizing the problem have with our unsustainable rate growth in Portland, and look forward to working with you on bigger issues, more significant issues to impact rates.

**Saltzman:** Anybody else?

**Moore:** I'm sorry. Yes. Chrissy marks and lise glancy.

**Tracy Marks:** Good afternoon, my name is Tracy Marks. I am the hotel manager at the Portland Hilton. And I am here in support of the license fee cap ordinance. We applaud your efforts, commissioner Saltzman, and as Kent just stated, anything you could do to continue that reduction would be appreciated. We, like Dean Foods, are a very big user of water. Approximately just at our one hotel and we have four hotels in the Portland area, 50 million cubic feet a year at a cost of half a million bucks. When you include our central laundry and our over three hotels it brings us back to about the figure you were discussing for Dean, \$1 million a year. So anything that we can do to get a little relief on what the rates and the cap fees are would certainly be appreciated. Like many businesses in Portland we are still struggling with the difficult economic situation. We are hovering around 60% occupancy. And our average rates, what we charge our guest for rooms, is actually 20% lower than it was just four years ago. So if our water rates continue to go up 6% a year and we are taking in 5% less from our customers, that puts us in a heck of an economic bind and what we have to do ultimately is look elsewhere to make up those differences. Unfortunately, what that means employing less people, less Portlanders, less taxpayers into our system. And that's the last thing that any of us want. We want to gainfully employ as many people as we can to help the city's economic situation, and, of course, to pump some more money into government coffers. Anything we can do to continue not only to look at the cap but as Kent said to further look at reductions would be appreciated. In closing I would just like to support again councilman Saltzman's efforts and ask all of you to take economic -- ok -- temperature of where we are out in the city that we are still not really meeting our forecast, and it's very difficult for us to do business right now. So the last thing we need is five or 6% a year increases. Thank you all.

**Saltzman:** Thank you. Anyone else in the audience wish to testify? Ok. If there are comments from council otherwise this will move to second reading next week.

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**Francesconi:** Well, commissioner Saltzman, you and I had a brief discussion, but it's a little of a matter of this significance and consequence, it would be nice to have the mayor and another commissioner here. So if it's all right, so I do have a thought and I would like a little discussion from the council. But first, I wanted to say I have been walking neighborhoods myself and this is a very serious problem, especially for seniors and people on fixed incomes who are having trouble making it. Second, we do have high water and sewer rates. Very high rates now. Some of that is a lot of that is driven by, we have a moral imperative to clean up the river and we are doing that. Third is, we do need additional cost reduction methods. And so that's why commissioner Saltzman were auditing the west side pipe project and that needs, we need to learn from that for the east side. That's why we need to do audits of the bureau to see what savings can happen and why we need to look at alternative methods for storm water for the Portland harbor exposure that's coming up so there's a variety of things we have to do to direct, get a handle on this. What I suggest is, and this is an issue that I and others on the council got back involved in the, in the year 2000, we also have to recognize that we have a responsibility to fund police, fire, and parks. That also benefit the business community and benefit our citizens. So what I would like to be able to discuss again next week, if the president of the council allows it, is an amendment that I have that, instead of capping it at a flat rate, caps at -- includes inflation into this. So it allows it to grow but at a lesser rate. And then it directs the savings first to low-income folks. As the target group, and then to rate relief. So it has the advantage of capping it, reducing it, less hit on the general fund, by a significant amount, directs the rate relief, and then does act to start reducing it. So it's an alternative method of proceeding. Which I think is, frankly, a better approach candidly. Now, I don't know how you want to proceed but I have copies here.

**Saltzman:** Well, you could offer it now or I am fine if you want to wait until next week. I'll offer my own personal views on it as, while I appreciate the intent, I think that it really quickly diminishes any savings, overall savings to sort of average ratepayers. The first year, from the proposed cap, the first year loss to the general fund is about \$1.1 million. The following year it's about \$2.2 million. It gets to about \$17 million over five years. And I think that if you index that to inflation, you are marginalizing right away the savings to ratepayers and to direct to it low-income relief, I think we do have adequate resources in place to provide low-income relief already. And that would even further diminish rate relief to average and residential business ratepayers so I appreciate the intent, I would not support this at this time. If you want to wait until next week to offer it, i'm fine with that.

**Sten:** Well, I guess at this point my intention is to support commissioner Saltzman's proposal pretty much as it is. Actually, the only question I have since we are going to come back next week is a little bit in the opposite direction. I would like to have some language to make sure that omf works with and it may not be necessary as an amendment or not but that omf works with bes. And this is a little bit of a wonkish point, to make sure the reduction in the cap end up being dollar for dollar savings in the rates because there's, they actually, we actually bond the franchise fee and so you could get into a situation where you reduce the franchise fee. That's not at all commissioner Saltzman's intent and see very little actual rate savings and you are cutting the general fund and the rates aren't being reduced. I will support commissioner Saltzman's piece. I need some certainty that I want to make sure as the general fund takes that hit the ratepayers get the money and not that anybody would be trying to evade that but having been the commissioner of this for a while there are some ways the finances are tricky and I want to make sure sure that actually gets done.

**Francesconi:** Just a question. When do we reopen the budgets? Because of the effect of the forecast and when do we let the public know what the implications are of our decision?

**Saltzman:** This would not take effect until the following fiscal year, July 1, 2005 but it would go into, in terms of the directions, I mean, agencies prepare their budgets in late fall so they would, if

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this passes, they would know going into the budget cycle, how to prepare. What the impact would be. There's no impact on the current fiscal year.

**Francesconi:** Can we call tim grewe up for a second?

**Tim Grewe:** Tim grewe, chief financial officer, excuse me chief administrative officer. I think ken just thinks he lost his job. What was the question, commissioner?

**Francesconi:** Procedurally what happens in terms of the budget?

**Grewe:** If this resolution is passed what we will do is build the decrease in franchise fees into the forth coming five-year forecast. We estimate that that would require us to reduce recurring expenses by \$3.5 million to balance over the five-year period. Some of that might be offset to the creation of one-time resources, what were doing is preserving future recurring to handle the ramp-up in the decrease in the franchise fee. We would then deliberate on the general fund budget, and come forth with options to close that gap as well as any other gap that exist within the general fund at this time.

**Francesconi:** 3.5 per year?

**Grewe:** We would have to cut \$3.5 million in the first year to cover what we project to be the decrease in general fund resource over the five-year period.

**Francesconi:** Just a last question. When would we do that?

**Grewe:** We would do it in the course of the budget process so your decisions on how to close that gap would be made initially sometime in april.

**Francesconi:** Ok. Thank you.

**Saltzman:** For, in other words, the next fiscal year?

**Grewe:** That's correct.

**Saltzman:** Not the current fiscal year?

**Grewe:** Ok?

**Saltzman:** Ok. So this will move to second reading next week. I am sure commissioner Leonard will be here and hopefully we will have mayor Katz here as well. Thank you. And we stand adjourned until 2:00 thursday.

At 12:21 p.m., Council recessed.



**August 19, 2004**  
**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.

**AUGUST 19, 2004 2:00 PM**

[ roll call ]

**Katz:** Leonard is on vacation. We still have some unfinished business from yesterday, and I apologize that I wasn't with you, but you wouldn't want me with my cold to have been sitting here with you. Not that today's much better, but it's a little bit better. Let's take the consent agenda and let me ask if anybody wants to remove some items off the consent agenda. Those items are 978 through 993. Minus 979 and 991, which was returned to the bureaus. So anybody? Let's take a vote on the consent agenda.

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

**Katz:** Mayor votes aye. [gavel pounded] item 975, you heard all the testimony. But you didn't have enough folks to pass it. It's an emergency, so roll call.

**Item 975.**

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

**Katz:** Mayor votes aye. [gavel pounded] 995, same with that. Roll call.

**Item 995.**

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

**Katz:** Mayor votes aye. [gavel pounded] all right. We are now, if i'm correct, karla, we're now on today's calendar.

**Moore:** Correct.

**Katz:** Let's take items 1001, 1002.

**Item 1001 and 1002.**

**Katz:** Ok. Linly.

**Linly Rees, Office of the City Attorney:** This is an evidentiary hearing. This means you may submit new evidence to the council in support of your arguments. This evidence may be in any form such as testimony, letters, petitions, slides, photographs, maps, or drawings. If you have not given the council clerk a copy of the evidence you plan to submit, you should do it after you finish your testimony to council. Any photographs, drawings, maps, or other items you show to council during your testimony should be given to the council clerk at the end of your testimony. Make sure it becomes part of the record. Testimony concerning the hearings officer recommendation will be heard as follows. We'll begin with a staff report by b.d.s. Staff, following staff report, council will hear from interested persons in the following order. The applicant will go first and have approximately 15 minutes to address council. After the applicant, the council will hear from individuals or organizations who support the applicant's proposal. Each person will have three minutes. Next, council will hear from persons or organizations who oppose the applicant's proposal, again, each person will have three minutes. If there was testimony in opposition to the proposal, the applicant will have five additional minutes to rebut testimony given in opposition. The council may then close the hearing, deliberate, and take a vote on the hearings officer's recommendation. If the vote is a tentative vote, the council will set a future date for adoption of findings and a final vote on the hearings officer recommendation. If the council takes a final vote today, that will conclude the matter before council. There are several guidelines for those presenting testimony and participating in the hearing. They are established by zoning code and state law and are as follows. Any testimony, arguments and evidence you present must be directed

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toward the applicable approval criteria for the land use review, or other criteria in the city's comprehensive plan or zoning code which you believe apply to the decision. The b.d.s. staff will identify the applicable approval criteria as part of their staff report to council. Before the close of this hearing, any participant may ask for an opportunity to present additional evidence. If this kind of request is made, the council may deny the request, grant a continuance or hold the record open for at least seven days to provide an opportunity to submit additional evidence. If council holds the record open, it may 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 council makes its decision. If you fail to raise an issue supported by statements or evidence sufficient to give council and the parties an opportunity to respond to the issue, you will be precluded from appealing to the land use board of appeals based on that issue. Additionally, if the applicant fails to raise constitutional or other issues relating to proposed conditions of approval with enough specificity to allow the council to respond, the applicant will be precluded from bringing an action for damages in circuit court to challenge the conditions of approval.

**Katz:** Thank you. We're probably going to have to change the format because I don't think there's any opposition here. We'll check with that in a minute. Declaration of conflicts of interest? Ex parte contacts by council members? I think we've all had some ex parte contacts long before, but not necessarily on this specific land use issue. Is that correct? I don't want to speak for --

**Francesconi:** Right.

**Katz:** -- for the council. All right. We'll have a staff report for about 10 minutes. Let me just ask, is there any opposition to this item? Ok. Go ahead.

**Francesconi:** There is an opposition, but there's an issue about bike lanes.

**Katz:** We'll raise that when it comes. I just wanted to make sure that we change the format and I don't want to preclude any opposition on this -- the land use. Go ahead.

**Francesconi:** What i'm saying is, there's an issue on bike lanes, not regarding the land use case. But some things that have to happen in connection.

**Katz:** Ok.

**Sylvia Cate:** Good afternoon. I'm sylvia kate, b.d.s. Land use services, assigned planner for this review. The applicant, banfield pet hospital, proposes to locate their worldwide corporate headquarters office building at 8020 northeast tillamook, which is currently developed with a school building formerly used by vocational village, an alternative high school in the Portland public school district. The site is currently zoned r-5, which allows single dwelling residential development, but prohibits commercial uses and development. Therefore, the applicant is requesting this land use review to change the zoning on this site and to modify three development standards that are applicable to the proposed development. The applicant requests a comprehensive plan map amendment and zone change to rezone the site from r-5 to cg, general commercial. The site has frontage on 82nd avenue a designated transit street. The applicant requests adjustments to the setback and main entrance location in order to redevelop the site in a configuration -- that would place a dog park along the 82nd avenue frontage and set the proposed office building farther west on the site. A third adjustment would allow the applicant to place the required perimeter parking lot landscaping along the eastern edge of the dog park. The site is zoned r-5 with a comp plan designation of r-1 as shown on this map. And the applicant proposes a zone change to cg general commercial. To be applied to the entire site. The site consists of approximately 5.38 acres. It has frontage on northeast tillamook, northeast skyler, northeast 80th, and northeast 82nd avenue. The proposed development would include an office building, surface parking lot, and a dog park open to the public and located along the northeast 82nd avenue frontage. The applicant is proposing several mitigation measures for the requested transit street setback. These elements include a new bus shelter at the existing transit stop, a strong pedestrian link from the bus stop to the primary entrance

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of the building, and significant landscaping along 82nd frontage to help soften the otherwise hard escaped street environment. Additional amenities including a pleasing and transparent fence enclosing a dog park with small laser cut design inlays to provide additional visual interest. The office building will occupy a foot print of about 75,000 square feet on the western part of the site. The upper two floors will provide floor space for offices and related uses. Building exterior will be constructed of brick with a central glass atrium and entryway oriented towards the east facing northeast 82nd and the dog park. The lower level of the building will provide parking for approximately 200 vehicles and 15 bicycles. This is a detailed drawing of the section of the proposed dog park fencing which meets the approval of the police bureau for surveillance purposes.

The fence is designed to provide safety for people and dogs while providing an interesting visual experience for pedestrians walking along northeast 82nd avenue. This drawing depicts a portion of the pedestrian link between the transit stop and the proposed office building, which will include a covered walkway along the southern edge of the dog park, providing weather protection for this portion of the pathway. Additional proposed amenities along this pedestrian link include additional width for pedestrians along the public sidewalk, which will link to the walkway to the southeast entrance of the building and will be further emphasized by brick pavers. Now we will go on a virtual tour of the site starting near the intersection of northeast 80th and tillamook. The subject site is to the right and to the left is -- are residential uses and development. This is a view looking south towards the intersection of northeast 80th and skyler, again showing the residential character of the neighborhood immediately west of the site. This is a view looking into the site along the northeast 80th frontage and depicting a portion of the existing school building on site. Continuing around the site we are looking at residential development across the street from the site along the northeast skyler frontage. This is a view of the site near the intersection of skyler and northeast 82nd not far from the existing bus stop, which is located at this corner. This is a view looking south along the 82nd avenue frontage adjacent to the existing bus stop. Directly across 82nd avenue is the original banfield pet veterinarian clinic. It is one of several businesses along this section of 82nd avenue which is zoned general commercial on that side of the street. This is another view of the area along northeast 82nd avenue just east of the site. This is a view of the site and the existing grassy field along northeast 82nd avenue frontage. This view shows the existing conditions of the site's frontage along northeast 82nd avenue and as mentioned in the hearings officer's report the section of 82nd avenue is particularly hard scaped. This view is looking towards the intersection of northeast 82nd and tillamook, which is at the northeast corner of the site. This is a view looking along northeast tillamook towards northeast 80th. And this final slide returns us back to the northwest corner of the site where this virtual site visit began. Here we can see the tallest portion of the existing school building as seen from northeast tillamook. The proposal is found to be on balance supportive of the comprehensive goals plans and policies and meets all of the criteria for the requested adjustments. With one condition of approval that will ensure the number of potential housing units is preserved as discussed in the findings in the hearings officer's report to you. The proposal also meets all of the applicable approval criteria for a quasi judicial comprehensive plan map amendment. The hearings officer recommends the condition of approval to fully insure that the housing potential on the site, 47 units, is preserved as required by the zoning code. He recommends a condition of approval that requires the -- also that requires a proposed mitigation measures for the requested adjustments to be installed on site. These elements include a new bus shelter at the corner of northeast 82nd and skyler, laser-cut design inlays in the steel fence that encloses the proposed dog park, covered walkway, an additional pedestrian path enhancements leading to the southeast entrance of the office building, as shown on the plans that were submitted for this land use review. A hearings officer's recommendation to you is approval of the requested comp plan map amendment, concurrent zone change and approval of the three requested

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adjustments. This concludes staff's presentation, and if there are any transportation-related questions, curt kruger is present to represent pdot, and can address those issues.

**Katz:** Where is curt? Why don't you come up.

**Francesconi:** Is there a representative from the b.t.a. here? Why don't you come forward too. I appreciate your understanding on this. Go ahead and explain what happened.

**Kurt Krueger:** Good afternoon. Kurt krueger, office of transportation. I'm reviewing this case from a former coworker that is no longer at the city. I took over and started asking questions about what happened with --

**Katz:** Could you bring your mike closer?

**Krueger:** I'm sorry. We were looking at requirements for a bikeway that this street was designated in the transportation system plan, and it became apparent that a couple things had happened, one, it was not brought up at the initial preapplication process, it was a mistake by staff, we just didn't catch it. It was brought to the attention of the developer about a year later, and at that point we started looking at the ramifications of what was involved in providing those bike lanes and looking to specific engineering it became very clear that the extraordinary cost of relocating the existing curb was quite a bit to ask of this developer. There was existing signal poles, utility poles, fire hydrants and a number of other things. A little more digging I found an adopted plan in 1998 that outlines the tillamook bikeway project. I think what happened during that planning process was they understood that the implications of moving the curb and creating bike lanes and they recommended at the time removing the parking on the north side of the -- of tillamook to provide wider travel lanes and accommodate the bike traffic. And that looked like a reasonable approach to solving this problem, providing both access for bikes and vehicles down tillamook.

**Francesconi:** Did you want to say anything? Go ahead.

**Cassandra Griffin:** My name is Cassandra griffin, i'm with the bicycle transportation alliance. I came down today to reiterate pretty much what kurt said, that the cost -- north tillamook is a designated city bikeway from north flint to where the street ends at northeast 92nd. It is treated as a bikeway with bike lanes and a bike facility improvements for most of that distance. The bike lanes stop just east -- just west of this project at 78th and from 78th to 82nd there is no treatment. So looking at a new development, what we would most like to see would be for the curb to move for the utility pole to move for a stop signal to move, and for that two-block section in question to get bike lane striping. But because we want to support this project and because that would be cost prohibitive, we think it would be entirely reasonable to instead direct pdot to solve this another ways, and what i'm hearing is to just take the north side of the street on street parking off for two blocks and that then there could be two 14-foot travel lanes, one in each direction, and that would adequately come -- deal with bikes and cars. I'm hearing that proposal from pdot and I would like you to please accept that proposal. Send this back to them to treat for bike provisions.

**Francesconi:** That's what -- i'd like to treat it separately from the land use case, and I appreciate you not objecting, and understanding that we didn't catch this. And it would cost so much for the developers. It would be unfair to the developer to put in this position. The problem with just ordering it right now, we haven't told the property owners it would be affected by the loss of parking. What i'd like to do is to ask pdot to meet with you, the neighbored association and the applicant, as well as the property owners outside of the land use case. With the idea we have to address this.

**Griffin:** That sounds perfect to me.

**Katz:** Thank you. Nobody's here to appeal. Let's bring the applicant up. You have 10 minutes, 15, you don't need 15.

\*\*\*\*\*: 10. 15.

**Joe Voboril:** Good afternoon, mayor Katz, members of the council. My name is joe voboril, my office address is 888 southwest fifth avenue, Portland, Oregon, 97204. I'm the attorney for banfield,

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the pet hospital, the applicant. With me to my right is Kelly Orfield, the senior director of hospital operations at Banfield, and I've got about a five-minute statement I'd like to make. Mostly thank you. And Kelly will just tell you about the project and then I think there's people who would like to testify. This is really an exciting day for me and my client. This is kind of a journey that started about 15 months ago. We met with Sam Adams, then Mayor Katz's, chief of staff, to tell him that Banfield had learned that the Portland school board had made a decision to relocate the vocational village program at the end of the 2004 school year. Scott Campbell, the president of Banfield was quite interested in the site. We explained to Sam the company had been looking to establish the world headquarters site, and frankly they'd been looking in other cities as well as Portland. It's not the most geographically central city, but Scott Campbell is a native Oregonian, has a lot of roots in the community, and loved the site. And I think part of it may have been a sentimental choice because their first pet hospital in the program was right across the street on 82nd and is still there. And I think with Scott, it was sort of coming home, that this would be the completion of their growth and they ought to do it right here in Portland. So with the Mayor Katz's help and direction, with Sam's help, we started the process. I just want to say a word about the company. It's kind of a sleeping giant. Most people don't know about it, it started in 1955, on 82nd Avenue, it's now the largest veterinary practice in the world, has 399 locations and 43 states in the United Kingdom, toward the end of the year they hope to open their next hospital in Mexico City. They plan to open another 150 so by the end of 2005 they plan to have 540 veterinary practices located around the world. And the headquarters is going to be right there on 82nd Avenue. So that's a great store, and Kelly will tell you a little bit about how many people they employ. It's a great location, it does require a complex set of land use approvals. So after we negotiate a purchase agreement with the school district, we focused on the land use application. We spent the better part of five months working with Sylvia Cate and other Bureau representatives on the application, because it is pretty complex. As a result of a lot of back and forth we finally reached an application that Sylvia thought was complete, that it addressed all the criteria, and we submitted it. And I will say that with Sylvia's persistence, not only did we come up with a complete application, but the design of the project was improved. I want to thank, I know my client wants to join me in thanking Sylvia for sometimes being difficult, but I think she was a terrific help and I think we have a better project as a result. I think a streamlined process as well. The other person I want to say something about is Colin Sears from P.D.C. He's been a terrific help through the process. You have before you a very thorough staff report, a Hearings Officer's recommendation. We had one issue we didn't agree with Sylvia on, we took it to the Hearings Officer, it had to do with the restrictive covenant. We argued, I think with some validity that it ought to have a 25-year sunset provision on it. They didn't agree. A Hearings Officer disagreed with us. That's OK. We'll accept that decision. We don't always -- I don't always win. We'll accept that result. The other conditions of approval are perfectly acceptable, and we're delighted to be here and we accept all the conditions. I don't know if I need to say anything about the bike lane issue. We were aware of it, we were part of that discussion before the Hearings Officer decision that came up. I think the resolution you're pointing to and Kurt Krueger described, I think is a good one. With that I'll let Kelly respond.

**Kelly Orfield:** Kelly Orfield with Banfield Pet Hospitals. Mayor and Commissioners, I'd first just like to thank you for your support through this entire project. In this and other areas. Dr. Campbell is just down the street at the Governor Hotel today, and he is very sorry he couldn't attend this very important meeting for us, but he's at what we call a national industry summit that Banfield hosts each year with 50 of the top industry -- chiefs of industry that come here to Portland to -- and their competitors, but come here to Portland to discuss the veterinary industry and pet health care. So that was a hard one to get out of, so he sent me in his stead, so please accept his apologies for not being here. We're excited about this project, we have 4,000 team members throughout the nation and abroad now as Joe said, we're building our first central American hospital in Mexico City right

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now, we're very excited about that. We opened our second hospital in the u.k. just a few months ago. We have designs on international growth as well as building out the rest of the united states. We're the world's largest veterinary hospital practice, and due to your help and your adoption of our proposal today, we will remain in Portland. And I think that that is a great testament to the mayor, to the commissioners, to the city council, that Portland is good for business. And that's something we don't always hear in the media. But we will be advocates to the end that Portland is good for business.

**Katz:** Say it again.

**Orfield :** We'd just like to thank you for that.

**Katz:** Thank you. Thank you for having faith and trust in us and being able to solve some of your -- the issues that faced you and your company.

**Voboril:** Thank you, mayor.

**Katz:** Joe, you did a good job too, you had to deal with the school district first.

**Vorboril:** Yeah. Thank you.

**Katz:** Thank you. Testimony? Three minutes. Now, our timer is broken, so karla brought her egg timer. So you you're going to have to listen very carefully. This is high-tech.

**Moore:** I think we're ok. We only have cassandra. I have nobody else signed up.

**Katz:** All right. Any further questions of staff or banfield pet hospital? If not, i'll take a motion on 1001.

**Francesconi:** I'd move to approve the hearings officer's findings and conclusions.

**Katz:** Do I hear a second?

**Saltzman:** Second.

**Katz:** Roll call.

**Francesconi:** This is a great thing for our city, but it took a lot of people to get it here. It's great having a world class company headquartered right here. So i'd like to thank the applicant and as well as the neighborhood who helped put this, as well as the school district, this is also a win for the school district, this actually is terrific, it shows the desire of the school district to be a partner and to produce revenue for the schools, especially the high school reform efforts that are happening. And so it shows they're being wise stewards. It's also a tribute to the planning staff, led by the mayor and sam adams who deserves special recognition to make sure this works in a way that fits with the quality of life here, but really helps advance the cause of jobs and schools and then there's the issue of the dog park too. Which we really do appreciate having a world class dog park as well. And we're working on some others, but that's a very good thing for our city. So it's a triple win. Aye.

**Saltzman:** This is a real success story for Portland, and for banfield, and I want to thank our planning staff, the mayor, sam adams for -- and the school district for all working together to make this happen. It's great to - -banfield is a great success story, and as joe said, a hidden success story too. But it's truly all great thing to have, to choose this Portland site for your headquarters to help the school district, to help the city, and I just can't get over express -- ex -- I can't get over the excitement about a privately owned two-acre dog park. I think that will be the largest dog park in the city, and privately owned I think is certainly a model we'll want to explore with other future headquarters companies and things like that, because that certainly is one way to deal with an issue that's very important to people, having off-leash areas. I don't think we can provide them all through our public parks. Great work. Aye.

**Sten:** This is terrific. I want to thank banfield and your team and our team. It took some vision on banfield's part and dedication on all the staff's part to get this done, and it really is an important day for Portland. I'll briefly thank mayor Katz and her office, because she has taken some undeserved criticism on some of these issues, and I think the truth is in these types of deals, so thank you, mayor. Aye.

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**Katz:** Thank you, everybody. I just want to thank Banfield for being good corporate citizens, and I said a long time ago that if any company wants to expand or move here, our doors are open to help, and with a lot of people's help, p.d.c., the bureau of planning, my office, Joe, Banfield itself, we've made this possible. So good luck. I've been a view of animal rescue, so I have a very high regard for what you do and what needs to be done in a community, especially a community like ours that has an increasing number of small pets. Aye. [gavel pounded] 1002.

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

**Katz:** Mayor votes aye. [gavel pounded] thank you. No one is here. It's supposed to start at 3:00. So we'll stand at ease until 3:00. Thank you, everybody. [gavel pounded]

At 2:32 p.m., Council recessed.

At 3:04 p.m., Council reconvened.

**Katz:** Okay Council will come to order. Karla please note who's present. Commissioner Francesconi is absent. Commissioner Leonard is on vacation. 1003.

**Item 1003.**

**Katz:** Ok. Come on and tell us everything except the \$450,000, at least at the very beginning.

**Sten:** If I could introduce everyone, I just wanted for the audience and the council probably remembers this, for the last two budget cycles we've had a big uncertainty how to do the dredging necessary to get the fire boat out. And it's much more complicated than we thought because of endangered species issues, and potentially superfund implications because the boat is in a spot that's quite polluted. So we've done a lot of work, I want to thank Jim, who's really actually the fire bureau does not have a lot of expertise in these permitting processes, he's worked with us very closely. We do have all the necessary permits or the verbal we're going to get the permits. There's a very short time period each year where you can do this kind of dredging which is coming up quickly, so the reason this is on here, it's an unusual fashion, is that we left a budget note because the cost was so uncertain last year saying we would come back to the council, give a report on the feasibility and cost of the necessary dredging, and at this point just to cut to the chase, I think we're going to explain what we think is the project, I'm looking for a sense from the council should we go ahead and do the project, we felt the best thing to do is put a request in to the contingency, we're not expecting a full decision today, that will come through the bump process, but that's the full cost. And we need to have a sense from the council. There is no anticipation of this in the actual fire budget which is recently tight, so however we pay for it, whether it's contingency or work from the fire bureau, I'll need to bring a package back to the council, here's exactly what will change in the fire bureau budget to make this happen, because there isn't any set-aside at this point for this.

**Katz:** Thank you. Actually, we did spend some time during the budget period trying to figure out how we deal with this issue, because it was brought by the commissioner over the last couple of budget periods. We didn't have any solution at that time, we asked you to come in with some recommendations, and that's what you've done. Let me correct myself, we just got an absentee notice from Commissioner Francesconi, he's on personal business. Go ahead.

**John Klump, Portland Fire and Rescue:** John Klump, Portland fire and rescue. Mayor, commissioners, thank you for the opportunity to report to you on the station 6 dredging project. This is a follow-up to the 2004-2005 budget note that fire was directed to develop cost and report back to council on recommended solutions. A little bit of previous history to it. We were very close to the permitting process last year, and we recognized the need for the dredging in 2000. The last dredging was completed in 1995 and we had the significant event the flood of 1996 that caused quite a bit of siltation into the cove at station 6. Since that time we've been monitoring -- in the year 2000 we identified the need that we were going to have to do maintenance dredging in the near future in order to keep the boats operational from that location. You're well briefed on the specifics

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of fire station 6. It's unique, it's a split company, a swing company that both respond for fire e.m.s. calls on both land and by water. So it's a very unique location. A little bit later i'll get into the -- one of the options was to look at the feasibility of relocation, the station, which turned out to be cost prohibitive. They not only provide fire protection, they're the only advanced life support service on the willamette river in the Portland harbor. It's very important as far as Multnomah county e.m.s. system. After the experience of the built-up of the sediment, we were able to get allocated funding in years 2002, 2003 of 140,000 and also in last year's budget of 140,000. The moneys in 2002, 2003 were returned because it was just too preliminary into the cost associated with it. So late last year we were very close to securing the final permit from the u.s. Army corps of engineers, but when we did the sampling we identified higher levels of p.c.b.'s, poly chlorinated bifenals in the sediments which triggered some concerns from the other regulatory agencies and prevented us from securing a permit at that time. At that time, don sanders and jim, middaugh and john chose with ch2m hill, chris pain who's in attendance, our harbor master, we developed internal work team to work through what the options were available as far as mitigating this. Don sanders has -- is Portland's primary superfund contact through b.e.s. Because now the issue was made more complex because of the source identification and the follow-up clean-up from the balch creek outflow all the way down to the cove at station 6 for a total mitigation of the p.c.b. problem in that particular area of the Portland harbor. At that particular time cost estimates were coming back from \$1.3 to as high as \$3 million. Obviously we didn't have allocated funding of that magnitude to address it at that particular time. So through the process, we decided that the best use of the \$140,000 in last year's budget was to actually get the consultants on board to go through about determining the feasibility of approaching regulatory agencies to allow a maintenance dredging component based upon Portland fire and rescue's operational needs to float the boats. So through that process, we developed a schedule through the consultant that shows that we are on track to secure two of the three permits and by mid-september, we were on track for all three until we had an issue come up with dredge management unit number 1 that we had some misreads as far as the analytical data concerning the p.c.b.'s that in fact the p.c.b.'s were above a certain screen level to where it caused us to recalculate the dredging in that particular dredge management unit and overdredge down deeper and put a clean fill cap over the top to mitigate the exposure to the contaminated soils. And that's where the initial estimate to o.m.f. raised from \$300,500 to \$450,000, because the added extraction of the dredge spoils and also the installation. That will require a separate permit that the consultants are optimistic, feel that it can be tracked at the same time frame with the 401 and 404 permits that we're scheduled to get right around the middle of september. It's a different permit, it's a different process, the existing nationwide permits do not allow for capping, so it's going to be a simultaneous process for another permit, but we are on track to meet the open water dredge window that extends from july 1 through october 31. Our next opportunity would be december 1 through january 31. The regulatory agencies especially noaa fisheries is supportive of granting an extension to the october 31 deadline to allow inwater work where there's less probabilities of an encroaching on endangered species, primarily salmonoids. So with that, the proposed maintenance dredging plan is to dredge down to minus 10.5 feet columbia river and dredge management units two and three and to dredge down to 12 feet in dredge management unit number 1, and then cap up to 10-foot level with the clean fill. We've looked at -- in your attachment. I think it's attachment b in your report to council. It lists the options that we looked at over the last year. It ranged from the dredge mitigation source remediation, clean of the balch creek outflow and finalizing the dredging of station 6 as you can see is the 1.3 to 3.5 million. We looked at extending the dock out another 100 to 150-foot out to deeper water. Originally we factored in a shallow draft response boat to address the 30-second added response time in that particular configuration. We approached sauce brothers, which is a business that's just downstream from station six to see about the feasibility of a long-term lease with their particular facility.



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Currently we're -- they're allowing us to moor the boats over there when we get down to zero water, which we are right now reaching that at low tides. We also looked at even citing the boat at the Ankeny street dock. We were looking at every possible option we could. Obviously, the Ankeny street dock has security issues, there's not adequate power drop and also the big pipe project is going in there, so we felt that was some of the obstacles, but the main one was the added full-time positions would be required because we wouldn't have the advantage of having the split land marine crew on that. We looked at reactivating station seven's dock, which is at the foot of madison street on the east side of the hawthorne bridge. It has a pdc dock that can accommodate the fire boats, but it would need some monies approximately 30 to 40,000 for a power drop to the dock to accommodate the boats. But then again, we'd have added f.t.e.'s, which the costs would be prohibitive. The estimates of those were for a three-person boat crew with one of the 40-foot class boats was in the range of \$750,000 ongoing costs per year or if it was a four-person crew, that is required for fire boat candle, which is our class a fire boat, the 87-footer, would be in the range of \$950,000. Just in personal costs alone. So to get to the point on this, after reviewing all our alternates and evaluating the longest term best value for the city's dollars, it's our opinion that the maintenance dredging component would allow us to maintain our current operational conditions, allow us many years before this issue is going to surface again, and working with the agencies is to determine and try to forecast out when we anticipate the next maintenance dredging need and actually factor that in into the budget where it's spread out over several years rather than coming to you and asking for such a large amount of money out of a tight contingency. We realize that we're taking -- we're asking for 30 plus percent of what the contingent is, and we know it's a major impact to the city. With that, the Portland fire would strongly recommend the maintenance dredging options based upon the work we perform and the input we receive from our work team. And I can answer any questions that you have.

**Katz:** Did you have any questions? Let me bring jennifer and courtney. Let's assume their analysis is an accurate one and that dredging is the solution that needs to be followed, rather than delaying it, looking at other options. What's your recommendation?

**Jennifer Sims, Office of Management and Finance:** Well, I think you heard from the presentation that we -- this would take 30% of the general fund. My concern is it's a substantial part of the general fund contingency early in the year, and we really don't know what the cost of this is going to be. They don't have the r.f.p. results in yet, and just a few weeks ago I think we were talking about this being \$300,000. So i'm just concerned about not having the costs nailed down, and it taking such a substantial amount of the fund contingency.

**Katz:** I think everybody is concerned about that. I also think we probably want to proceed with giving them at least a clue that we do support the notion of going ahead and dredging without figuring out today how we're going to pay for it.

**Sims:** We understand that the -- based on the work they've done that they -- that the dredging is considered the superior alternative. The only other alternative to of course taking this out of the general fund contingency would be to share, have the fire bureau take a portion of the responsibility for that or commit that if it goes over \$450,000 they'll absorb the rest of it.

**Katz:** That's something that the commissioner and the bureau could take a look at when they come back.

**Sims:** All right. I don't remember if you said this in your presentation, but I believe the r.f.p. results are expected back next week.

**Klum:** Actually, august 27. There may be a three-day extension on that. So relatively soon we'll know.

**Katz:** Do you have any other --

**Klum:** It's a request for proposal for bids. We've already had the prebidding with the interested contractors. We based our bidding upon --

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**Saltzman:** Post dredging.

**Klum:** Yes. We feel it's about an accurate as estimate as you could, but with Jennifer was saying, nothing is certain until -- they could come even lower. We don't know that. And the reason why it went up from 300,000 to the \$450,000 was because of the extra dredging and the capping as a result of the false data.

**Katz:** Do you have any other suggestions in terms of the resource?

**Klum:** In terms of --

**Katz:** You really put the money --

**Klum:** We -- we're looking really closely at Portland fire and rescue's operating budget. I met this morning with Jack Graham and I had conversations with Rich Rogers to where we're actually identifying today the areas that Portland fire and rescue, the financial challenges that we face in this budget year, and we have a summary of it if you'd like me to go over that.

**Katz:** Challenges?

**Klum:** Yeah.

**Katz:** I know them.

**Klum:** I'm sure you do, that's why I don't want to sound like a broken record.

**Katz:** Don't do that.

**Saltzman:** I guess I would like -- I'm nervous about spending over 30% of our contingency at this point in the year, fiscal year, so I would like to see a cost sharing proposal where I guess I suggested yesterday where fire would absorb \$150,000 of the cost contingency, 300,000. But I guess I'd also like to know what the r.f.p.'s say, because I think from my knowledge of these projects only get more expensive, they don't get less expensive. Just from dredging and hazardous materials type stuff. So that in and of itself is a whole other level of nervous I have, whether \$450,000 is even going to do the job once we actually get down there and start dredging and doing all the testing necessary while you're dredging. That makes me nervous.

**Sims:** And this contract will be back to the council.

**Klum:** Yes. The contract will be back to the council, because it's over the --

**Saltzman:** I know, but the contract is probably going to have all sorts of outs for, if we get down there and find stuff that your engineers didn't -- your sampling didn't indicate was there, but we find it once we're there, the contracts are meaningless and it's just a cost plus.

**Klum:** Yes. We took detailed sampling in two-foot increments down to -- don, how deep did we go?

**\*\*\*\*\*:** 18.

**Klum:** 18 feet in our proposed depth is 10. So we have as good as understanding as you can now what we're dealing with.

**Katz:** Commissioner Sten, what do you want to do.

**Sten:** I would propose we simply bring back to the council if the council would authorize us to go ahead and move forward on the project, we'll have the bids open in about a week or 10 days, then I think we could work with omf to come back with the plan. What I would say is that my -- obviously we don't like being in this position either, it's just that's really what the budget contemplated, that we would come back on it. Although there was no commitment that we would do it. The council has the option to not dredge, which probably means the boat at some point can't get out. So I would say why don't we bring back a report to the council and we can work with o.m.f. On the format, whether we have another hearing, or we can show people what the actual bid is, and two options, a contingency opening option and a cost sharing option. What I want to do is make sure I detail to the council what the fire bureau needs to cut to do that. Everybody knows it's a tight year, the fire bureau is pushing hard to make the budget this year with the bureau this big, personal costs and things have happened, so we're anticipating a fair amount of events this fall, and things look tight. So I think the chief is understandably worried about money. What I'd like to do is

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bring back to the council, here's what we'd cut to do some cost shaving and let the council make a decision, and in some sense that will put us in the same boat anyway, because if you have big events and the fire bureau runs into trouble, we'll be back to the general fund anyway, if something -- we're going to come in under budget if nothing big happens. If we watch our dollars, and this is a large enough bureau that \$150,000 is not going to make or break the budget, it's just going to get that much tighter as we get there. Why don't we work on a plan and get back.

**Katz:** Ok. Let me -- that's fine. I sat down with my staff this afternoon trying to figure out to share with tim and jennifer all the potential contingency requests that have come in. So I want to flag, this is not going to be an easy year for us to get through. Ok. That's a good solution. All right. Roll call. On accepting the update on fire station 6.

**Saltzman:** Aye.

**Sten:** Aye.

**Katz:** Mayor votes aye. [gavel pounded] just note that this is not a request for \$450,000 to receive, this is just -- it's a request, but it's not accepted. We stand adjourned. [gavel pounded]

At 3:24 p.m., Council adjourned.