



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **24TH DAY OF MAY, 2006** AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Potter, Presiding; Commissioners Adams, Leonard and Saltzman, 4.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Harry Auerbach, Chief Deputy City Attorney; and Gary Crane, Sergeant at Arms.

On a Y-4 roll call, the Consent Agenda was adopted.

COMMUNICATIONS		Disposition:
654	Request of Richard L. Koenig to address Council regarding ongoing negotiation of settlement of claim (Communication)	PLACED ON FILE
655	Request of Charles E. Long to address Council regarding Portland Rose Festival (Communication)	PLACED ON FILE
656	Request of Grant Remington to address Council regarding the new Peace Memorial Park (Communication)	PLACED ON FILE
657	Request of Bruce Broussard to address Council regarding the Portland education funding and the City budget (Communication)	PLACED ON FILE
658	Request of Paul Phillips to address Council regarding Daily Journal of Commerce article (Communication)	PLACED ON FILE
TIME CERTAINS		
659	TIME CERTAIN: 9:30 AM – Amend fee schedule for noise control, land use services, electrical, site development, zoning and certain construction permits (Ordinance introduced by Commissioner Leonard)	PASSED TO SECOND READING MAY 31, 2006 AT 9:30 AM
660	Establish fees in several bureaus to provide expanded process management and plan review of projects in the Major Projects Group Program (Ordinance introduced by Commissioner Leonard)	PASSED TO SECOND READING MAY 31, 2006 AT 9:30 AM

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661	TIME CERTAIN: 10:00 AM – Authorize the rates and charges for water and water-related services during the fiscal year beginning July 1, 2006 to June 30, 2007 and fix an effective date (Ordinance introduced by Commissioner Leonard)	PASSED TO SECOND READING MAY 31, 2006 AT 9:30 AM
662	Revise sewer and drainage rates and charges in accordance with the Fiscal Year 2006-2007 Sewer User Rate Study (Ordinance introduced by Commissioner Adams; amend Code Chapters 17.32, 17.35 and 17.36)	PASSED TO SECOND READING MAY 31, 2006 AT 9:30 AM
663	Revise residential solid waste and recycling collection rates and charges, effective July 1, 2006 (Ordinance introduced by Commissioner Saltzman; amend Code Chapter 17.102)	PASSED TO SECOND READING MAY 31, 2006 AT 9:30 AM
*664	TIME CERTAIN: 10:30 AM – Accept donation from the Marilyn Moyer Charitable Trust for the development of the South Park Block 5 Project (Ordinance introduced by Commissioner Saltzman) (Y-4)	180169
CONSENT AGENDA – NO DISCUSSION		
665	Statement of cash and investments April 06, 2006 through May 03, 2006 (Report; Treasurer) (Y-4)	PLACED ON FILE
Mayor Tom Potter		
666	Appoint 10 members to the Special Inspections Advisory Board (Report) (Y-4)	CONFIRMED
667	Appoint Andrew McCann, Creighton Kearns, Greg Pelser, Dana Sheets, Clyde Trapp and Doug Brown to the Mechanical Code Board of Appeal for a term to expire May 24, 2009 (Report) (Y-4)	CONFIRMED
Office of Management and Finance – Revenue Bureau		
668	Amend contract with Scan One, a CorVel Company to extend time and provide for additional funds for document imaging of the Multnomah County Personal Income Tax Program (Ordinance; amend Contract No. 35088)	PASSED TO SECOND READING MAY 31, 2006 AT 9:30 AM
Office of Management and Finance – Risk		
*669	Pay claim of Robert Hickey (Ordinance) (Y-4)	180154
Office of Management and Finance – Purchasing		
*670	Authorize an Intergovernmental Agreement with the Port of Portland for Regional Small Business Mentoring Program (Ordinance) (Y-4)	180155

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Police Bureau		
*671	Apply for a \$98,723 Methamphetamine Eradication Grant from the Office of Community Oriented Policing Services to address methamphetamine-related child endangerment and drug court prosecution (Ordinance) (Y-4)	180156
Commissioner Sam Adams		
Bureau of Environmental Services		
*672	Authorize the Bureau of Environmental Services to acquire certain permanent and temporary easements necessary for construction of the East Side Combined Sewer Overflow Tunnel Project through the exercise of the City's Eminent Domain Authority, Steel Bridge Shaft Site (Ordinance) (Y-4)	180157
*673	Authorize the Bureau of Environmental Services to acquire certain permanent and temporary easements necessary for construction of the East Side Combined Sewer Overflow Tunnel Project through the exercise of the City's Eminent Domain Authority, McLoughlin Shaft Site (Ordinance) (Y-4)	180158
*674	Authorize the Bureau of Environmental Services to acquire certain permanent and temporary easements necessary for construction of the East Side Combined Sewer Overflow Tunnel Project through the exercise of the City's Eminent Domain Authority, River Street Shaft Site (Ordinance) (Y-4)	180159
*675	Authorize a contract with Camp Dresser & McKee Inc. for professional engineering services for the Columbia Boulevard Wastewater Treatment Plant Co-Generation Facility Project No. 7382 (Ordinance) (Y-4)	180160
676	Extend Intergovernmental Agreement with Oregon Department of Environmental Quality for a Portland Harbor Stormwater Source Control Coordinator (Ordinance; amend Contract No. 35587)	PASSED TO SECOND READING MAY 31, 2006 AT 9:30 AM
677	Authorize Intergovernmental Agreement with Oregon State University to evaluate potential adverse impacts from deep subsurface development in Portland (Ordinance)	PASSED TO SECOND READING MAY 31, 2006 AT 9:30 AM
678	Authorize grant application for design and permit work on Crystal Springs at the Eastmoreland Golf Course to the Oregon Watershed Enhancement Board in the amount of \$27,280 (Second Reading Agenda 633) (Y-4)	180161
679	Authorize grant application for restoration work in Tryon Creek State Natural Area at Iron Mountain to the Oregon Watershed Enhancement Board in the amount of \$122,140 (Second Reading Agenda 634) (Y-4)	180162

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<p>680 Authorize Intergovernmental Agreement and execution of easements with TriMet as Right-of-Way Agent for the Willamette Shore Trolley Consortium for construction of the West Side Combined Sewer Overflow Project, SW Parallel Interceptor Segment 3, Project No. 6680 (Second Reading Agenda 635)</p> <p>(Y-4)</p>	<p>180163</p>
<p>Office of Transportation</p> <p>681 Authorize an Intergovernmental Agreement with Metro for \$120,000 to provide Congestion Mitigation and Air Quality funds for the CarpoolMatchNW project (Ordinance)</p>	<p>PASSED TO SECOND READING MAY 31, 2006 AT 9:30 AM</p>
<p>682 Authorize an Intergovernmental Agreement with Oregon Department of Transportation to construct safety improvements on NE Sandy Blvd between NE 37th and NE 57th Ave (Ordinance)</p>	<p>PASSED TO SECOND READING MAY 31, 2006 AT 9:30 AM</p>
<p>683 Authorize a Memorandum of Agreement with the Northwest Service Academy Lower Columbia Center to provide an Americorp volunteer for the Office of Transportation Options Division (Second Reading Agenda 638)</p> <p>(Y-4)</p>	<p>180164</p>
<p>684 Authorize an Interagency Agreement with the Portland Development Commission to provide professional, technical and construction services for transportation improvements in fiscal year 2006-2007 (Second Reading Agenda 639)</p> <p>(Y-4)</p>	<p>180165</p>
<p>Commissioner Randy Leonard</p> <p>Water Bureau</p> <p>685 Accept the contract with Moore Excavation, Inc. as complete and authorize final payment and release of retainage (Report)</p> <p>(Y-4)</p>	<p>ACCEPTED</p>
<p>686 Authorize an Intergovernmental Agreement with Multnomah County Health Department to administer the LeadLine, provide free blood lead screening and provide for payment (Second Reading Agenda 644)</p> <p>(Y-4)</p>	<p>180166</p>
<p>Commissioner Dan Saltzman</p> <p>Parks and Recreation</p> <p>*687 Authorize a contract with Zimmer Gunsul Frasca Partnership to provide PTE design services in connection with South Park Block 5, O'Bryant Square and Ankeny Park (Ordinance)</p> <p>(Y-4)</p>	<p>180167</p>

<p style="text-align: center;">May 24, 2006</p> <p>688 Authorize an agreement with Portland Public Schools to provide support for TLC-TnT summer camp program (Ordinance)</p>	<p style="text-align: center;">PASSED TO SECOND READING MAY 31, 2006 AT 9:30 AM</p>
<p style="text-align: center;">City Auditor Gary Blackmer</p> <p>*689 Assess property for system development charge contracts and private plumbing loan contracts (Ordinance; Z0757, T0096, K0084, T0097, P0072) (Y-4)</p>	<p style="text-align: center;">180168</p>
<p style="text-align: center;">REGULAR AGENDA</p> <p style="text-align: center;">Mayor Tom Potter</p> <p>690 Re-appoint Alan Alexander III to the Mt. Hood Cable Regulatory Commission for term to expire May 31, 2009 (Report) Motion to accept the Report: Moved by Commissioner Adams and seconded by Commissioner Saltzman. (Y-4)</p>	<p style="text-align: center;">CONFIRMED</p>
<p>691 Establish the Street Access For Everyone workgroup to assess citywide problems associated with street disorder and sidewalk nuisances and recommend strategies for problem-solving (Resolution) (Y-4)</p>	<p style="text-align: center;">36413</p>
<p style="text-align: center;">Bureau of Planning</p> <p>692 Temporarily reassign powers and duties of Adjustment Committee to Land Use Hearings Officer (Ordinance)</p>	<p style="text-align: center;">REFERRED TO COMMISSIONER OF FINANCE AND ADMINISTRATION</p>
<p style="text-align: center;">City Attorney</p> <p>*693 Authorize an Intergovernmental Agreement with Multnomah County that establishes a Voluntary Substance Abuse Treatment program for the Department of Community Justice to contract for voluntary drug and alcohol treatment services for certain high risk, chronic criminal offenders (Ordinance) (Y-4)</p>	<p style="text-align: center;">180170</p>
<p style="text-align: center;">Office of Management and Finance – Bond Counsel</p> <p>694 Authorize a borrowing of not more than \$20,000,000 in anticipation of the Fire and Police Disability and Retirement Fund levy for fiscal year 2006-2007 (Second Reading Agenda 649) (Y-4)</p>	<p style="text-align: center;">180171</p>
<p style="text-align: center;">Commissioner Sam Adams</p>	

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Office of Transportation

- 695** Authorize an Intergovernmental Agreement with Oregon Health & Sciences University to provide for allocation of operating costs and management of the operations of the Portland Aerial Tram (Ordinance)

CONTINUED TO 2:00 PM

**PASSED TO
SECOND READING
MAY 31, 2006
AT 9:30 AM**

- 696** Amend the Transportation System Plan and Comprehensive Plan to incorporate the Transportation System Plan for the Urban Pockets of Unincorporated Multnomah County (Second Reading Agenda 623; amend Ordinance No. 177028)

(Y-4)

180172

Commissioner Dan Saltzman

Parks and Recreation

- *697** Authorize a conservation easement in favor of the Oregon Watershed Enhancement Board on a portion of Portland Parks and Recreation Columbia Slough Natural Area property in compliance with grant requirement (Ordinance)

(Y-4)

180173

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

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,
OREGON WAS HELD THIS **24TH DAY OF MAY, 2006** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Potter, Presiding; Commissioners Adams, Leonard,
and Saltzman, 4.

Commissioner Saltzman arrived at 2:11 p.m.

Agenda Item No. 695 was heard in the 2:00 p.m. session.

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

698 TIME CERTAIN: 2:00 PM – Adopt the I-5 Delta Park to Lombard Hearings Panel recommendations for the Locally Preferred Alternative (Resolution introduced by Commissioner Adams) (Y-4)	Disposition: 36414
<p style="text-align: center;">Commissioner Sam Adams</p> <p style="text-align: center;">Office of Transportation</p> 695 Authorize an Intergovernmental Agreement with Oregon Health & Sciences University to provide for allocation of operating costs and management of the operations of the Portland Aerial Tram (Ordinance)	<p style="text-align: center;">PASSED TO SECOND READING MAY 31, 2006 AT 9:30 AM</p>

At 4:13 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 File.

May 24, 2006
Closed Caption File of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

MAY 24, 2006 9:30 AM

Potter: This is the Portland city council. As we do every wednesday morning, I ask you and I ask the people on -- watching this on tv, the question, how are the children? And the reason that we ask that is that we know that when children are well in a community that the community is well. And we invite experts in to talk to us about that issue, how are the children? And today, we have four students from holy family school. If those four students would please come forward, there's four chairs. There's more than four chairs but if you could come sit down, please. We have miranda nover, tristan, annie fisher and aiden marr. They're all in the first grade, by the way, so I think by now they are seasoned experts. And do you want to introduce them or do you want them to just start?

*****: Mr. Mayor, they will be glad to introduce themselves.

Potter: Very good. Miranda, could you come over and speak to the microphones so the people can hear you? Thank you very much. You can share a chair. There you go. Thank you.

Miranda Nover: For the record, my name is miranda nover and I live at 3678 s.e. Ogden street. My family enjoys going to events like the migratory bird festival, the Oregon zoo, oaks park and omsi. We visit lots of parks and go for walks. Eastmoreland is a special neighborhood because it is the only one in Portland. Someone who is in our class is ruth goodwin who lives next door to me and that's special. I like that there are lots of trees and wildlife and that we live near johnson creek. I like to tell you about holy family school. Holy family school has 250 students. Holy family school is preschool through eighth grade. Holy family has buddy classes which are when older grades are paired up with younger classes to share activities together. Our class has two special older classes, fifth grade and our seventh grade reading buddies. I really like it when we do activities with them. I think the big kids like helping the little kids also. One of the special things about first grade is that we have a class meeting every wednesday morning. Our meetings always begin with compliments to each other and you must sign the agenda before you are allowed to speak. We use good listening skills. Our teacher, mrs. Lieberg, asks us questions, such as, what does good listening look like? And I might answer, it looks like no one is moving around in their chairs. Then she asks, "what does good listening sound like?" and I might answer, "no one is moving their chairs and making any squeaky noise on the floor." and then she asks, "how does it make the speaker feel when you listen well?" and I might answer, "it makes him or her feel respected and important to us." these are good skills for Portland city council, too. [laughter] -- school student is expected to be a moral decision maker. Do you know of any moral decision-makers? I do. I read a book about rosa parks and did a presentation about rosa parks to the fourth and sixth grade classes. I told them about how she refused to relinquish her seat on the bus because she thought it was not fair that the white people could sit wherever they wanted, and because she was black, she was asked to move. But she said no and was placed in jail. It might not always be easy to be a moral decision maker but it's easier to live with yourself if you are one. Thank you for this opportunity and I hope you learn something about holy family catholic school. I enjoyed this experience.

Potter: Miranda -- is it?

*****: Yes.

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Potter: Are you sure you are just in the first grade? Ok. That was excellent, miranda.

*****: And aiden. I want to you stand. Would you like to tell the council what your family likes to do in Portland?

Aden Issa Keith Qamar: My family likes to -- my family likes to --

*****: What did you say? What does your family like to do?

Qamar: My family likes to go to the migratory bird festival and the oaks park at i--- at oaks bottom where people -- and very important people speak speeches. We also go to the omsi and berkeley park down by holy family.

*****: What do you like about living in?

Qamar: I think eastmoreland is special because it is one of the only places in the u.s. With elm trees.

*****: Why aren't there elm trees elsewhere?

Qamar: Because of the dutch elm disease.

*****: What would you like to tell the council about holy family school?

Qamar: Holy family school eighth grade does a special independent learning project with a mentor. They work all year on their projects and present them in the spring. I know this one had made a ship and another made a robot.

*****: What's special about first grade?

Qamar: First grade I think is -- has a very special thing on the wall to be a moral decision make -- I mean a lifelong learner. A lifelong learner is somebody who does things to learn their whole life with many different ways that one could learn what in one's brain.

*****: Do you want to thank people?

Qamar: Thank you for this opportunity.

Potter: What was your name?

Qamar: Aden.

Potter: Aiden, thank you. You did very well.

Annei Fisher: For the record, I my name is annie fisher and I have life the 2820 s.e. More land lane, Portland, Oregon. Lie family likes to go to oaks amusement park, the zoo, rhododendron gardens and west moreland park. Eastmoreland park is beautiful. It's across the street from my house. The houses in eastmoreland are interesting. My school is in eastmoreland. Something special about holy family school is that each class that is prayer partners. These partners are elderly people in our community that pray for us every -- that pray for us every day and we pray for them. Our prayer partners are mrs. Gordon are board and mrs. Sackly, and grandma. Grandma isn't really anyone in our class's grandma. She just lets us call her that. She comes to pray with us every monday. Life is really good when you get to see a grandma every week. Then there is mr. Zackly. He lives next door to our school and do you know what? He brings us food day from the Oregonian every tuesday. Sometimes we make the recipes from food day and report about them in our class newsletter. He is the best neighbor any school could hope for. He never complains that we're too loud. A holy familiar school stunt is expected to be an active christian and I just told you about some of the people who are excellent role models for us. I contribute to pennies of the poor. I pick up litter. I like to water plants and feed ducks and birds. We have a special wild bird named jack that comes to our house and we feed him peanuts from our hands. We learned about canada geese in school. Canada geese have many good qualities that people can learn from. For instance, did you know that they are loyal? They share a common direction. You probably have seen them flying in a v-formation. They take turns -- they take turns being the leader. And their honking is encouraging to the lead goose. Perhaps city council could learn from the geese just like we have. A holy family school student is expected to be a self aware individual. That's like knowing what you are good at and what you are not so good at. I am good at singing, math, and reading. I am not that good at gymnastics. Sometimes it's best to know your strength in areas that need growth. Perhaps

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this is something else that good leaders recognize. Thank you for this opportunity and I hope you have learned a little more about holy family catholic school. I enjoyed this experience.

Potter: Thank you very much.

Tristan Turkiewicz: For the record, my name is tristan turkowist. I live in Portland, Oregon. My family really enjoys living in Portland. Some of the things we like to do are go to the rose festival and go fishing on mount hood. I took a trip this year to guatemala with my dad so I know how to appreciate where I live. I like living in eastmoreland because it's so pretty. It's really fun. It is close to reed college, and the bike path along the willamette river. I live close to the little store where we sometimes buy bread and get a treat. Something I would like you to know about holy family school is that we have participated in the international walk and bike to school event for the past two years. We even have a monthly walk and bike to school where everyone is encouraged to participate. We have a meeting place right by my house for the students who live too far away to be dropped off and join others in -- on their way to school. If any one of you would like to join us, it is always the last friday of the month. Something unusual about our class is our teacher, mrs. Lieberg, rides her bike to school and makes us add her miles every day. So far she has ridden over 1,288 miles. We even track her miles on the map. So far she could have ridden to minnesota. Our class motto is petal. It stands for pray every day and love. Practice every day and learn. Play every day and laugh. If people would just pedal in this way every day, maybe some of our problems would go away. The holy family school student is expected to be a responsible citizen. I think a responsible citizen is someone who helps people when they fall down. They would tell a teacher if someone pushed their friend. A responsible citizen would tell a person who wants to do something that would hurt someone not to do it. A responsible citizen takes the time to learn about the people who want to be mayor and council members and vote for the best choices. You are never too old or too young to be a responsible citizen. I try to be a responsible citizen by helping pick up trash. Thank you for this opportunity and I hope you learned a little more about holy family catholic school. I enjoyed this experience.

Potter: Well, thank you all. Could we have the rest of the students, parents, and teachers from holy family please stand up so we can thank you all. Look at all these fine folks. [applause] very good job, children. You were excellent.

*****: Thank you.

Potter: Thank you. You folks are welcome to leave if you want. The rest of the council isn't going to be near as interesting as this part. [laughter] council will come to order. Karla, please call the roll.

[roll taken]

Item 654.

[did not show]

Potter: Please read the next item.

Item 655.

Item Please state your name and you have three minutes.

Charles E. Long: My name is charles e. Long. I am a resident of Portland. As a rose festival season looms, I wanted to mention that all of our citizens have an opportunity to promote this great annual event by taking a brochure and mailing it to your friends, relatives, or inlaws or outlaws and telling them to come to Portland for it's a wonderful place to vacation in june. Thousand to promote the spirit of the rose festival I wanted to play a short musical fanfare in honor of the coming rose festival. The 99th annual Portland rose festival. ¶¶

Potter: That doesn't quite sound like rose festival music to me. It was very nice. Is that it?
[applause]

*****: Is that it, mr. Long? ¶¶

Potter: Thank you, mr. Long. Would you please read the next item.

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Item 656.

Potter: Grant, would you come up, please.

Grant Remington: My name is grant remington. I am the president emeritus of veterans for peace chapter 72, the local chapter here in Portland, Oregon, national organization veterans for peace. I would like to thank the mayor and council for giving us this opportunity to let you know that on memorial day, the 29th, 1:00 we will be dedicating the new peace memorial park here in Portland, Oregon. The location is the east end of the steel bridge just south of the rose quarter max station. We would like to thank all the department of transportation officials and workers who helped us with this. Give you a little history of the park. Brad perkins brought the idea to veterans for peace last year and we adopted this two-acre little piece of property at north end of the esplanade. And we started breaking ground last month. And besides breaking ground we broke a rototiller. And then from there we removed all the sod from the 75-foot circle of grass that is at the north end of the park. We then laid down a 75-foot peace sign in sod, spread down mulch, prepared the negative parts of the peace sign for flowers and, last saturday we planted over 8,000 flowers with 80 volunteers working with us. And it was quite the experience. And I think that it will be a good space for those in Portland to come and reflect on how they can make the world a more peaceful place. And I think it is up to us to work for peace, not just to be against war, because it seems to me that it is our obligation to leave these wonderful that talked to you this morning a better and more peaceful world. And we can do that by working for peace and developing those kinds of programs and ideas and shifting away from war. So I am going to give the rest of my time to over to brad who is going to give a little bit more history on how he came to the idea of a peace park. And if anybody is interested in coming to the dedication, I would be at 1:00 on monday, the 29th, and it's at northeast Oregon and interstate and, mayor Potter, I believe you have agreed to speak at dedication. We will have some music afterwards. There you are. We hope that all of you can drop by and take a look at this beautiful symbol of peace that we have now in the city of Portland. And we hope that the begin is in book of world records will check it out. We may have the largest peace sign in the world.

Brad Perkins: First of all, thank you, mayor, for, my name is brad perkins, by the way. For accepting our offer for you to speak this monday. Also I want to thank you for believing in this concept last july when I first brought it to you as a concept. Since then, it's moved along quite briskly. We have gotten tremendous amount of response from the community as well as donations from this. Last saturday was incredible, seeing this one woman come up after half a day working, planting flowers, on her crutches, get on a wheelchair, all muddy, but feeling good about what she had just done. And with these children this morning, we are here to express their future and what, how a better world it can be. Let me give you two significant reasons for creating this park. First, it is to broaden the concept of what a war memorial represents. We do not intend to diminish in any way the sacrifice those soldiers who fought and died in wars in america's history, but as we recognize the honor to or memorialize those who fought we should also do the same to those who sacrifice their lives unwillingly as civilians or people just trying to live a peaceful existence on their lands. Americans' notion of superiority and manifest destiny has empowered us to believe it is our god-given right to control other people's lands and resources. From numerous broken peace treaties with the native american tribes to more recent invasions of vietnam, cambodia, pan that, and now iraq, our aggressive, nonnegotiation approach to resolving differences has led to the death of millions of people. Secondly, with the establishment of a permanent memorial for peace in our community, it could empower other communities to do the same. Memorials to peace created by peace organizations like veterans for peace could begin to begin a movement to begin a paradigm shift from a war economy to more green energy, renewable economy. It can be done.

Potter: You have to wrap it up, sir. You are well in excess of your --

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Perkins: I'm sorry. It can be done if we have the will for a change. A new america that retools itself to a positive economic endeavors like rebuilding our infrastructure, improving our mass transit systems, investing in alternative energies, refuelling our cars with alternative energy sources rather than continue to build upon a war and oil based economy perpetuated by fear. Portland can continue to lead as a green-built city.

Potter: Is there something you missed on my --

Perkins: Pardon me?

Potter: Your time is up. Could you please conclude.

Perkins: Maybe by next year we can rename it memorial day for peace. Thank you very much.

Potter: Thank you, brad, and thank you, grant. Please read the next item.

Item 658.

Paul Phillips: I'm paul phillips and last week I spoke about this article as well as on april 12, 17th, may 5, or may 3, I had finished 15 paragraphs as I explained last week. It was written by natalie white and people can obtain a copy of that from room 140 in this building. Last week I was quoting president bush as saying the nation of laws or nation of people and laws. That wasn't what he had said, if you have a copy of this from the white house. This was his speech of may 15 of this year. "we're a nation of laws and we must enforce our laws." I quoted the speech that I gave last week to some librarians, which I wish to thank for printing this for me. And after I highlighted, underlined this paragraph, what the president said, nation. "we're a nation of laws and we must enforce our laws." they said, yeah. That's a politician. And they also mentioned the word "rhetoric." I guess you would know what that would mean, with you being politicians yourself. They seemed to be under the -- the impression that it was a bunch of b.s. I guess he didn't hear that there's 12 million illegal aliens in the nation. So I always thought that politicians also just enforced the laws that they wanted to, as demonstrated by neil goldschmidt. This article that I had been reading about just two people that were able to get medical treatment as well as a judgment in a court of law is all that the nation seems to have important injured people. And myself being injured and broken thumb and arm, that doesn't seem to matter to anybody. I've never been able to get an attorney because of this catholic organization owning some 24.5% of the Oregon hospitals even here in Oregon. As you know, i've said that doctors work for hospitals. It's cya. If you didn't know what b.s. stood for it's b-u-l-l-s-h-i-t.

Potter: Ok. You are done.

Phillips: Thanks.

Potter: That's it. Improper. [gavel pounded] move to the consent agenda. Do any of the commissioners wish to pull items from the consent agenda? Does any member of the public wish to pull items from the consent agenda? Please call the roll.

Adams: Aye. **Leonard:** Aye. **Saltzman:** Aye.

Potter: Aye. [gavel pounded] we will now move to the time concerning the 9:30 time concern. Please read item 659.

Potter: Could you also read item 650 -- 660.

Items 659 and 660.

Potter: Commissioner Leonard, did you wish to introduce this?

Leonard: I think director scarlett is prepared to spruce this. Thank you.

Paul Scarlett: Good morning. Mayor and council members, my name is paul scarlett. I am the director of the bureau of development services. I am joined to my left by denise, administrative manager for the bureau and to my right the chair of the development review advisory committee for the bureau, tom scar. We are here to request approval and review of the budget, the bureau's fee increases that are related to the bureau's overall goal of ensuring safety, livability, and economic vitality is maintained and furthered throughout the city. This is done through efficient and collaborative coordination of building and development codes. These fees are realistic, reasonable,

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and necessary to maintain the level of service that the customers have come to realize in customer service efficient sees, program, and efficient and effective programs and also to keep pace with the changing needs of offer customers. The bureau historically have since 1998, have relied on fees to maintain its programs. And fee recovery costs are expected to be at cost recovery as well at least these fees are also being proposed to ensure that our financial plan goals for the next five years are reached in case economics and other factors are not maintained as we're currently enjoying. The fee increases for this year are interrelated in the budget that's proposed budget that the mayor has already approved, and to ensure that our budget themes of maintaining stability, expanding on innovations and maintaining stability are realized, the fee, fees that support the various functions in our bureau such as inspection, planning review, land use, and zoning review, and customer services, the fees are there to ensure that the level of service and the efficiencies continue to be realized and customers enjoy those efficiencies. The -- I have a few examples such as maintaining, maximizing owe re sources. Excuse me. The development review advisory committee, as I have mentioned earlier, tom scar to my left, this is a collaborative process where the fees are shared with our customers and endorsed to this point, but we're always looking for ways to be efficient and not always increasing fees. One example is we have reclassified two management positions to inspectors in the residential combination section to ensure that direct customer services are needs are being met, rather than increase fees, we are look at ways to better maximize existing resources. Another important goal for the bureau is to be technologically and be innovative, innovatively astute. And commissioner Leonard and myself just to share a side note have been visiting with various sections in the bureau and are pleased to hear the great suggestions on how we can be more innovative and to be technologically advanced to maintain and keep pace with our industry and our customers. To that end we have proposed fees to expand a successful program that's in place right now, the major project groups, which requires corporation and coordination from interagency bureaus such as bureau of environmental services, Portland development office of transportation, fire bureau, water bureau, fee proposals are there to ensure that this successful program continues and even further. And to be specific three positions have been proposed through fee increases to further improve that program that's so far successful.

Potter: Excuse me, paul. Could the gentleman reading the newspaper please put it down. That's distracting. Thank you. Excuse me.

Scarlett: Another area, excuse me, along with maintaining stability or expanding on innovation, another area I would like to point out is that we have heard through all of the meetings that commissioner Leonard and I have been going to, which was reassuring and reinforcing is that mobile technology is an area where customer service improvements can be realized through real time. For example, inspectors in the field can have lap tops or remote access to cut down on times and, times spent in the office and actually have more time spent in the field and be able to interact with databases that's in the office and tied to the field. So there are positions there for expansions on wireless technology, remote access, desktop computer replacement, fee increases in that area. Another area is expanding, maintaining stability. We pride ourselves on having turnaround time lines and goals that are realistic and meet the customers' needs. For example, about 95% of inspections are done in the 24-hour basis. In order to maintain that level of service, the fees are required to ensure that we have adequate level of staff in place to meet those goals. And so those are some of the highlights I would like to share with you. Denise klein will share more on the process and the specific fee increases in the bureau's functions. Tom scar will lend his support to the overall fee increases. Thank you.

*****: Mayor and council, as you know, when we, as paul stated --

Potter: Please state your flame for the record.

Denise Kleim: My name is denise kleim. Thank you. We work with our client groups when we look at both our fees and our budget and paul explained how we went through our budget process

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and found some efficient sees and then also our reposessing with our client group some improvements. In addition to that we met specifically with a number of interest groups. We have met with the home builders, the land use chairs of neighborhood associations, the national electrical contractors association, independent electrical contractors, Portland business alliance, and boma, the building owners and manager, our facilities program group. And you have in your packets today we just received this morning a letter of support from the home builders. Our develop review advisory committee also proposed recommending these fees. And just last week we send out email notification of this hearing to our industry council member, business associations and a number of our industry partners to make sure they knew about the hearing. So specifically, with the fee proposal, we are not proposing any increases in our largest revenue generator which is building permits. So no fee increase being proposed there. No fee increase being proposed for mechanical permits and no fee increase being proposed for plumbing. All three of those programs are stable and functioning and no fee increases are necessary there. We are proposing 5% fee increases for the electrical program, facilities permit program and site development program. 3.8% increase for zoning inspection program and noise control, and 3.5 increase for land use services. And those are all in your ordinance and the specific fees are in your packets. It's not an across the board fee increase for each and every individual fee and those schedule we work with our customer groups on those fees. We are also proposing a reduction of fees for our living smart program that is where we have the skinny lot program where we have worked to have several designs available for customers that they can get from us at the permit center. And if they actually build one of those homes, we are proposing that we charge 50% of the b.d.s. fees to encourage that development. That's also in your packet the other thing I wanted to mention is that we also do inspection and plan review work for Multnomah county through an intergovernmental agreement. So we will be taking before the county board of commissioners on june 1 these same fee increases, plus we do the work for them on the subsurface sewage program. That's totally county work. So that proposal will come to them and then also fees for land use for the county pockets. So that's basically our fee increase proposal.

The other issue that paul talked about was the fees for the mpg or major projects group, and we are proposing a total fee, total city fee of \$100,000. Of that \$100,000, the bureau of development services would receive \$50,000, \$20,000 would go to each to p-dot and bureau of environmental services. And then \$10,000 to fire. And that is to support that program. We have got customers waiting in the wings that are really anxious to get on board with this program. We are able to work with them very, very closely in their, through their plan review and inspections. South waterfront project we have six projects going there that are working very successfully through this program. We also have staff from our intersection agency partners on m.p.g. That are available if you have particular questions about that. Thank you.

Tom Scar: Good morning, mayor Potter, members of the commission. My name is tom scar. I am the chair of and the representative to drac of the Portland home builders association. On behalf of drac I want to say that we appreciated the opportunity to work with staff and look at these fees and we believe them to be just. We appreciate the constant continued improvement that's been made over the last several years in terms of service improvements, time frame improvements, all kinds of good things are happening there and we appreciate that. And as the home builders representative I can tell that you we quite frequently north much in favor of increased fees as you might have surmised by now. But in this case we are behind it 100%. We believe also as home builders association these are just increases, that they are necessary, and that they will contribute to the improvements that have been happen go over the last several years and we hope to expect to see continued improvement over the next several years in terms of continued level services of improvement.

Leonard: Thank you tom. We probably had no better partner in the private sector than the home builders. You guys have been absolutely wonderful to work for. Appreciate it.

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Scar: Thank you.

Potter: Questions from the commissioners?

Saltzman: We updated our city green building poll about a year ago. And I thought one of the requirements or one of the new policies was that lead buildings are eligible for the m.p.g., major project group review. Does that ring a bell with anybody here? I see somebody raising her hand.

*****: I'm glad somebody did. [laughter]

Scarlett: Thank you, norah.

*****: Yes.

Saltzman: I'm trying to see where anything in here refers to that. Maybe you can refresh our memory what exactly the new policy is.

Nora Mullane: Sure. My name is Nora mullane. I'm the section manager at the bureau of development services. The agreement as I know it is that we will provide process management services to all lead certified buildings. The major projects group program is the part of -- sort of a subdivision of the process management section. So we're currently working with offices of sustainable development with terry miller on the lead certified projects and they each have a process manager assigned. They're not necessarily a major projects group.

Saltzman: Ok. Thank you.

*****: Sure.

Potter: Other questions? Thank you, folks.

*****: Thank you.

Potter: Do we have a signup sheet?

Moore: We do. We have three people signed up. Trevor, alan and dennis.

Potter: Thank you folks for being here. When you speak, please state your name for the record, and you each have three minutes.

Alan Beard: Mayor Potter, and commissioners, my name is a alan beard. I am an architect with, I am a principal with gbd architects. And I don't know whether you know this or not, but Portland and the professionals here, are the envy of our colleagues in other cities. The bureau of development services and the programs such as m.p.g. And f.p.p. Make us the envy of other like professionals in other cities. And we work up and down the west coast. And we haven't found anything that's as good as the major projects group. It provides certainty. It provides for a partnership between the city and the private sector. It keeps things on schedule. It identifies problems before they become problems. And brings buildings online for owners so they can be used at the earliest possible date. It brings is, buildings online so that taxes can start to be paid at an earlier date. So I am really high on this program as an architect. And it really serves this city well. Thank you.

Potter: Thank you, sir.

Leonard: Thank you, alan.

Trevor Rowe: My name is trevor rowe from williams and dane development. We are real estate development company which many of you are familiar with. I am personally responsible for the design and construction of block 34, 38, and 46, and for us those are all just numbers for easy identification. But as time goes on, they are becoming places and they are becoming part of the city. And i'm on the front lines with the permitting of those projects. And I sit before you as an advocate of the m.p.g. Program. We basically get a guide from the city to help us through the design and construction of our projects. And it's basically a collaboration between the team on my staff and the city staff. By their own nature, the staff at b.d.s. and the other bureaus are problem solvers. And too often they are swooping in at the end of the project, at the end of the design phase to try too solve problems. And the m.p.g. process gives them the opportunity to participate all the way along. In january of 2005, I met with m.p.g. Staff for the block 34 atwater place project and we set a goal to have a permit in 11 months. And it was an aggressive goal and we all knew it. And

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what I was expecting was push back from staff. And what I got was a list of things that our team needed to do in order to meet that date. And right away I knew that we were dealing with professionals that were going to be part of our team. We met the date and we're on to the next two.

You know, basically, one of the biggest challenges in our business is to capitalize these projects and as construction costs go up over time the challenge gets more and more difficult. We're, by our nature, developers are risk takers. And we're always looking for ways to protect against risk. And the fees associated with the m.p.g. Program, we support, because it's a known measure up front that helps us create reliability in the permitting of our projects. And it's difficult on the first conversation with lenders all over the country to explain what the m.p.g. Program is. But the consistent delivery of permits that we have experienced in south waterfront is starting to build a reputation for Portland as a good place to invest in a construction projects. And I appreciate your time and urge you to support this.

Dennis Wilde: Dennis wild, real estate development company. We work with b.d.s. in pioneering the m.p.g. Program several years ago. In fact, one of the projects in brewery blocks was the beta test, actually, for this. And then subsequently followed that process with the initiation of the projects in south waterfront. And I would echo what both alan and trevor have said about the, about this program. B.d.s. truly has pioneered a phenomenal program that's the envy of pretty much everybody as alan said that's in this business. So we enjoy a great working relationship. Having the b.d.s. staff working with us from the beginning of design through the development of construction documents and into construction is a huge asset because we identify potential issues very early on and can address them early in the design phase. So it saves both us time and money, and hopefully it saves the city resources as well as we go forward. The fee increases before you today is to support bureaus outside of b.d.s., primarily b.e.s. and p-dot and the water bureau in their support of the m.p.g. program so they have the staff assistance. We have had great support in the past from b.e.s. and we know that this is a burden on them, so we are supporting this fee increase because we know that it will add the resources necessary so that this program can achieve its true potential. Thank you.

Potter: Thank you, folks, very much. Is that it?

Moore: That's all who signed up. Any further discussion?

Leonard: This is a first reading? Moves to second? I do want the members here make a couple of comments because when we vote they probably won't be here. I just need to point out the stark contrast between what we all heard today and what we heard i'm sure more than anybody here, commissioner Adams appreciates about what I am about to say. What we heard four years ago couldn't have been more opposite from the development community, and contractors, architects, et al. It is of note to me that alan beard said, characterized b.d.s. as being the envy of other cities. Trevor said b.d.s. is problem solvers, Portland is a good place to do -- to invest in because of the permitting system. And dennis wild characterized partly b.d.s. efforts as pioneers. Those comments came after a lot of really hard work on the part of the staff that you are seeing before you and a concerted effort to change how they did business. And I think it's important to recognize here today as we are voting on this that they have done that and taken the bureau that had not the greatest reputation in the world and has turned it around to have now people in the private sector use the characterizations they did here today. And I know everybody appreciates that and I know commissioner Saltzman does as well, commissioner Adams worked on this issue with me when I first got on the council as a chief of staff to mayor katz. And so I just really need to acknowledge that that happened and that it shouldn't -- nobody should underestimate the value of having private sector here testifying in favor of a permit increase it's fairly unique phenomenon that. And I would also point out for those that have said that repeated they think Portland is not business-friendly, just two off the top. My head business that is have located here fairly recently. King cycle who is a world manufacturer of bicycle parts uprooted their operations and moved to Portland on the

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assurance that we would, b.d.s., would assist them in facilitate them in the permitting process. We did, they did, and now they operate proudly out of north Portland and are an internationally recognized manufacturer of high-end bicycle parts. I was really pleased just about three weeks ago to go down on st. Helens road for the grand opening of advanced american construction, which was, is a huge firm that opened on the willamette river underneath the st. John's bridge and does underwater construction projects, does -- works on dams and those kinds of things and they invested tens of millions of dollars into that site. Could not have done it according to them without the excellent work of the bureau of development services. So I just thought it important to acknowledge this larger context as we have this discussion today and again express my appreciation for the final work of the employees of the bureau of development service, the leadership and our partners in the private sector. Thank you.

Adams: There is more testimony?

Potter: I think that's the end of the testimony but if I could say --

Adams: If I could say just a few words. Commissioner Leonard was very generous in acknowledging our early work together but he and his team deserve high praise for continuing with it. I remember those early discussions and there was an incredible amount of push back from not only the business community but also internally. And to get the bureau where it is today goes far beyond, in a positive direction, what anyone could possibly have imagined was possible to achieve so I really want to grant late you and ty and your entire office team and the team you have gathered and the workers in the bureau. It's an amazing accomplishment. Congratulations.

Leonard: Thank you.

Potter: I also want to say which I was campaigning for this job a few years ago, one of the complaints I heard was about b.d.s. specifically from the business community. And this has been a sea change. And I think it's due to the leadership of commissioner Leonard, certainly paul scarlett and the fine staff at b.d.s. You have a lot to be proud of and our community is proud of you as well so thank you for your efforts. This is both of these are not emergency ordinances and they move to a second reading next week. Karla, could you please read the 10:00 a.m. Time certain and read all three items.

Item 661, 662 and 663.

Potter: Great. Thanks. Do we have all the bureau's staff here?

Adams: It's rate day.

*******:** I think the expectation was we were going to go bureau by bureau.

Leonard: Go ahead, david.

David Shaff: Good morning. I'm david shaff. I am the acting director of Portland water bureau and with me is dave hasson, the finance manager for the Portland water bureau. You have in front of you our outline for our presentation today and I am going to get into it real quickly since I know we are running a little behind. Very briefly, we have a total budget of \$101.5 million. Of that \$59.1 is our operating budget and \$42.4 million is our capital budget. We receive total of \$85.5 million in rates and charges. Of that \$62.2 million is revenue from our retail customers, our ratepayers. \$14.8 million is our estimate on what we will be receiving from our wholesale customers. We receive approximately \$600,000 for customer late charges and then other charges such as s.d.c. and chargeable work amount to about \$7.9 million. We have a total of 536 full time and 10 permanent part time positions budgeted. The average retail rate increase you see for this year is 2.5%. And that rate increase reflects our requested service level package for our increased main north plains and our capital program. It also covers the package for increased staffing that you have approved in the 2005-2006 spring bump and the approved ordinance that the council passed in january for the 15 additional positions in engineering. Our rates do continue to provide for a fixed low-income discount program for single family residential customers at 40% or about \$4.85 per month. Our s.d.c. charges increase about 4%. Our basic residential s.d.c. rate increases

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from \$1600 to \$1664. That puts us well below other regional providers and we still have waivers for affordable housing. Our water bill, our typical residential water bill, which is 700 cubic feet or, yes, 700 cubic feet, increases about 47 cents or 3.1% from \$15.24 to \$15.71. The medium commercial account 200 cubic feet per month increases about \$5 or 1.4%, from \$3 58.96 to \$3 63.mix. Your Portland water bureau represents only about 4% of the basic utility services for retail residential customers. If you look on the next page you will see a graphic that shows that for the basic utility services for typical monthly charge for retail or residential customer, their water bill amounts to just 4% or \$15.71 a month versus 20.60 for solid waste, 44.50, telephone, \$118 for electricity and \$135.17 for natural gas. That doesn't include cable, internet or cell phone charges. If you look at next chart, our typical residential water bill has not gone up very much in the last decade or so. The average annual change is only been 1.6%. If you are interested in seeing the effects of conservation all you need to do is look at 2005-60 and 2006-2007 where the average residential water bill actually dropped. And that's a result of the change from the eight cubic -- 800 cubic feet average residential use down to 700 cubic feet. If you would like, look at next page. The comparison of typical monthly residential city utility bills is, you will see that water is the lowest with the exception of clackamas river water. The clackamas is going to have an increase in their rates. They don't know yet what they will be. They may still end up below us. They may pass us. But we are among the lowest of all of the water utilities in the region. If you look at next page, comparison of typical residential system development charges s.d.c., our proposed s.d.c.s are 1,164 and you can see that tigard, gresham, beaverton, tvwd are all significantly high are than that. So we still have the lowest of the s.d.c. charges. Excuse me?

Adams: That's really where we fitted in on the s.d.c.'s for both b.e.s. and water he is relative to the region and the fact we are lower than some and is really not well known.

Shaff: No, it isn't. And nor are our rates when you ask the typical Portland ratepayer how to, how our rates compare with the surrounding region, I think most people would probably say, ours is the most expensive when, in reality, ours is the cheapest. On the development charges, we do have changes as you know. We have proposed full cost recovery for our development charges and that does result in increased charges from zero to up to 93%. And we have given you some examples. So renting hydrant meters, wrenches, set remarks we are not proposing any increases. Permanent service removals or 93%, 93% increase. We don't have a lot of those. S.d.c. charge, I have already mentioned are going up 4%. Installations and activations, that's where probably most of our, most of the charges will come from. Are going up by 42% and 43%. It's important to note that these changes -- these rates and the subsidy of development by water ratepayers. And it also keeps our rates 2.7% low are than they otherwise would have been. S.d.c.'s applause installations are about average in the region. If you look at that next charge you look at a comparison of the utility s.d.c.'s and the installation fees that we are charging and Portland shows up right about in the middle, lower than tualatin, low are than tvwd, low are than clackamas, slightly higher than eugene and gresham and the city of milwaukie.

Leonard: I don't know if you noticed this but apparently your excellent presentation has attracted the attention of the media. Every news outlet possible in here listening to you.

Potter: This is your moment.

*******:** I don't know what --

Adams: This is your 15 minutes. Use it wisely.

Shaff: I have had my 15 minutes and I think I will pass. [laughter] that's it for our presentation. Unless you have questions.

Potter: Questions from the commissioners? Thank you. Do we have people sign upped to testify for the water?

Moore: Yes. We have two people signed up we have frank ray and kent crawford.

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*****: Also with me is John Tyler. And I would just like to read a prepared statement about utility rates. The Portland utility --

Potter: Could you repeat your name.

Frank Ray: Frank Ray.

Potter: Thank you.

Ray: The Portland utility review board is a diverse group of citizens who have been tasked with advising the city council about water, sewer, storm water, and solid waste rates. Thank you for allowing us this opportunity to address you this morning. The citizens of Portland have much to be proud of in utilities that are operated by the city of Portland. These utilities are managed efficiently and effectively and are staffed by hard working employees who are dedicated to their task are providing critical services for all our benefit. The more we learn the more impressed I become with the dedication of staff and the work that they do. The Portland water bureau provides the best municipal drinking water in the nation, and does so through the skilled and prudent operation of a complex storage and delivery system much of it constructed 100 years ago. The Bull Run watershed that supplies our drinking water is a heritage that Portlanders cherish. The bureau of environmental services provides sewage treatment and disposal services and manages storm water runoff and does so through their skilled operation of a complex and aging system. The system that requires a lot of effort and resources to maintain in good operating condition in order to protect the environment and human health. B.E.S. has just begun the final phase of the combined sewer overflow project. The project that has already dramatically reduced the occurrence of sewage overflow into our rivers. Portlanders should be proud of this accomplishment. The office of sustainable development performance corrective regulator of the oversight of the city's haulers. This system of residential haulers provides outstanding service to customers as well as private second jobs at fair wages and fair profits for both large and small businesses. Portlanders are fortunate to have a solid waste collection system that is very focused on recycling reusable materials and reducing the waste stream that ends up in our landfills. These basic services, supplying water, treating and disposing of sewage, managing storm water runoff, and the collection of solid waste and recyclable materials are each performed at a fair and reasonable cost. However, in addition to the cost of these services, Portlanders are paying for through utility rates other services as well. The purb recommends refunding these programs through rates and identify other possible sources of funding. It is not our intention in giving you our recommendations to pass judgment on the merits or the value of any of these services. Instead it is our purpose to simply point out that the rate base is being used to fund services that are not directly related or essential to the delivery of utility services. Although many of these programs that we identify have merit on their own, and many provide laudable public benefits the purb believes how they are funded should be reconsidered. Further more we would appreciate any opportunity that you may provide to continue our involvement in this topic. We look forward to being engaged in the important policy discussion regarding the role that you, these utilities play, the services that provide, and what services are funded through utility rates. The purb is also recommending the council reconsider the decision in the approved budget to spend the savings that were realized through a change in the structure of bonds that will be issued to provide financing for the C.S.O. project. The debt service costs for these bonds will be lower than originally anticipated, are. We believe the city council should allow customers to keep these savings. In an era of very high sewer rates, we believe it is imperative that the city take every opportunity to provide rate relief to customers. We believe this is a perfect opportunity to provide some rate relief. Thank you.

John Tyler: I'm just they're support Frank, John Tyler with the purb. So ink, Kent, if you have comments.

Kent Craford: Mr. Mayor, commissioners, I am Kent Craford with the Portland water users coalition, a group of large water and sewer customers. First of all we would like to strongly support

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the recommendations that purb has put forward. And also endorse their effort as a group of volunteers who have been appointed by this council to look at rates and they really do a great job of rolling up their sleeves and getting into the nitty gritty of our water and sewer utilities. And I think that the recommendations they put forward were well researched, thoughtful, and should provide a very good jumping off point for I think a healthy discussion about what belongs on your sewer bill and what doesn't. I'm going to speak to the proposed water rate now and the proposed sewer rate after that presentation. The Portland water users coalition endorses the proposed bureau of waterworks budget before you today and its associate the rate increase. We endorse the strategy of reinvesting in our city's aging water infrastructure. It is old. It needs to be replaced. And it's an issue of both safety and reliability. So we strongly endorse that. We also endorse the strategy of bringing a lot more of this work in house and not relying on outside consultants. But building up a bench of qualified and capable folks within the bureau to tackle our infrastructure problems. We do have concerns about the out years. The rate increases proposed for years beyond the next fiscal year, we know that the bureau is working very hard to get those down. We support their efforts and will continue to be involved in the next year so that hopefully we can be endorsing next year's water budget as well. Finally, I just like to say a thank you to the city council for its continued support of challenging the federal long-term two surface water treatment rule which would unnecessarily force Portland to add artificial water treatment to its pure bull run water system. This is not necessary. The e.p.a.'s regulations are unnecessary when it comes to Portland's already pristine drinking water source. We appreciate the city's efforts to push back on this and we encourage you to keep it up and we look forward to working with you on that. Finally, I would just like to say, we have been, four years a critic of the port water bureau. And I am happy today I think to come before you as a colleague. We have really appreciated I think the turn around the bureau has made. I think the budget process they went through this year was very healthy, involving citizens and it was very comprehensive. And I think the focus is back on track. Away from big projects and more to just the nuts and bolts of operating the water system. So I just like to say that, you know, the bureau is in very good shape right now and I think Portlanders, once again, have a water utility that they can be proud of. Thank you.

Potter: Thank you, folks.

Moore: That's all.

Potter: Please read 662 again.

Item 662.

Potter: Commissioner Adams.

Adams: Thank you, mayor. Today we are proposing adjustments to the sanitary sewer and storm water rates and charges. We have two rates, sanitary for what is hooked up to the home or business and storm water to deal with the impacts of rain water. These changes are intended to generated an additional \$11.1 million in revenue which will allow us to make steady progress on protecting the willamette river and fulfilling the federal government requirements and state government requirements on us by improving combined sewer overflows including startup and operations of the west willamette combined sewer overflow control facility which will be occurring in the next fiscal year located on swan island. Maintain an extensive and complex network of injured and natural systems that including additional sewer pipelining crew and increase c.i.p. maintenance, provides for 3.5 to address the back log in sewer maintenance. Protect the public health from risk caused by illegal and dangerous discharges into the public sewer system. And unfortunately, that still happens although we are working hard to try to stop that. In doing so we improve stream habitat and water she had quality and continue to meet our commitments to bond holders. This year we will see the long awaited implementation of the storm water discount program which we have named the clean river rewards program which would provide discounts on storm water charges on ratepayers who have facilities to manage storm water flows on site. Discounts will have a significant effect on

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monthly bills and will recognize past efforts and promote future efforts to manage storm water on site.

Dean Marriott: Thank you. Good morning. Mayor, members of the council, I'm Dean Marriott, environmental services director. Jim is our business services manager for the environmental services bureau. You have in front of you handouts and we have some copies for the audience. Just want to hit some of the highlights here as the commissioner mentioned already. We are deeply involved with the cleanup of the Willamette River and our urban watersheds. That requires significant amount of revenue to meet these mandates. We need to raise \$197.5 million in revenue next year. You can see from the handout \$93 million of that will be for operating, \$107 for debt service, cash financing over some of the construction we have underway, \$23.7 million for the utility license fee and transfers to the rate stabilization fund. And that is less \$26.5 million roughly of nonrate revenues which is revenues from systems development charges, wholesale rates, grants, and federal appropriations. The capital program is the big driver as it has been for the last decade. Our five year capital improvement program is \$771 million. As you can see from the breakout 81% of that is, goes to the combined sewer overflow program so that it continues to drive that effort. You can see the debt service \$102 million and our bell weather, the indicator we use to talk about what the impact on our ratepayers is, what will the impact be to the average single family bill when they get it after the rates are changed? The typical single family home will get a bill that will be increased 5.6%, if you adopt these rate changes. Talking about the clean river rewards program as the commissioner mentioned, we first ran the rate model to tell you what the bellwether bill would be from adopting these rates and that's the 5.6% that I just mention the. Now becomes a little more complicated when you, when we roll out the clean river rewards program this fall. Because as you know, some people will qualify for a complete discount, some people will get a partial discount. Some people will not qualify for any discount. So to be able to identify in advance what the impact on their bill will be is a little bit complicated. Also the new rates go into effect in July. The clean river rewards program starts up in October. And on top of that, when someone qualifies for the clean river rewards program, as per council direction, we provide one year of retroactive credit for their storm water discounts. So it becomes rather complicated to predict exactly what the impact on every individual residential homeowner will be. But we took a stab at it here on this page. The average post-start-up residential single family monthly bill change, if you qualify for the full discounted, your total bill will drop by a little over 4%. If you don't get any discount, it goes up about 9.5%. So there will be a range there. If you get a partial discount you will be somewhere in between. I'm happy to answer any questions you have about how that will work. But otherwise I'm just prepared to keep moving. The next page on page 3 is a list of the proposed rates. And as you know we have residential rates and we have commercial rates. And it's spelled out here for you. The current and the proposed rate and the percent change for both residential and commercial and they're slightly different, but they're not significantly different. If you have any questions I will be glad to respond to them or I'll just keep going. On page 4 is a tract that shows where we stand versus other communities. We highlight these communities in the combined sewer overflow construction project. And those that have not. And you can see from this chart that we do have high combined sewer and storm water rates and bills. But not the highest in the region or highest in the country. That's not to say they aren't high. They are high. This includes some other charges not including stormwater rates. We propose a change in 5.8%. On the sanitary side, 4.8%. Development fees as you just heard earlier this morning, we are proposing increase of approximately 4% for development and land use review fees. Industrial waste discharge permit fees, there was no increase at all last year. We are proposing to increase them approximately 6% this year which maintains our cost recovery percentage at about 55% of the cost of that program. Line and branch charges increase about 11%. That reflects the substantial cost increases in doing construction work. The last page is a chart that shows you where we stand on our systems

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development charges with other communities on the west coast or in Oregon just for your comparison. With that I am happy to respond to any questions you might have.

Potter: Karla.

Moore: We have one person, Kent Craford.

Kent Craford: Good morning. Kent Craford with the water users coalition. Portland as Dean Marriott said, has very high sewer rates. In fact, we have some. Highest in the nation. One is that nearly 44% of this bureau's revenue comes from 8% of its accounts. 92% of the accounts are residential accounts. 8% are nonresidential so that's commercial, industrial, other. So those businesses make up for nearly 44% of the revenue that comes into this utility. The second fact they found out is that's disconcerting is that despite raising its rates every year, Portland's revenue or rate base actually shrinks despite, we have to raise rates every year just to maintain the same rate base. So if we put forward the same rates next year as we have this year, our actual revenue will decline even though our number of sewer accounts goes up and that's a reflection of conservation, of people in their own homes making individual decisions to reduce their sewer bill. Businesses conserving, installing devices that help them put less waste down the drain and other things. So what this means is that we are starting to cannibalize ourselves in terms of our sewer rates. And the question is, what will higher rates do to this, to this scenario? We are worried that higher rates will only further exacerbate the problem. So today we urge you to take a look at this sewer budget and propose rate increase, and make some adjustments, particularly with respect to the alternative financing strategies. Strategies that the bureau proposes are good ones. We have supported them. It allows us to save some money today and curb the high growth in sewer rates, if not slightly. Unfortunately, the budget proposed spends those savings when it should be saving them and passing it along to ratepayers. So we cannot support the budget as proposed with its associated rate increase and we urge you to reconsider it on behalf of Portland's residential and business ratepayers. Thank you.

Potter: Thank you. Is that all?

Moore: That's all who signed up.

Potter: 663.

Item 663.

Bruce Walker: Good morning Mayor Potter, members of the Portland City Council. I'm Bruce Walker, the solid waste and recycling program manager for the Office of Sustainable Development. I've got -- have you received the -- we were going to hand it out right now great. I have just a brief handout and want to step through some points about our solid waste and recycling system. The major difference of course in the utilities are that environmental services and water are city run and operated. Our office oversees private haulers who provide the services, so the franchise haulers, there's 29 of them, they service in excess of 140,000 single family four-plex, part of this system and part of the rate review that's before you today. We're proposing a rate increase based on a range of things that I will step through. In the scale of our overall system is compared to the other bureaus, for providing residential services, the private haulers' costs are about \$32 million per year. So our scale is somewhat small error in terms of budget, but it's also in terms of the breadth providing service to a large number of residential homes. We conduct an analysis every year and come back to you with review of rates, things that we step through of course include labor costs, truck costs, fuel costs, and other associated costs of providing the service, including the recycling revenues, which are reduced or deducted from the rate because haulers do receive financial offsets from the materials they collect from the yellow bins. As we go through this process we have a C.P.A. who reviews hauler financial records that are submitted, and we work with an economist to review the rates, do a flow model to assure that we're proposing rates that are fair not only for our customers that we serve, but the haulers who provide the services. The proposed rates we're presenting today have been reviewed and approved by the Portland Utilities Review Board. We're proposing a 4.8%

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increase on the 32-gallon can, that's for monthly service -- excuse me, for a comeback that gets picked upper of week, that rate increase would be slightly less than \$1, about 95 cents. The reason we pull out the 32-gallon can is that's the one most commonly used in the city. If we were to compare that with the growth of inflation over the years, when we started our system in 1992, those rates would be typically -- right now if they followed inflation would be in excess of \$25 a month. But the efficiencies of the system have got -- have got that at \$20.60. So while it's a rate increase, there are reasons behind that. Haulers' general administrative costs have gone up -- management costs, billing costs, handling customer calls, office rent, fuel price increases, obviously that's hit the haulers hard. And unfortunately the anticipated costs for -- forecast by the federal government are to go 15% higher over the course of the next year. The result of the review proposes a 4.8% increase as I mentioned. I have highlighted the major cost categories on the handout I provided to you, the ordinance contains a much more detailed list of some of the servicing to multiplexes or multiple cans being picked up, but what you see before you summarizes the services that are provided to over 95% of the customers and we're asking your consideration to approve these rates, the due process we've gone through to review these at -- has been thorough. If you have any questions, i'd be happy to answer them.

Potter: Questions? I did have one question. It's on your list of fees, you have a fee for a terrain differential.

Walker: Yes.

Potter: What is that?

Walker: Ok. Thank you for asking that. The terrain charge applies to parts of the west side that have higher costs to serve those. Serve those areas. It's not just hills, but a nongrid layout that causes haulers to be less efficient in servicing those accounts, and larger lot sizes that are typical in that area. Now, if we were a utility like environmental services or water, we could spread those costs throughout the city and every rater would have the same rate. But because private haulers service those areas, we'd have to go in and collect more and subsidize, in effect, those higher costs that we have monitored both through time and motion studies, and the annual financial reviews. So that terrain differential, that terrain charge applies to those areas that have higher costs to serve them. That's about 10% of our customer base.

Potter: Thank you. Other questions? Thank you very much. Karla is not here. Is there someone signed up to speak on this? Please come forward. Karla, are there -- is that it? Ok.

Dave White: Good morning, mr. Mayor, my name is dave white, regional representative for the Oregon refuse association. We represent most of the local haulers in the solid waste recycling industry in the city. Really my comments on the rates are simple -- the numbers are the numbers, and they've been reviewed, and we support the rates that are being proposed. I would like to take a second to say that the solid waste recycling collectors that work in the city are proud of their role in providing this valuable service. They're dedicated to continuing to look for ways to become more efficient, providing superior customer service, and work with staff to develop new and improved collection programs. I thought you might like to know a few of the numerous issues that we're working with the city on over the next months and potentially years. We really want to get some of these matters resolved. We want to help the city meet the recycling and waste goal you've committed yourself to. We're working on the container and right of way issue and hope to be coming back to council soon on that. We're working on the commercial nighttime noise issue. And we're making some progress there we believe. We want to see there are ways to improve the cost effectiveness and the accuracy of the canned weight study, which is what the city uses to determine how much the average container weighs. We want to work to reduce diesel emissions. We're looking for opportunities to apply sustainability principles to our programs. We're concerned as everyone is about waste and what we can do to collect e-waste. We're look at adding potentially adding new materials at the curb including plastics, which might be like the butter tubs, etc. We

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want to work with the city to help the organics program move forward. The city in its -- its citizens and the collectors have created a highly successful and effective solid waste recycling collection system. You have our commitment to do the good work and look for opportunities to make improvements that benefit us all.

Potter: Thank you.

White: Thank you.

Potter: And i'm glad to hear you say you want to reduce your diesel emissions, and I think commissioner Leonard has some ideas for you.

White: I've heard that. You should know our association put on a forum, it was an all-day forum to work with not only equipment modifications, but also biodiesel and low-sulfur diesel. So you've got our ear and we're working statewide on doing it.

Saltzman: We actually recently asked all of our haulers to start using biodiesel, and as far as I know they've all agreed.

White: We're working on it.

Potter: Thank you. 661, 662, and 663 were first readings and they'll move to a second reading. It's not 11:30 yet, so we're going to skip over the 11:30 time certain.

Moore: It's a 10:30.

Potter: Oh. It's at 10:30. In that case we'll go to the 10:30 time certain.

Item 664.

Saltzman: Members of the council, this is indeed long anticipated, very exciting moment in the history of the city. And for the future of our parks and recreation system. We have before us an ordinance that will authorize the acceptance and the donation of south park block five from the marilyn moyer charitable trust. In order to develop it into a public park. South park block five is the parking lot now that is east of -- west of fox tower, north of the paramount hotel, and the mercantile exchange. I think everybody knows the parking lot. Now we can envision it as a park, an outstanding contribution to this community from the moyer family. It's a culmination of about six years of -- eight years of discussions, I believe, a lot of hard work, and forthright commitment to the livability of the city. Mr. Moyer and his family understand the importance of a livable, walkable city, and adding to the legacy of Portland's south park blocks shows that commitment. So i'm pleased we're going to have a presentation here. We have patty, the lead design I for the park, janet bebb, our parks senior program manager, and we have katherine kriegler from p.d.c. also. We'll start off with vanessa and tom moyer. I should mention in addition to donating the property, they're also donating \$1 million to help develop the park and p.d.c. will also be contributing to the development of the park.

Janet Bibb: I'll janet bib, strategic projects manager for Portland parks and rec. I'm here on behalf of zari who had a family emergency and is not able to be with us. But it is my pleasure to be here and to be once again introducing and be grateful for this donation. I do feel as dan suggested that we are making history today. So just playing on that, let me remind us a little bit collectively of our history here. In 1852, Portland pioneer daniel longsdale platted 11 half blocks between southeast stark and salmon, and declared them for park use. A move that would forever help to define the linear core open space in Portland. In 1903, john charles olmstead recognized the importance of these blocks and included them in his park board report. The vision of longsdale and olmstead have captured the imagination of the community and it has never let go. The first major park block addition to this vision was the purchase and development of o'bryant square in 1973, and that was named after Portland's first mayor, hugh o'bryant, who was mayor in 1851. In the late 1990's, a proposal by the former property owner of park block five was put forward to have a six-story, above-ground parking garage that prompted the community and mr. Moyer into action to preserve the site for open space. With the future of the midtown park blocks in doubt, former mayor katz created the park avenue urban design vision with bureau of planning and the community. Assuring

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that the park blocks and their unique urban quality would be preserved for future. Today the 150-year vision of longsdale continues with the donation of park block five to the city of Portland by mr. Tom moyer, founder of t.m.t. Development company. The significance of mr. Moyer's generous contribution and contribution of park block five and the funds for construction are without measure in the community, and will forever be considered a key in securing the future of the park blocks and the intent of longsdale and olmstead. For this we are forever in your debt. Working in partnership with Portland development commission, we are ready to begin designing Portland's newest park. With the world class park design team on board, led by z.g.f., we anticipate that the park will be complete by late 2008. Mark your calendars now for that dedication event. Mayor, council, thank you for this opportunity, and especially mr. Moyer for bringing this long-haired community vision one step closer to reality. I'd like to introduce vanessa sturgeon and mr. Tom moyer. We have a symbolic check that they would like to give council with an opportunity to memorialize the event with a photograph, but also we'll take -- but of course we'll take any questions or discussions.

Potter: Questions from the commissioners?

Adams: Just a hearty thank you for your incredible generosity. When you first approached my former boss, mayor vera katz with this idea, I remember that it was hard to actually believe that someone would be so generous with the city. And folks should remember that this was at one time slated to be a parking structure, and nothing wrong with parking structures, but it would have been in the wrong place. And without your intervention and your willing to put up your hard-earned money, it would have been a parking structure, and instead we get a beautiful park in a part of downtown that will benefit because of it. So I know vera would like me to thank you and we're incredibly grateful for your continued good work to make Portland a better place.

*****: Thank you.

Potter: Mr. Moyer, would you like to make a statement, sir?

*****: Not really. [laughter]

Saltzman: Ms. Sturgeon, how about you?

*****: No thank you.

Potter: Do you want to present the check? [applause]

Potter: Thank you, folks, for your very kind and generous donation.

Leonard: Yes, thank you very much. It's wonderful.

Potter: We'll be moving to our regular agenda.

Moore: We have --

*****: You're going to need to vote on this.

Moore: We have item.

Potter: That's a very good point.

Adams: You've already cashed the check in your mind.

Potter: Ok. People signed up to testify.

Moore: We have four people signed up.

*****: Didn't think you'd get off that easy, did you?

Potter: Just one second.

Irwin Mandel: Good morning. Irwin mandel. I want to give a real history of what happened. This started 11 years ago, in 1995, when the goodman family planned to put up a 12-story parking structure on that block. This raised cries from all over the city. The downtown community association organized and perhaps commissioner Adams remembers, but that was a long hearing. Started in the afternoon, and went well into the evening. People from all over the city. I remember greg goodman saying, what happened, is everyone west of mississippi coming here to testify that day? The vote after that was 4-1. Only commissioner mike lindberg at the time was the only one who could find reasons to turn down this proposal. The downtown community association then mobilized, they held auctions, they sold stuff to pay for attorneys to put this up to luba for a review.

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Luba went along, sent back and said, no, go right ahead. It went down to the day before the bulldozers were due to rip up that block when I have to give the devil his due, Neil Goldenman brokered -- Goldschmidt brokered the deal, finally convincing Goodman to accept Tom Moyer's offer of \$5 million for that park block. Which was finally accepted, and he turned it over to the city, as you well know. It has been a long time since that turnover. The agreement was I believe that Goodman's keep that lot for another five years before, and that was 1997, another five years before the city took official title to it. That brought it up to 2002, and it's been four years since then when it has just, I don't know what happened to it. Let me tell you, that was an issue that mobilized people from all over the city. And I do mean all over. From out in John's Landing, to people in the northwest. The idea of putting a 12-story parking structure on that particular place right smack in the middle of town was an anathema to so many people and saw that the future of downtown would really be wrecked. Despite the business interests who kept saying, you know, if we don't have another parking structure right there, already surrounded by four, why, the retail business in downtown would probably collapse. We don't have a parking structure, and I don't think this retail business has collapsed. Tom Moyer is a true hero of Portland for what he has done for this city. We should be forever in his debt.

Lili Mandel: Lili Mandel, downtown resident. I'm almost speechless, almost, because I didn't even -- Mr. Moyer I'm sure was worried about living to see this, and so were we. We never thought -- I mean, what is it, 11 years since this has been going on? But I'm happy we fooled everybody, and Mr. Moyer is getting younger every day, and so are we. And as determined as ever as citizens of this place to have our say and not let the city be ruined. This is truly a wow day, and not an ow day. There won't be this monstrosity in our town, but a beautiful park for all of us to enjoy and Mr. Moyer is the hero of this. He is the man who had faith when everybody laughed --

Leonard: You better watch out, there's something going on there.

L. Mandel: Yeah, I'm watching.

Leonard: There's a little sparkle going on there.

L. Mandel: He's getting younger, I'm getting younger --

Leonard: We're all hearing your messages, Lily. [laughter] He's got a pretty nice apartment in that building he's got too.

L. Mandel: Oh, is that -- [laughter] I never even thought of that:

I. Mandel: Randy, I'll get you later:

L. Mandel: That wonderful, wonderful park from his apartment. That is fantastic. That is wonderful. You know, this is -- Portland is really our wild, weird, wonderful bunch. They got together, and it was not -- there were guys with suits testifying, there were workers, there was a man from clean and safe, you remember Little Al, Little Al had never testified before in his life, and he really cared about this city, and I said -- he wrote a poem, he wrote a beautiful poem, and he said, "do you think I can get up there?" I said, "yes can you get up there." he wrote a poem about this, and this was an effort of -- and there were some people who were in suits, architects, businesses, who were involved too, and donated money to fight this. So it was all these wonderful, weird, wild Portlanders, they can do anything.

I. Mandel: I have video tapes of those hearings, by the way.

Adams: Sitting through them was enough, thank you.

L. Mandel: Yes, it was enough. It was very, very painful for us to hear that four people could not find a reason not to build.

Potter: Thank you, folks. Please proceed.

Colleen J. Smith: I'm Colleen Smith, downtown resident. I like the answer that Mr. Moyer gave when asked if he had something to say today. Not really. And I would like to repeat myself. Do I really want to do this? Not really. But I do for all the people that worked so hard over the years, and I'm going to extend that time limit. It was 13 years, in 1993, that the downtown community

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association as we were known at the time, first heard about this 12-story parking garage. And like so many other people who we thought, in the middle of town to have that tall tower of automobiles would not be a proper place. So that's when we started in. And i'm glad that they both mentioned the fact this wasn't just downtown Portland, the people on the west side, this included the entire city. When we did go to the city council, and as you heard, the only one that voted in our favor was mike lindberg, god love mike lindberg, and then from there we went to the land use -- state land use board of appeals, and we lost that. Well, that includes a lot of lawyers that you have to hire, and that includes a lot of expense. So then we decided, how are we going to pay for it? Just a bunch of people that live downtown in apartment buildings and so forth. So the old church was very, very gracious and let us have their facility for a day and a half where we had what we called a treasure sale. And people came from all over Portland. I volunteered that anyone who called I would come and get their -- what they had to donate. And I had a call from an elderly couple way out in northeast Portland. And I went out -- they had a little piece of furniture which they wanted to donate. And they said how happy they were that someone was going to try and safe that place for a park. And there was a musician with the Oregon symphony that pedaled his bicycle up to the -- peddled his bicycle up to the old church to sell his bicycle. There were so many stories, we should write a book someday of the there was this tremendous outpouring of support for this. Well, of course as you heard --

*****: Have you three seconds.

Smith: We lost the appeals, but we kept on and we remembered two words -- persistence and patience. With the emphasis on patience. And then for a knight in shining armor that came out of the west by the name of tom moyer who saved the day, god love you, tom moyer. A man who really loves this city, and knows what will really add to it. Thank you.

Potter: Thank you, folks.

Moore: We have one more person.

*****: Thank you for the honor of appearing before the council members. This is my first time to testify. I'm a little bit nervous.

Potter: You're doing very well, but if you would state your name for the record.

Rose Ann Clementi: Rose ann clementi. I am the recorder and previous treasurer of the downtown community association doing business as the downtown neighborhood association. But that's not why i'm here. I'm here because as a newcomer to Portland, I have heard about the founding fathers wanting to extend the park blocks from the north through the south, and I want to thank mr. Moyer for making this a reality. And that's all I want to say. Thank you.

Potter: Thank you very much. You did very well. Is that it?

Moore: That's all.

Potter: Any discussion by the -- let's take the vote, please.

Adams: Again, thank you. Aye.

Leonard: This is really a pleasure to be here, and thank you, tom, for all that you do and continue to do. Aye.

Saltzman: I want to thank the moyer family for their great contribution to the city and to our parks system. As has been said, there's a long history to the vision of the south park blocks and the north park blocks, and just probably about six months ago I had the opportunity to attend an event where the general services administration has made it known to us that they will donate the northern most park block across the street from the post office when they vacate their building. They're going to donate that too city parks for another park block. And I think that's the first time there's been an addition to the park blocks I believe since 1889. So with today's action and -- in a little less than a year, I realize it's quite a process that's proceeded this, but this is a culmination of a lot of work, but within the period of a year we have now added two park blocks in the middle of downtown Portland. And that's probably significant, and it's probably unprecedented, and it probably won't

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happen again, though we can always keep our fingers crossed. This is a great legacy that tom moyer and the more family is leaving to the city, and we appreciate your generosity and the citizens who enjoy the park, and enjoy downtown as they come and shop, recreate, and live downtown as well. We'll always remember the generosity associated with this contribution. I'm pleased to vote aye.

Potter: I'll just quote mr. Moyer when asked if he wanted to say anything, he said "not really," and I concur. Aye. [gavel pounded] thank you again, folks. Now we will move to the regular agenda. Please read the first item.

Potter: Also, Karla, item 695, commissioner Adams has requested that move up to 2:00 p.m. today.

Moore: Ok.

Adams: If we could get it after the 2:00 p.m.

Potter: Is there anybody here on -- commissioner Saltzman?

Item 690.

Saltzman: Mr. Alexander is here if he wants to come up and introduce himself. He is one of the city of Portland representatives to the mt. Hood cable regulatory commission, a multigovernment agency that reviews our franchises with cable, and he's been serving on it. He also works for the city, so he's been a great voice on the cable commission, and we want to keep him on for another term.

Alan Alexander III: I don't have much to say. I'm alan alexander, iii. Thank you for inviting me to testify. I'd like to thank the council and commissioner Saltzman for giving me another opportunity to serve on this very important commission. We are now just over 12 years old, I believe, and i've been serving for 10 years, originally appointed by then commissioner blumenauer under mayor clark. It's been a great 10 years, we've accomplished a lot, and we've faced some of the most challenging work up ahead with the introduction of federal legislation which might interfere with our ability to have local control of our right of ways. So that's a big challenge facing the commission at the present time, and I look forward to working with the other commissioners in the other jurisdictions to try to make that fight move in our favor. Nothing more to say.

Potter: We appreciate you doing that, sir. Thank you very much. This is a report. We need a motion to accept.

Adams: So moved.

Saltzman: Second.

Potter: Please call the roll.

Adams: Thank you for your service and your willing to continue your service. Aye.

Leonard: Aye.

Saltzman: Thank you, art. Alan. Aye.

Potter: Aye. [gavel pounded] please read the next item.

Item 691.

Potter: Could our staff please come forward on this? What we're doing is establishing a work group to assess citywide problems associated with street disorder and sidewalk nuisances. You heard a lot of concerns from residents from visitors, from businesses, regarding public drinking and drug dealing, aggressive appealing, intim -- panhandling, harassments, etc. We think this is a proactive effort to empower the community to work with the business districts and city bureaus to develop recommendations to address the public issue and help implement these recommendations. The current sidewalk obstruction ordinance, which regulates sleeping or silting on sidewalks s. Due to expire on june 15, and has not been an effective tool. It only addresses the behaviors rather than the causes, it only focuses on the downtown area, it is cumbersome, and too complicated to use effectively. And most importantly, it doesn't focus on prevention or intervention efforts to address street disorder or addressing root causes like the fact that someone sleeping on the street needs a

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home and services, not necessarily a citation. So we're going to work to provide recommendation that's will improve safety and access on our streets for all people, and improve Portland's economic success and livability, and we want to treat all Portlanders with dignity and respect. And we'll be recording our existing efforts with a 10-year plan in homelessness, efforts of the public safety action committee for downtown, and other areas, and with that, i'll turn it over first to maria rubio from my staff, and then chief sizer.

Maria Rubio: Good morning. Maria rubio, public safety policy manager for the mayor's office. This resolution will establish street access for everyone, or the safety work group as the mayor already mentioned. The goal is to take a broad look at street disorder issues in business districts across the city as opposed to just downtown as the current ordinance exists. And also to develop a citywide strategy developed by those that it affects most. We hope to include all of the business district association in the city, as well as neighborhoods and advocates for the homeless, advocates for youth, and other people who are affected. When we talk about street disorder, we're including such behaviors as public drinking, aggressive panhandling, intimidation or harassment, low-level criminal activity, and sidewalk obstruction by persons sleeping and/or sitting that have a negativism pact on the livability of the business district and also impacts people's perception or feeling of safety when they come downtown or other business districts. When we put this information out, we got some feedback from the community already who are excited about the prospect that we're going to be taking a broader look at things and coming up with a citywide strategy. There are -- they're also recommending we look at speeding in business districts as it affects safety. And also jaywalking, lighting, and other things such as that. The work group will be facilitated and we will put together parameters of the areas that we will be able to look at within the six-month period. As it states in the rawtion, the group is charged with surveying and defining street disorder problems with the input from business districts and other key stakeholders. Assess past and existing efforts of -- to address these problems, people have been working on this issue as you know, for decades, and we've gotten feedback from many people in the community who say that a lot of work has already been done, some of the strategies were not implemented, some of them were, and didn't work. So we're inviting all of those people to the table to bring their vast experiences and all of the recommendations and strategies that we may go ahead and revisit those and see if they're more appropriate to incorporate this time around. We will also gather community input and feedback on possible new or modified strategies, and to recommend to council in a formal report by november 1 of 2006 on some prevention and intervention strategies. And these may include expanding work around public restrooms and other livability amenities, neighborhood action plans, and others. The other concern that came up from the community was that there are already groups and efforts in place, and we plan to align our efforts with a 10-year plan to end homelessness, the interbureau task force, the precinct peace act, crow, and other groups that are working on other issues related to livability and street safety. As the mayor mentioned, we will be extending the existing obstruction as nuisance ordinance through november 30, and hope that we can make -- recommend alternatives to legislation through the safe initiative process. In terms of the work group makeup, we hope to have a group of about 15 to 18 members, and we are now in the middle of the process of getting recommendations from other city commissioners and other stakeholders for people to serve on this commission.

Potter: Chief sizer.

Chief Rosie Sizer: Good morning, mayor and commissioners. Prior to my assignment I for about five years was a precinct commander first at central precinct, and then at southeast precinct. And literally entertained hundreds of calls and complaints about a feeling of lack of safety on the street. And the range of those complaints were from business owners, to homeless people. The police bureau's role in enforcement is very important, and I think it's important in terms of setting a tone to increase a sense of order and civility for all people, regardless of their economic class. I'm highly

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encouraged by this effort, because it seeks to identify solutions that are beyond the parameters of law enforcement, and I hope that it will achieve three things -- one solution is the most important solutions, but also for the police bureau to be part of a dialogue, and also for the police bureau to enter into new and improved relationships with our partners in public safety.

Potter: Questions from the commissioners? Thank you, folks. Is there a sign-up sheet for this?

Moore: We have three people signed up.

Potter: Please state your name for the record, and you each have three minutes. Let's start with you, teresa.

Teresa Teeter: Teresa teeter, downtown advocate for homeless and other issues. I'm in favor of the work group, I am not in favor of continuously creating work groups over and over, because we do know what the problems are downtown. And the overlying issue is that there isn't money to get homeless people off the streets out of neighborhoods, etc. There's not enough grants in america coming this way, and I feel like we're beating a dead horse to death, because we've already done this through Oregon partnership, we've done this through the 10-year plan to end homelessness, the brochures in erik Sten's office inside the doorway, we have the solutions written out, and I just hate to see us keep creating group after of group and coming back every six months. The first thing they're all going to say is, "we need money. We need money." and if you go back through all these previous groups and tie everything together, you can -- you'll have your solutions. I think you just need one person to go back through and pull it all out. But if this will possibly this time around work, ok. This past saturday, this is probably my 21st week of observing at the schumacher fur protest, the citizen that's walk up to your officers observing this, i've heard every range of complaint of people coming up about homeless people two blocks down at pioneer square, the panhandles, people lying on the curb asleep. Your officers are doing a great job in directing them to various city agencies, the district attorney, etc., but when I walk up afterwards and tell them about the office of neighborhood involvement with the blue ticket coupon and that these -- they don't want to give out money to homeless people on the street, but I tell them about the coupon to help them eat, oh, well, I don't really want to do that. Then why do you want to waste the officers' time complaining if you don't want a solution? And solutions require money. So I just -- there are other issues, a range of hundreds of things going on on that corner. It wasn't just about the fur protest saturday, this past saturday. So if you happen to ever pop up there and listen, you'd be surprised how many people start coming up to you. There's many of us out there with solutions, but the top one is the big all mighty dollar sign. Thank you.

Andrea Meyer: Good morning, mayor. Commissioners. Andre meyer, legislative director for the city of -- for the state of Oregon. I appreciate the opportunity to testify. This has been a matter I went back into my file cabinet and saw I have bucket after bucket of issues that had been discussed in front of council in the past. I appreciate the recognition of the problem with the current ordinance. Would I -- as you know, sitting on the sidewalk is not illegal, and I would suggest under a recent court of appeals decision out of Oregon state v robinson, that the ordinance currently is still unconstitutional as it's been preempted by state law and conflicts specifically we don't have any mental intent requirement that the state law does require for disorderly conduct. So as we look at this in the future, I would urge us all to be cognizant of drafting any ordinance that is constitutionally sound. To the resolution, I wanted to speak briefly to some concerns I have. The whereas talks about a thriving business community, and it appropriately recognizes the need for the city to be -- respond to all people in the community, and empower all of them, but one thing I see absent from this is a recognition that specifically our downtown is a gathering place of all peoples to engage in lawful, political expression and association. That that vibrancy and that aspect and that constitutional right of our people's to gather downtown is really absent, and its absence seems to -- it does raise concerns with us, because it seems rather striking. With that absence also becomes the term when we talk about street disorder. I'm concerned about the definition of that. I think some

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might consider a political protest, a gathering in response to what is going on nationally or locally of people, be it in the pioneer courthouse square area, or other streets, that that could be constituting a street disorder. So I really urge if there's an opportunity to revisit this ordinance, to embrace our free association and free speech rights that we have under both the Oregon constitution and the federal constitution. Finally, I would conclude by saying that I hope the inclusion of civil rights groups will include the ACLU. It's my understanding we may be asked to be included in this, and also the public defenders. The past our voices, Oregon law center, have been the ones that have spoken to very discrete but -- constituencies, but we overlap and I think it's important that those voices not be lost in this. Thank you.

Dan Newth: City councillors, dan newth. Member of the downtown public safety action committee. I'm -- I volunteer with crossroads project, sisters of the road cafe, and I spent three years on the streets of Portland. My concern is that we respect that the experience that went into the current title 14 obstructions, nuisance ordinance, there are a lot of ways that the -- that previous ordinance was enforced that truly violated people's rights, and had severe impacts on people who happen to be homeless. We live in a culture we're 1% of the population -- where 1% of the population got 57% of the capital gains after taxes last year. 1% is extremely wealthy and 1% of our population in this country lives on the streets. I think we need to respect that our government rules and regulations create this atmosphere. Capitalism, it's a natural fallout. There's competition for jobs, there's competition for apartments and housing which raises the rates. The inability to just be on the sidewalk, if you can't be in the park after 9:00, you can't be on a sidewalk, where can a person be? The rendition down in Los Angeles in the ninth appeal court respected that human rights - a person needs to sleep. And I would hope that as this group meets that they recognize people in severe financial crisis have no choice but to be outside. There's not enough shelter space. There's not enough affordable housing. And so many people have no choice but to sleep outside. And I hope as this group meets, they take that into consideration. Thank you.

Potter: Thank you, folks, very much.

Teeter: There's also a homeless advocate meeting in front of city hall at noon tomorrow in case you're interested in coming out, attending, listening to the concerns. Thank you.

Moore: We have one more.

Veronica Bernier: Hi. Veronica, p.s.u. Community health education. I just want to speak to the homeless issue, having worked with women's affordable housing forum for over 20 years. I find that it's really real hard political football to carry. If you consider your quarterback being, you know, somebody in city hall, like commissioner Erik Sten, who isn't here right now, I noticed, but the quarterback has dropped the ball on some levels. And it's not his fault. What I see happening here is real controversial. Yesterday on the street I observed a woman and her girlfriend and a great dane and a big huge comforter. And they're trying to set up the local security guards in front of Peterson's over there near Yamhill to evict the great dane from the sidewalk. And the owners. But this purposeful set-up of the police department and security to make them look foolish, is what is happening with the homeless community. And I don't understand why. If these people, whether they're from Vancouver, or, I don't know, secrets, or Portland, continue to interact with the police on this level, the police will make an enforcement or ordinance about sidewalk sitting. And they will force them to that end. But the point here is that the sidewalks are for pedestrian access, and blocks to pedestrian safety are what we're concerned about, and community health education. That's the point. And when people with dogs engage the police in a foolish manner, it puts them in a one-down situation. If they enforce a great dane eviction from the sidewalk, all the friends of fur are going to come up and say you were mean to the dog, and then they'll be made to look foolish. We have to keep it positive, proactive pedestrian safety so we have to have safe sidewalks. That's my point. Thank you.

Adams: Thank you.

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Potter: Is that it?

Moore: That's all who signed up.

Potter: Please call the vote.

Adams: I think this is a very worth while effort. I like the comprehensive approach, and lend my partnership through pdot of however we can be helpful. Aye.

Leonard: Aye.

Saltzman: I want to commend the mayor for appointing this committee and look forward to providing some names of people who I would like to see involved in this effort. But it's a great effort. Aye.

Potter: I think -- i'm really looking forward to these results in november, and certainly appreciate andrea meyers' issues, and dan's in terms of ensuring and protecting the rights of everyone in Portland as to how we begin to implement perhaps a more problem-solving approach rather than just trying to suppress the problem. So i'm looking forward to the results, I appreciate the support of the city council on this. I vote aye. [gavel pounded] please read the next item.

Item 692.

Potter: Is there someone to speak to this issue? This commissioner Leonard, my staff said they've talked to your office about this issue.

Leonard: The bureau of planning did.

Potter: Ok.

Jessica Richman: I'm jessica richman, i'm a senior planner with the bureau of planning. And with me is douglas hardy, a senior planner with the bureau of development services. The ordinance before you today is a temporary solution to a problem we're having with the adjustment committee.

Adjustments are what used to be called variances. They're exceptions to some development standards such as setback and height and the like. Appeals of staff decisions on adjustments are heard by this committee, and they hear an average of only about 10 case as year. We have two members whose terms are expiring july 1, and they're term limited out, and we also had two unexpected resignations. Because of this, we will not have enough members for a quorum as of july 1. It's not possible to recruit, appoint, and train enough citizens to provide a quorum to hear these appeals by july 1. We also looked at whether we could have amend the zoning code in time, and that also wouldn't work in the time frame. The proposal before you, or solution, will temporarily reassign the committee's powers and duties to the land use hearings officer for 20 months. At the end of that period, actually well before the end, we will start working on either appointing a new adjustment committee, or amending the code to address this situation. If an amendment to the code is proposed, it will of course include full discussion with the community, hearings before the planning commission, and so on. Douglas?

Douglas Hardy: Douglas hardy, bureau of development services, land use services. Just to provide a little background in terms of the proposal, the issue at hand, the idea of having these types of cases heard by the hearings officer was in fact first considered when the zoning code was being rewritten in 1991, and at the time, looking statistically at the cases being reviewed, in 1990 there were 100 of these types of cases being reviewed by at the time what was called the variance committee, so the concern in 1991 was that the hearings officer would be overwhelmed with these types of reviews in addition to all the other type three land use cases that he hears. And that really hasn't come to be the case in terms of the number of appeals. Looking at the past five years, there has been approximately 10 of these appeal cases heard by the committee on an annual basis, and also of note, as part of the 1991 code rewrite, it was -- when the committee was created to hear the appeals, it was intended that it would be revisited within one or two years just to see how many cases were coming in, and to possibly reconsider having the hearings officer hear these appeals. In terms of the hearings officer and the hearings office, the hearings officer is trained in land use law, trained in the zoning regulations, the land use and city processes that go along with those land use

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reviews. The hearings officer is staffed with trained hearing clerks, and the hearings officer today hears similar cases when they're associated with other types of land use reviews, what we call a type three land use review. So having the hearings officer review these for this temporary period, if anything else, would ensure consistency of the reviews of these types of applications, given that they're being reviewed by this one review body. Transferring for the temporary period the appeals to the hearings officer is supported by the hearings officer, or the hearings office, and we have a representative here today from the hearings office who is available to respond to questions if you have them. In preparing this ordinance, we looked at some of the fiscal costs or impacts of this transfer, and b.d.s. Estimates it would result in a savings of approximately \$20,450 on an annual basis and save staff and administrative costs. And then lastly the ordinance is intended to address a very unique circumstance. The below of development services has never been -- the bureau of development services has never been faced with having four of the seven positions being vacant, number one, and number two, we pulled the list of candidates who would fill this committee as well as other land use committees from a list of the office of -- a list that the office of neighborhood involvement keeps, and historically there have been on file with o.n.i. A number of perspective candidates who could fill these positions. The uniqueness in this particular case is that currently there's only one o.n.i. has only one possible candidate listed in -- in their sport of -- sort of interest database, if you will. And the -- there is a formal process that the city has established for filling these positions on the committees, and it involves an interview process, and it involves being formerly appointed by ordinance through city council and importantly, it involves the training of the committee members, both by b.d.s. staff as well as by the city attorney's office. And we also like perspective candidates to have attended several hearings before they sit on the hearing body, as well as to review some past written decisions. And in this case it's not possible to appoint that number of candidates within the short time that we have here.

Saltzman: Are the vacancies all citizen positions?

Richman: The entire committee is citizens, but they need to come from specific areas.

Saltzman: That's what I meant.

Richman: The -- there are three expertise areas that are required by zoning code to be -- sit on the committee. There's a public at large sort of category, or expertise, if you will, architecture/design is a second category, and engineer, finance, and land development is a second expertise. And there is an opening -- there are two public at large option. One in the design and one in the engineering design specialty. So we have four openings.

Saltzman: So it's not just a question of getting general citizens, you need three with those specific backgrounds. Or two. Two of the vacancies --

Hardy: Two of the vacancies are public at large.

Saltzman: Two of the four vacancies.

Hardy: Right. So we have a total of four openings on that committee of seven people.

Potter: Have you discussed how we can remedy this in the future so at the end of the 20 months we would have enough candidates to select from?

Richman: If the bureaus together decide that we do need -- that having an adjustment committee is the route to follow, then we would talk about how best to recruit members, because at that time would it have been an inactive committee. But that's why we want to get a start on it well before the deadline so that the community can also have the discussion about both should we keep the committee, or not, and then also so we can do a broad-based kind of outreach.

Adams: In your opinion what do we lose by making this change? What do we gain, what do we lose?

Hardy: In terms of the review itself, whether it's heard by the hearings officer or by the appeals -- or the committee, both bodies are held to the same approval criteria. Both set-ups would require a public hearing that is noticed to the neighborhood association and to surrounding property owners

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with opportunity to testify at the public hearing. That would not be different under either the circumstances. We have, as I think you have in your packet, we have received some response from the community to the ordinance, and I think one of the reoccurring comments you'll see there, possibly hear today in testimony, is that it's -- the committee's viewed as basically a citizens' committee that if nothing else, includes at least two public at large members that obviously wouldn't be the case if it's assigned to the hearings officer. But again, I think -- i'd come back to the approval criteria are the same in terms of how they're reviewed, whether it's the hearings officer or the committee, and there would still be the opportunity for public comments and the same notice requirements, whether it's assigned to either body.

Richman: The city has generally moved towards having citizen committees advise the city or make decisions about broader and policy things, such as the planning commission, or even the forestry commission. Acting as adjudicators has become more and more of a technical thing because of changes in state law and has become less and less something where the decision makers are reflecting values of a community or insights. In addition, most adjustments are not large matters, it's not a conditional use or a zone change, or a wal-mart, it's, should the side yard be reduced from five feet to three feet, should the height be allowed to be increased, and similar kinds of things.

Saltzman: And why 20 months? That seems rather long.

Richman: There's two reasons behind that. One is because we know that we want a good lead time on starting work on the permanent solution, so that's about six months of it. And some of it is we wanted enough time to allow some review of how it works with the hearings officer, and we also wanted to avoid starting the effort in the middle of the holidays.

Hardy: And it is time, as you know, there's an annual amendment package to the zoning called the regulatory improvement code amendment package, known as ricap, if ultimately this does result in amending the zoning code, we would have to tie it to the timing of that package. It's sort of a bus that travels, and we need to -- if we miss the timing on the bus we'd have to wait two years. So the 20-month was sort of a worst-case and working on the holidays to ensure that if we do decide to amend the zoning code it can get on to that ricap package.

Adams: And again, if they don't like what they get from the hearings officer, they get an appeal, right?

Hardy: Well, under the proposal, if something is appealed to the hearings officer, you mean? Well, at that point the local appeals would end if they wanted to appeal beyond the hearings officer, would it have to go to the state land use board of appeals.

Richman: As they do now from the adjustment committee.

Hardy: So it would be comparable.

Adams: They would pay for that or we would pay for that?

Hardy: The applicant pays or the appellant.

Adams: Thank you.

Potter: Further questions? Thank you, folks. This is a nonemergency. It moves to a second reading.

Moore: Testimony.

Potter: Please -- is there --

Moore: We have four people who signed up.

Potter: Thank you, folks, for being here. Please state your name when you testify. You each have three minutes.

Amanda Fritz: Good afternoon. I'm amanda fritz. You should not support this ordinance for two reasons. It's not legal, and it's not necessary. If you want to change the roles in the zoning code, you must change the rules, not ignore them. You are not allowed to amend them by administrative action. State law requires that changes to the zoning code must be reviewed by the planning

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commission and adopted by the council. A vote to suspend the adjustment committee would be out of compliance with state law. The zoning code assigns review of adjustment requests to the adjustment committee. It states the hearings officer act to decide matters assigned by the zoning code. Adjustment requests are not one of the land use reviews assigned to the hearings officer in the code. We've just heard that the reason for suspending the adjustment committee is that you don't have enough volunteers for members. No request for volunteers was publicized prior too bringing this action today to suspend the committee. I heard about this proposal last thursday. Since then I have recruit add list of 12 volunteers in addition to myself for the four vacancies on the committee. They include seven nominees for the two at large position, one for the urban design professional category, and three for the construction finance professional category. Plus one person willing to serve if the meeting times fit around a regular work schedule. The volunteers come from all five secretaries of the city, from lents to st. Johns, and all seven neighborhood districts and coalitions. The adjustment committee is important for three main reasons -- it empowers citizens to make important decision, not just lobbying city employees. It provides nuts and bolts experience to citizens. This expertise can lead to recommendations to the planning commission and city council on logical changes to the zoning code and to education in the neighborhoods about what the rules are and whether they're being followed. And it trains citizen and prepares them for broader leadership roles and service on the planning commission or the design commission and in neighborhoods. It is a place to grow new citizen leaders. In the future when you need volunteers, ask about the barriers to involvement. Is the committee meeting at a convenient time and place? Is the workload realistic and useful? Is the staff support adequate? Then use the citizen involvement system that the city is paying for at the neighborhood associations to solicit volunteers actively. I recruited the names i've given you by posting on the southwest, northwest, and southeast uplist list serves and using the office of neighborhood involvement website to write to land use chair and invite them to serve, they'll tell them why. People need to be invite and given a reason to participate in city government. Surely you will not suspend the adjustment committee today when you have 13 qualified volunteers prepared to serve.

Mary Ann Schwab: Marianne schwab, southeast sunnyside neighborhood activist. I am really disappointed at your staff person. I felt the presentation she made needing 20 months was condescending. I've taken apart olcc, their regulations, their state guidelines, interfaced them with the city as related to liquor license advisory group committee. We've done a lot of work. It's as if we don't have the power to read the materials and educate ourselves. In addition, I want you to know that within 30 days Multnomah county board of commissioners picked a couple of staff people, and they chose 19 people to serve on the sellwood bridge review repair committee. That task force. Think were able to do it with under 30 days. I don't understand why the city, knowing have you an office, an o.n.i. Neighborhood involvement process of networking, it wasn't used in this case. I was really disappointed that I too just got the information for the first time last thursday. And of course I routed it to all of you, my comments on that. The current adjustment committee is a functional tool used to enhance the public involvement process, holding the developer and the planners and the neighbors together listing to work on win-win solution. To assure transparency, responsibility, and accountability in the appeal process. Please keep this position. To support the seven community volunteers that work for you with their discretionary time at no expense to the city, other than this microscopic \$20,400. Please keep this moving. I know for a fact within the buckman neighborhood we could add to this list. There are at least 15 architects trained. We've got Portland state university urban studies, we've got the architectural schools, your technical support is ready to serve if invited. Thank you.

Linda Robinson: My name is linda robinson, and I live in outer east Portland. The reasons given for disbanding this citizens committee, at least in the ordinance, is that there wasn't time to fill these vacancies. I don't -- which I don't understand when they knew that two of the people were term

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limited, why haven't they begun the recruitment process before today. I have seen nothing. I read all the email newsletters, email notices, the newspaper, i've seen nothing about looking for citizens to fill these vacancies. So that doesn't seem to me like the real reason. It sounds after what we've heard today that the real reason is that they want -- they don't want citizens involved at this level of decision-making. It's not saving a lot of money, so that doesn't seem like a very good reason either.

We have a lot of neighborhood folks, we have a lot of professionals. It was as you've heard, amanda was able to recruit at least a dozen people with just a few days' notice, and a little bit of email work. So that doesn't seem like a very good reason. And the 20 months, to me, doesn't make any sense either. I mean, maybe a month or two if you need to get these people trained, but you wouldn't even have needed that if you'd started the recruitment before -- sooner than six months before these people were term limited. I'm wishing that -- hoping that you will not pass this ordinance and disband this committee, even fits just a temporary basis.

Potter: Thank you, folks.

Moore: We have one more.

Terry Griffiths: My name is terry griffiths, I live in the woodstock neighborhood. For many years I worked on land use in our neighborhood, and many, many years ago I was on this adjustment committee. I can't remember the number of years ago. It's a bit of concern to me for all the reasons previously stated, and also for the 20-month hiatus. That seems to me to kind of threaten that it ever will restart. That's almost like saying we're going to suspend it until we can do something different. It's a bit of a concern. And then when I hear the statement that the hearings officer respond to approval criteria as would the adjustment committee and they're both responding to the same criteria, it's true, but I read a lot of land use cases still. I'm trying not to be the official land use person for the woodstock neighborhood, it's -- but I still seem to get the notices and the decisions, and I still look at them. And I see the responses to approval criteria, and though everything is supposed to be clear and objective, in comes a point when -- there comes a point when those responses are -- you can respond one way or another, it's pretty -- there's some flexibility in there to how you say this meets the approval criteria before. Because could you say it meets it because, or it doesn't meet it because. So I like to see citizens in there looking at this stuff. I think it has a place. It's a little bit worrisome to me that the -- I guess the democratic role in enforcing all these land use things doesn't leave room for citizens to look at what's going on, think about what's going on, and question it at times. That's all. Thank you.

Potter: Thank you very much. Is that it?

Moore: That's all.

Potter: Staff, could you please come back?

Harry Auerbach: We'd be happy to look at that and give you an answer before the vote. I don't know off the top of my head. My belief is that we've reviewed this and have determined that it -- you have the authority to do it, about you i'd have to check with katherine --

Leonard: I'd specifically like you to address the issue of what is --

Richman: We did work on this with katherine, and she suggested that because we weren't amending the zoning code, and we're not with this ordinance, that we did not have to go through the standard procedure. In it was permanent reassignment, there would be some more question about it, but she was comfortable because it was a temporary reassignment, and because the alternative would put the city also in legal jeopardy because we wouldn't be able to process appeals of adjustments within the 120-day statement -- state mandated time limit.

Auerbach: If I could just offer this observation, I think we clearly could say there's nothing in the state law that per se requires that you have a citizen adjustment committee. The question is because the adjustment committee is in the zoning code, whether you can temporarily reassign those functions without amending the zoning code which would -- for which certain processes are

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required by the state land use law. And I think that you've heard the advice that Jessica got from Katherine on that.

Potter: To the other issues in terms of knowing that these positions were going to be ending and the recruitment process?

Hardy: I think the way B.D.S. would respond to that is I indicated previously, it's a very unique circumstance that the bureau has never faced before in terms of having for -- four of the seven candidates basically either resign or the terms expire in combination with historically the office of neighborhood involvement has had a list of available candidates. In this circumstance, beyond that list that O.N.I. keeps there was only one appropriate candidate. That's why in the past B.D.S. does not have to do an active outreach. My understanding it's been word of mouth and those people who are interested in land use issues were aware, and submitted their letter of interest with O.N.I.

Saltzman: I'd like to suggest that we set up a second reading over two weeks and that you take this list of names and come back to us in two weeks with the status of these interested individuals, whether they're really willing to sign up and do the duty.

Richman: We'd be happy to do that. However, we still have this July 1 deadline, which is that even if you gentlemen decided today that you wanted to appoint some of these folks, and we came back next week with an ordinance to do so, we would still have less than a month to do the training.

Saltzman: I understand that, but it would also -- if you do talk to these individuals and they genuinely are interesting and -- interested and can do the job, the ordinance may not have to have a 20-month period in it.

Potter: Would I prefer to pull the ordinance at this stage, bring it back when we're ready, and review the issues raised by these different citizens and I would like to get O.N.I. involved in that discussion as well. Do any of the commissioners have anything --

Leonard: I agree with that.

Adams: I'd appreciate that.

Potter: Thank you, folks. Thanks to the citizens for their comments. Please read the next item.
Item 693.

Potter: Basically this is -- we entered into this agreement last year and the voluntary substance abuse this, is to pay for last year's efforts, this last year.

Adams: Sounds good to me.

Potter: Is there any sign-up sheet?

Moore: I did not have a sign-up sheet.

Potter: This is an emergency vote. Please call the role.

Adams: Aye. **Leonard:** Aye. **Saltzman:** Aye.

Potter: Aye. [gavel pounded] please read item 694.

Item 694.

Potter: This is a second reading. Vote only. Please read the next item.

Adams: Aye. **Leonard:** Aye. **Saltzman:** Aye.

Potter: Aye. [gavel pounded]

Potter: We're holding 695 until this afternoon. Please read 696.

Item 696.

Potter: Please call the vote.

Adams: Aye. **Leonard:** Aye. **Saltzman:** Aye.

Potter: Aye. [gavel pounded] please read item 697.

Item 697.

Potter: Commissioner Saltzman?

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Saltzman: We received a grant from the water -- we received a grant from the Oregon watershed enhancement board to help us purchase, along with b.e.s., parks, the property along the columbia slough.

*******:** I'm just here to answer questions.

Saltzman: That's what this is.

Potter: Any questions? Thank you. This is an emergency vote. Please call the roll.

*******:** You need commissioner Leonard so you can vote on it.

Potter: You're right. We'll just wait until he gets back.

Saltzman: This must be what all the media is here, for this last item.

Potter: Please call the vote.

Adams: Aye. **Leonard:** Aye. **Saltzman:** Aye.

Potter: Aye. [gavel pounded] we are in recess until 2:00 p.m.

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

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Closed Caption File of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

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Potter: City council will come to order. [roll call]

Item 698.

Adams: Today we're going to have an opportunity to get a formal briefing on the i-5 delta park project area, phase i, and we are very delighted to get to this point, at least those of us that have been working on it. Kate dean has been working on it for 30, 40 years? No. Feels like a very long time. As has advocates in the community and business folks. I think what you will see today represents some really excellent work on behalf of everyone involved. And I just want to thank you up front and i'll thank you in more detail at the end. The resolution we have is to accept the recommendations of the hearings panel designating an alternative as the preferred alternative for this project. And we will get into detail exactly what alternative two is and what the options are. I do support these recommendation and participated as a member of the hearings panel in the development. I also want to point out that as we increase -- this is an investment in automobile and freight capacity, but it's also an opportunity for us to receive \$1 million in community enhancement funding that will benefit the city's most directly impacted neighborhoods, in addition to mitigation required under the law. So there's been a lot of good work done on this. And I would now like to turn it over to kate dean for a presentation, or mayor, do you need to get in and out, are you ok? Ok. So kate, if you could take us through the presentation, that would be great. This includes the input we got from all the staff.

Stuart Gwin: I would just like to give you a -- an even briefer recap than what commissioner Adams just did. We're asking you to adopt the recommendations of the hearing panel for the locally preferred alternative. Before kate starts i'd like to recap a little bit how we got there. You have to go back to around the turn of the century when a high level bistate group was found, the i-5 strategy partnership, and charged with looking at the problems and prospects of the i-5 corridor in north Portland. As a result of their deliberations, one of their first if not their very first recommendation was to odot to examine the potential or the ways that they might solve the bottleneck on i-5 between i-5 -- between delta park and lombard in the two-lane cross-section. Today it's two lanes southbound and three lanes northbound, and that causes considerable amount of congestion in the southbound in the morning and generally all day after that. For the preparation for an environmental assessment to come up with an alternative that would be the least environmentally harmful, yet meet the needs of the transportation element that they're trying to deal with. Kate, as commissioner Adams has noted, has spent three or more years preparing this environmental assessment, and today we'd like to present the results of the study and how we got to the locally preferred alternative. But before I turn it over to kate, I would appreciately like to thank the -- personally like to thank all of the people of north Portland who spent countless, hundreds if not thousands of hours devoting their personal time to an outcome they felt was in the best interests of their community and the city. In addition to that, i'd like to thank the Oregon department of transportation and kate in particular for leading a very thoughtful and thorough process that was comprehensive, it was inclusive, and most of all, it was fair. So with that i'd like to turn it over to kate and let her go through the nitty gritty of what -- knity gritty of what we've learned in the last three years.

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Kate Deane: Thank you, Stewart. My name is Kate Dean, I was a project manager for this project, the i-5-Delta Park project you're about ready to hear about. I really appreciate the opportunity to be here today and to be able to talk to you about the locally preferred alternative and how we got there. I'm going to in the interest of time try to talk to you about the nitty and leave the gritty alone. If you have questions, I will go ahead and answer those afterwards, so I'll try to be relatively brief, giving you an overview. You all have copies of this presentation. We're not using the traditional power point given the large size of these graphics and our inability to get them loaded on to the computer. As Stewart said, the i-5 Delta Park project is really in the context of a bigger plan for the i-5 corridor that was developed in 2002. This is i-5 here, here's the Columbia River, downtown Portland, downtown Vancouver. And there was a development of a vision plan that called for a series of highway transit and rail improvements in the i-5 corridor. And the Delta Park project is the very first one that we're going forward with. Just to give you a little bit more of an overview of the project area where we are, this is i-5 here. This is the Columbia Slough. I believe your graphic says Oregon Slew. I know it's the Columbia Slough, but I couldn't get it changed in time for this presentation. So here is the Columbia Slough. The Kenton neighborhood, the Piedmont neighborhood, the Hayden Meadows area, Delta Park, P.I.R., and Expo up here. So to the north are the interstate bridges. And here's Denver Avenue and light rail. And importantly here is Argyle Way, which connects Denver Avenue and Columbia Boulevard. There's quite a geographic distance between the neighborhoods here and this industrial area here. If you're familiar with the -- if you're not familiar with the area, there's a big geographic drop-off between these two areas, and as a consequence, not very many roads leading to and from. We have had a rather thorough three-plus-year-long process. Not one that ODOT has really not undertaken something like this before. We really tried our very best to work very intimately, not only with the citizens of north and northeast Portland, all of the stakeholders and interest groups, but also with the city. And so we've done a lot of coordination, not only with PDOT, but with the other city bureaus as well. We started out in the January of 2003 looking at a really wide range of alternatives and ideas, and over the course of a year and a half working with two citizen advisory committees that we put together, one was the citizen -- traditional citizen advisory committee and another was the environmental justice work group. These two citizen committees really worked together as one. They have two different names, but all their meetings were held together and their recommendations that they gave to us came out as a whole. And our commitment to those committees was that to the greatest extent possible, whatever recommendations they came up with, we would accept. And I think that what you'll find here today is that we've done that to the best of our ability. So the committee's work for about a year and a half with us to get down to the four alternatives that you'll see today. They recommended two alternatives as their preferred alternatives. It was a split decision among the group, and they weren't able to get down to one alternative. We then took all of the alternatives into a public hearing that we held this winter, and then the hearings panel that Commissioner Adams sat on, as did Mayor Pollard, listened to those comments and helped us to get down to the locally preferred alternative that you see here today. Now I'm getting to the alternatives. We had four build alternatives plus a no-build alternative. And all of the alternatives are common in the improvements that they make to the i-5 freeway. As Stewart mentioned, we have three lanes right now southbound that come into two lanes that come back out to three lanes, and so we've got what we would consider a bottleneck. So we'll be adding that lane or proposing to add the lane in the southbound direction from roughly Delta Park down to Columbia Boulevard, where the third lane picks up, and then we'll be reconstructing the Columbia Boulevard interchange to right now that comes on and adds the lane, and we'll be reconstructing that as a merge lane. In the northbound direction we won't be adding a lane, but several years ago when we restriped this area to get the H.O.V., we took up all the space on the structures over Columbia Boulevard and over the Columbia Slough, and there are no shoulders or a safety margin there, so if someone loses attention they're

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going to be on to the barrier running into it or if they have a breakdown there's no place for them to safely pull over and get out of the way of the other vehicles on the freeway. So nice freeway improvements are common to all four of the build alternatives that we consider. We are also planning to phase this project, and this would be the first phase of construction that we would be proposing to go forward with. I'm going to very quickly mention the first two alternatives that were not recommended by the citizen committee, and i'm just going to touch on these quickly. If you have other questions about them i'd be happy to answer them, but i'd like to more dwell on the ones that were subject of greater conversation. I think when we all went into this we thought that in terms of getting better access between columbia boulevard and i-5, and i'm going to put this back up here for a moment, we thought that maybe the -- right now the problem is that from columbia boulevard you cannot get on to i-5 going northbound, and if you're coming south on columbia boulevard, you can't get off to columbia boulevard. You can only come on southbound and get off northbound. In the absence of that full interchange, what people are doing is using argyle street here through the kenton neighborhood, getting on to denver avenue, and going on to the freeway. And so this really functions more as the interchange right now for many of the movements at columbia boulevard. And I think when we all started this we thought, make this a full interchange problem solved. But when we really got into it, while we looked at a full interchange, what we found is that for a number of reasons geography being a big one of them, this interchange really does not work very well to solve the problems of kenton, and the traffic that's coming through kenton that's destined to and from the freeway. So because of that and some concerns of the freight industry about the design of this alternative, we are not recommending a full interchange here. Another alternative we looked at was taking argyle way and making a mirror image of it across in this industrial area. This is an idea that came about through the citizen participation that we had, and while we did study this idea, it really never took off in the public imagination of the 200 plus comments we received on the environmental assessment, we got three comments, a total of three, on this alternative. So it was not recommended by the citizen advisory committee, and we are also not recommending that one. Now we get down to the final two alternatives that were really I think hotly debated by our citizen advisory committee, and i'd like to just dwell a minute on the -- some of the reasons why the pro and cons of alternative four, and then the reasons why we ultimately selected number two. So this alternative provides a new road from columbia boulevard and a brand-new connection on to the freeway. It disconnects the denver avenue ramp and makes the denver expo road into a nice well-connecting arterial road. It also reconstructs this railroad bridge down here right adjacent to the i-5 freeway. And some of the pros of this alternative are that it is a good efficient connection from columbia boulevard on to the freeway. We do reconstruct this railroad bridge, and it does provide an opportunity to have this arterial road here that some in the community, you probably hear from hayden island residents when you talk to them very often, at least when I talk to them, what they want from a transportation perspective is, give me another way off of the island so I don't have to be so dependent on i-5. Kenton has some similar kind of concerns. Give me another way on to the island so I can go shopping and do other activities there that doesn't require me to use the freeway. And that's kind of a double-edged sword, because if you get a road over to hayden island, there's a lot of interest in getting that over to vancouver as well, and that has its own whole set of pros and cons, so part of the debate that we had about this alternative was, is it a good thing to have that connection, and there were some in the neighborhood who were quite supportive of that. Ultimately setting this up to have that future connection and there were some who were quite concerned that it may abet-up for a mini-freeway coming through the community. In terms of the cons of this alternative, I just mentioned one of the cons that is kind of out there in the future, but really the reasons why we didn't select this alternative are first foremost the impacts on the businesses. We have american linen, very difficult to relocate, and macadam aluminum and bronze business that would be difficult to resite in another location. Both

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of those businesses are to some degree impacted here and both of them are either vulnerable to needing to have us purchase them or to a major reconfiguration of how they sit on this site, and they from a business perspective, are very concerned about those changes. So impacts on these businesses weighed heavily in the decision not to recommend this one. Second, the environment. This has a new bridge over the columbia slough, new bridge with new piers in the slew. That isn't the -- that's something we would want to try to raw void from an environmental standpoint. There were some traffic -- pretty significant traffic concerns about this one. Of the people who were getting off at this interchange, only 30% really need to go to columbia boulevard. The remaining 70% actually need to be down in kenton, piedmont, down in arbor lodge, so their destination isn't as columbia boulevard down here much lower grade. They really need to be up here. And then from an event management standpoint and p.i.r., we're -- they felt it would make substantial -- make their event management substantially much more difficult. By the way, those who like this one is a central theme that we were working with in the kenton community. Really revolves around argyle way. And within the past four years there's been a rezoning of this property here adjacent to argyle way. To medium and high density housing there. Are redevelopment opportunities that are coming forward for this property. Some of which are maybe in the mid term, some of which may happen quite soon. So a lot of the debate among these two alternatives was, which is best for the redevelopment of this property here? And so people -- some people who really favored alternative four felt that it was a better option for the redevelopment. Ultimately alternative two is the recommended preferred alternative by the hearings panel by the bistate coordinating committee, by our environmental regulators, and it was also recommended by both the city staff, not only pdot, but parks, planning, p.d.c., b.e.s., participated in that recommendation, and odot's project development team. In this alternative, what we would be doing is moving argyle way a block to the north, tucking it in on the bluff here so we're making it less obvious, and really opening this area of development up so that there's a good face for the development to the park, a good pedestrian connection to the park to downtown kenton and to the light rail station. With this alternative we will be building, reconstructing the denver avenue bridges and on this one have you two alternative twos. One is the one we studied, the other one is the one that's revised. So recommendation from the citizen advisory committee was, if you're going to do one bridge and disrupt our community, these bridges look pretty bad, we're really interested in better bike and pedestrian access, so go ahead and do both of them. So we will be doing both, recommending to do both of these bridges. In doing that we also then have the opportunity to move this road down a little farther to the south and minimize the impacts on this container property here. We recommended this one because it invests in existing infrastructure that's already aging. It minimizes the impacts to the environment which is a very important consideration in the type two environmental review that we'll need to do, given this is an environmental conservation zone. It minimizes impacts to businesses while there are impacts on businesses, this is the Portland -- old Portland scouring -- wool scouring mills. They're much easier business toes work with relocation, rather than a high-water, high-sewer business likee like american linen. So we can easily find a new place for storing that wool. The reason why some people were concerned about selecting this alternative, it really had to do with, are we really moving this traffic far enough away? And it will still be on the backside of the development, and so there was concern that we're not moving the traffic far enough away. I think that I will wrap up, believe it or not, that really was just the tip of the iceberg about this project, and make sure that you have an opportunity to ask some questions. Again, we're here asking you to accept the recommendations of the hearings panel. As you look at your recommendations, I want to point out a couple of things we will be -- that are in the recommendations in addition to adopting or accepting alternative two. So i've talked a little bit about how we want the revised alternative to reconstruct both bridges and to move this road farther south. We will also -- we're recommending odot further investigation -- we've tried to make this new ramp as truck friendly as possible, but

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we're going to continue to investigate ramp meters and lane treatments to make that even better. There is a recommendation that we continue to coordinate with the city and with the public to make sure there are appropriate public involvement opportunities. There are some issues down here with ferguson, we're going to need to work with them some more as we get into the final design of this second face of work should you accept this alternative to minimize the impacts on their parking lot.

And then importantly, when we're reconstructing these bridges, there are still some open questions about sidewalks on one side, versus sidewalks on two sides, and how wide are those sidewalks, and what is the bridge look like, and things like that. Commissioner Adams mentioned the \$1 million community enhancement fund. That was also a recommendation. Before we open this we'll need to address the issue whether we're operating this southbound lane as an h.o.v. Lane during the morning, that's something we'll be coming back to you in a couple of years when we're ready to open this for additional input. Finally, getting to the phase two improvements, it's important from a redevelopment standpoint that we don't let these improvements, the ones down on argyle and denver avenue, while we've got phase one funded, this is not funded and it's really urging odot and the city to continue to work together to advocate to get the funds to make these improvement as reality. We do have right now a place holder in our new budget, our new capital plan for some money for that, so that's an incredibly good positive set, but we're going to need to work together to figure out how do we fund the whole kahuna. The final thing you see here are the community enhancements that were selected by the community enhancement advisory board. It's a total of \$1 million, about half a million of that will come directly to the city for the city to implement, and this largest one, which is an extension of the columbia slough trail, is likely to be constructed by odot, but ultimately owned by the city's parks bureau. And we're thinking we'll probably construct this with one phase or the other just from an efficiency standpoint. With that, i'd like to close and take time to answer any questions that you might have.

Potter: Mayor pollard, will you come up here, please? We don't want to keep you any longer than we have to. First, welcome to Portland and thank you for coming over.

Royce Pollard: Thank you, mayor. It's a pleasure for me to be here with you and the commissioners. Thank you for the invitation to come and offer some comments. It's wonderful that I am still around to make remarks about the delta park project. [laughter] I hate -- kate dean promised me I would make it, so i'm still hanging in there. I have always contended that the challenges of i-5 particularly near the interstate bridge are not Oregon's or Washington's challenges, they are our nation's challenge. Over half of our region's industrial annex is accessed by i-5 and the rail lines. These transportation facilities are a vital economic link between the northwest region to the rest of our nation. We all know something needs to be done to manage the congestion issues, and i'm here to urge your approval of alternative two as the preferred alternative for this important project as commissioner Adams has already said. As you know, the momentum for this project built several years ago, mayor katz and I were members of that body, and this is one of the items that came out of that. The result of that task force and the extensive public input received over the course of these years is the i-5 strategic plan which calls for highway transit and rail investments in the i-5 corridor. This plan suggests a vision for the i-5 corridor that will provide reliable connections to and from the significant industry areas adjacent to our columbia river. The i-5 delta park project is one of the first projects that we develop as a result of that i-5 partnership strategy plan. This project addresses a long-standing problem and i'm very happy to see it reach this point in development because if we continue to do nothing, the results will be nothing short of disastrous for both of our economies. I'm actually aware this project is not a cure-all for rush hour traffic, because unfortunately rush hour congestion is one of those facts of life where our -- for our region. What this project will do, however, is provide midday and evening reliability on i-5 southbound. Having this reliability is essential for retaining and attracting business in this corridor and in our region. I fully support its construction. While i'm here I would also like to say I also look forward to

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working with the Portland city council more as the next project in this corridor, the columbia river crossing project moves into project development. Again, I hope i'm alive when we get through that. It provides an important opportunity for us to continue addressing the reliability issues of i-5. It also gives us the opportunity to focus on the much-needed transit connections between our two states. I appreciate the opportunity to talk to you today. I appreciate the participation of your staff and commissioner Adams and kate dean, many times it seemed to me like it was going on forever and ever, but it's one of the best public processes and the ability for our citizens to be involved that i've seen in a long, long time. So I thank you, and I congratulate you and i'd be glad to answer any questions if you have any.

Adams: I just wanted to thank you, mayor, for your continued participation at the table. I think the fact you served on the earlier task force was a real benefit to me as someone who came in midway. And we will continue to be seeing each other a lot on the many transportation meetings we both have. And I look forward to moving forward with the columbia river crossing project in the next five years.

Royce Pollard: For the record, I want to say i'm royce pollard, the mayor of america's vancouver. Pyrotechnic thank you very much, mayor, for coming in.

Potter: Is that all of the folks you have to testify?

Adams: No. Charlie from odot, jerry, and tracy.

Charlie Sciscione: Mayor Potter and commissioners, thank you for this opportunity to speak to you regarding the i-5 delta park project. My name is charlie, i'm the deputy region one manager here in the Portland area. I'm also here to request your acceptance of the hearings panel recommendations and the selection of alternative two as the preferred alternative. I would like to focus my remarks today about how odot developed this project. Odot recognize that's we have made some mistakes in the past on the level of city, odot coordination on major project development and the level of public engagement on such projects. Learning from these mistakes, odot began to implement a new way of looking at project development, starting with the i-5 transportation and trade partnership planning efforts. In that effort we worked collaboratively with local, regional, and state jurisdictions, including the city of Portland, to develop the i-5 strategic plan. We also implemented a very open and transparent process of engaging in the public in the developing of the plan. In the i-5 delta park project, we have tried to build on the same model, and I would echo mayor pollard's comments, and I think you would find consensus in the community that kate dean and her team really did an outreach effort that went beyond anything we've done before. I want to acknowledge the work of key staff in the Portland office of transportation. John gilliam and mike holeman who worked with odot from the beginning of this project. John and mike have been very helpful in raising issues of local concern and in bringing together key city resources from other bureaus to have input into the project as it was developed. With assistance from pdot odot has been able to engage the planning bureau, the parks bureau, b.e.s., and p.d.c. on significant issues during the project development phase. As a result of this cooperation and collaboration between the city and state, we are bringing to you today recommendations that are supported by staff and management of both jurisdictions. With regard to public involvement, odot made a choice to develop this project in a manner that allowed key project issues, neighborhood livability, business impacts, freight movement, environmental impacts, and redevelopment opportunities to be thoroughly discussed at each step in the process. We also made a commitment to our citizens advisory group and environmental justice group to accept their recommendations to the greatest extent possible. The hearings panel recommendations are consistent with that commitment. Odot has done its best to ensure that people have heard and that we have responded to ideas and concerns in a productive manner. Before closing i'd like to acknowledge significant contributions to the project by other city and p.d. staff, including susan barthel, mike thompson and mike reed from b.e.s., julia geeser and steve don denniston "e.r." from planning, craig, mark, and susan -- donald

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some center parks, and loyes and susan and carol from p.d.c. I'd also like to echo kate dean's acknowledgment of the project advisory committee members and other members of the public for their dedication to this project and sticking with us through a long process. Again, I urge your acceptance of the hearings panel recommendation and approval of alternative two as the preferred alternative. Thank you.

Jeri Sudval-Williams: Good afternoon. Mayor Potter and the commissioners, I want to thank you for this opportunity to speak to you regarding the i-5 delta park project. My name is jerry, i'm the executive director of the environmental justice action group and i'm a resident of north and northeast Portland, a mom of two teenagers, and next year to be a grandma. I have been working on odot projects in the i-5 corridor for the past six years. I started with mayor pollard and mayor katz on the i-5 transportation trade task force, then moved on to become a member of the environmental justice work group on the i-5 delta park and currently sit as a test -- on the columbia river task force. I've invested a lot of time in the past six years advocating on behalf of the community, mostly for cleaner air to protect the health of residents in north and northeast Portland. And for sensible transportation projects. I believe the work we've done with odot on the i-5 delta park project has been truly groundbreaking in a -- and a collaborative effort. Many, many times throughout the project I remarked to kate that we were creating history in our collaboration. The community has been invited to be very active participants in the design process, and influencing the outcomes. Did we get everything we wanted? Of course not. But I do feel that we were heard and that odot addressed our issues. I now spend a considerable amount of time, especially this year, travelling around the united states talking both about the environmental justice and the benefits of working collaboratively. One thing I found is that there are very few place that's are like Portland. There are very few place that's have open processes that happen like we have in our region, and we should be very fortunate of that, because most folks don't believe it could possibly be happening in this fashion. In my experience the work we've done with odot is an exception, not the rule. If you're truly engaging in incorporating e.j. Principles into the would, you must be able to look beyond the federal mandate and look toward what's fair and equitable for everyone. I believe this process addressed that. I want to highlight three aspects of this project that demonstrate what i'm talking about. The environmental justice work group, an absolutely and fundamental element of why I feel this project was successful was the establishment of this work group. Odot was open to the process and they hired nancy to facilitate this process, and she was brilliant in helping us come up with the absolute best ideas we possibly could. The community enhancement fund, which we talked about a lot bit already, gives -- empowers people from the community to say, ok, this is what's going to happen in our community, let's put together something great. Above and beyond the regular mitigations to create something so that the community feels empowered about the decision that's are made, and so that we have ownership over this process in the end. We will be living in this community where the road is going through. I hope that we can get even more creative in the c.r.c. process. And lately we developed the north Portland diesel emissions project, why odot's analysis didn't show very significant air quality impacts on this project, we did create a collaborate toutle river process to bring a whole -- collaborative process to bring folks together to discuss all the options we have around diesel, biodiesel, and we've been having conversations with folks who normally wouldn't talk to each other, like the community and folks who pick up the garbage, to say maybe we can get those vehicles retrofit and do even more benefit to our community by reducing diesel emissions. So -- and that is an Oregon solutions project. And we hope that it's going to result in broader coalition working with e.j. to reduce harmful emission and come up with real projects that will reduce emissions. This has given us the opportunity to look in leverage funding for many different source through working together. I appreciate the openness of the delta park project, I sincerely hope the good work that's been done on this project is carried over into the c.r.c., and I just want to say, kate dean is an amazing person. She did amazing work with us, she was

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always there, she came out for extra meetings when the community had questions about things, kate was always there to come answer, and if she didn't know the answer, she would go find the answer. She's truly a great servant in this community, and I think odot is going to miss her as she moves to p.d.c.

Sciscione: I concur with that.

Tracy Ann Whalen: Mr. Mayor, commissioners, my name is tracy, i'm the corporate traffic management for esco corporation in northwest Portland. Last time I was here I didn't tell you all the different committees that i'm on because it shows the big picture and my commitment. I am a member of the Portland freight committee. The Oregon freight advisory committee. The columbia river crossing freight working group, and have been asked to participate on the newly formed metro freight advisory group. I'm also on the board of directors for the national industrial transportation league. Along with this I was a member of the citizens advisory committee for this project. The one thing I can say is that when you're dealing with a project like this, you need to look at the big picture rather than the project in isolation. Today I represent the Portland freight committee as well as myself. I want to take just a minute to acknowledge the work of kate dean and thank her for spearheading this project. She will be missed at odot, but will be a valuable asset at the Portland development commission. I-5 is a national resource stretching from vancouver, british columbia, in canada, to mexico. Unfortunately it is also one of only two river crossings connecting the metropolitan areas of vancouver, Washington, and Portland, Oregon. This is operating over capacity and several points were identified by the i-5 trade partnership. This project addresses one of those bottlenecks. The Portland freight committee rises in support of the alternative to argyle on the hill. This alternative is the best of the four the committee reviewed. It actually improves the natural flow that vehicles take today. It does not put businesses and jobs at risk of having to relocate. It moves traffic away from the park and commercial district while maintaining access for servicing those businesses. It also improves community access to recreational areas across the slew. The only other thing i'd like to add is that on the subject of h.o.v. Lanes, we would strongly recommend against those.

Potter: Why is that?

Whalen: Why is that? First off, the current h.o.v. Lane in that whole stretch of area, none of it meets the federal standards. There's too many interchanges, and so on. In most of the communities where successful h.o.v. lanes have been implemented, there were extra lanes available for that usage. In this area we're talking about where we have an h.o.v. lane, only two lanes of traffic moving, and an h.o.v. lane for the high occupancy and transit moves. What we've done northbound is we've -- studies have shown we've reduced the transit time 5-10 minutes for those that take that lane, but everybody else is stuck in traffic idling, and adds anywhere from 15 to 20 minutes in their transit time. Thus, it's increasing the pollution load and so forth. Also, just recently vancouver eliminated its h.o.v. lane on that side of the road southbound. Previously Portland had an h.o.v. lane on i-84, and it was removed because it just did not really solve the problem. So my recommendation is that you do not put that in.

Potter: Should we take the one out of northbound?

Whalen: Personally, yes.

Potter: It doesn't do what it's supposed to do in terms of encouraging people to team up into vehicles and single occupancy vehicles.

Whalen: You know, i'll just say this -- for Portland, and the whole metropolitan area, we have a community that is diverse in where we live and where we work. It is very, very hard to pair up people that work in a common area. They do do it, but I don't know to what extent you could really push that. It was just really difficult. Mass transit works well, and i've had to use it a number of times, but when I do, it takes a normal 20-minute, 30-minute commute to an hour and a half

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commute to work. But the h.o.v. Lane in that instance, you know, isn't a factor, but i'm just relating what I feel.

Adams: Is doretta here? You're next.

Doretta Schrock: Mr. Mayor, commissioners. Doretta schrock, vice chair of the kenton neighborhood association. Thank you for allowing us to come talk to you today. Three things i'd like to leave with you from my testimony. One is, we support the recommendations of the hearings panel. We the kenton neighborhood association. The second is, we strongly recommend moving forward with the funding and planning of phase two of the project. And we urge odot and the city to build on a strong base of community involvement, we've seen so far with this project.

Considerable discussion occurred in the neighborhood -- excuse me. I got up out of my sick bed to come talk to you guys today.

Adams: Thank you.

Schrock: Because I think this is important. There was a lot of discussion about the alternatives in the neighborhood. It was not at all unanimous through most of the process. After three years of looking at the project we concluded that there wasn't a perfect alternative available to us. But we really very much appreciate the process that was gone through to come to the recommendations we have today. One of the important things for us -- we actually put -- kate helped us put together an ad hoc committee in the kenton neighborhood, because we're very concerned about the impacts of this project on redevelopment in the commercial district in kenton. We have the light rail stop, we have a number of businesses that are redeveloping down there, and we have high density housing hopes, we have transit oriented development hopes there. And this is central to where all that is going to be going on, and is going on now. We really felt it was important to reduce the -- particularly the truck traffic. Columbia boulevard, that's an industrial corridor, and there's a lot of trucks that come off columbia boulevard up through kenton and they're only in the commercial area of kenton, right past the light rail station and the whole thing. They're only there to get to the freeway. They're not there for any other reason. And we really felt it was important to reduce truck traffic right there in that commercial district. The moving of argyle a block north is a big step in the right direction as far as we're concerned. We'd like to see that truck traffic farther from the community, but we felt this was a reasonable compromise, and we'll allow -- will allow that whole area around the light rail stop to be tied more closely into the commercial district without trucks coming through there all the time cutting it off. There's a couple of other things, kate mentioned the replacement of the two denver avenue bridges. We feel that's extremely important. I don't know if you've been down there lately, but those are concrete bridges, concrete railings there, and there are large chunks of those railings that consist of the rebar skeleton and nothing else. Those are part of a pedestrian and bicycle bottleneck that is not a good, safe way to get to p.i.r., to get to the trail system that's on the other side of the bridges. And that will be even more extensive in the future. And the redevelopment -- with that rebuild -- without rebuilding those bridges, it's hard to improve that situation very much. Our second -- the second part of what I wanted to say about -- we strongly urge that you move forward with the planning and funding of phase two, phase two would be the part that would move argyle way to the north, and there is redevelopment happening finally in the commercial district in kenton, and we think that moving forward with that part of the project will really send a strong signal to the development community we're serious about moving that forward. And finally, on the whole public involvement issue, if you could bronze the process that kate dean managed here and put it up there for everyone to copy, i'd highly recommend you do that. It's been a pleasure -- it's a contentious issue when you're talking about -- you know how it goes when you're talking about transportation things. Not everybody likes what's going on, but everybody definitely got more than their say in this whole process. We were here in strong support of the recommendation today, primarily because we felt the process was so good. People were really heard. And to us, that's extremely important. And we do urge you to continue in the future to

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make sure that you involve the community that we build on that base that we've made. So thank you. I urge you to adopt the hearing panel's recommendations.

Potter: Thank you. Now go home and take care of yourself.

Adams: Everyone in kenton is sick today.

Potter: Is that all the people you have?

Adams: Yep.

Potter: Is there a sign-up sheet?

Moore: Yes, we have two people who signed up.

Jim Howell: Mayor Potter, commissioners, my name is jim howell. I'm here representing myself and the association of Oregon rail and transit advocates. I'd like to address my remarks to the second phase of this project, not the widening, but the columbia boulevard connection. We respectfully disagree with the hearing panel's decision for selecting alternative two. We feel that alternative four has many larger benefits that could be -- could help in future projects, especially the columbia river crossing project. As tracy mentioned, looking at the 56 picture, unfortunately, a lot of these projects -- these projects are so project oriented that they sometimes don't look at the big picture. The reason option four we feel is better is it does two things that would make the columbia crossing project far less expensive, and far less environmentally damaging in the future. As kate mentioned, it would allow for an arterial connection from kenton to hayden island, and eventually to vancouver that would then allow local traffic to get off of the freeway. The other thing it would do would greatly -- it would begin to remove the railroad bottleneck that is one of the main problems with the columbia crossing. I think the task force identified the railroad crossing as a major problem. It's not the crossing so much, but it's the junctions in north Portland, and the restriction of the kenton line, which is the rail line that parallels columbia boulevard. This project, if you go with the fourth alternative, would in fact replace the major bottleneck that possibly could get this -- the rail system going again in that area, because it would replace the bridge across the columbia boulevard which was the single track bridge, which will have to be replaced if the proposals from the task force are implemented which would double track the kenton line. That's a railroad issue. And I know this is a highway project, but it seems if you look at the big picture, these other issues will have far more importance in the future. The connection of columbia boulevard to the freightway is -- i'll try to wrap up -- is -- there was a simple option that wasn't even looked at that would have cost very little and could be done very expeditiously, but this particular option, option four, was more expensive than two, and I think that probably has a lot to do with it. And unfortunately four would have more impacts on the -- some businesses and local businesses. Anyway, i'll -- I have some material here that i'll leave as sort of -- I welcome you to read it. I'm sure -- I don't expect you to, but -- thank you.

Potter: Thank you.

*******:** Do you have any questions?

Dan Bourbonais: Good afternoon, mr. Mayor, commissioners. My name is dan bourbonais, i'm the general manager of alsco, formerly known as american linen. We're an industrial laundry in north Portland. We've served over 4,000 customers in the city of Portland for over 50 years. I'd like to affirm the hearings panel's selection of alternative two argyle on the hill project for the widening of i-5 between delta park and columbia boulevard. I had great concerns about the impact on my business should alternatives three and four have been selected. We currently have approximately 160 individuals employed at this facility, and a fleet of 55 vehicles. Alternatives three and four would take, as I understand it, 8,000 square feet of my property on the east side, condemning a critical use warehouse distribution building, removal of valuable fleet parking spaces, and disruption of our processing production processing. Nextly those alternatives would close access to the front of our property with a 50-foot-wide driveway in the rear, again claiming valuable fleet parking. It is without question that this change would interfere with our production

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and distribution process. The loss of property, parking, critical facilities and process difficulties would lead me to conclude that if alternatives three and four were selected, I would be forced to relocate the company. Of the 160 individual working at this facility, 25% live within three miles of their work. And relocation would result in the local community being harmed by the loss of jobs for those not able to follow the relocated facility. Let alone the cost of such relocation. I applaud the hearing panel's thoughtfulness, understanding of my business concerns, and the concerns of my employees with their selection of alternative two. I urge the city council to adopt the argyle on the hill recommendation. Thank you for your time, and let me -- allow me to present my position.

Adams: Thanks for your participation in the process. I have a question, kate, just to get it on the record. Alternative four that included a widening of the railroad overpass over columbia boulevard, would it have funded that overpass railroad -- expand railroad overpass, or just called for it?

Deane: No, it was required in order to -- we would have funded it. It would have been a required element of alternative four. It isn't a required element of the alternative that's recommended. There is no need for us to reconstruct that bridge as a result of that alternative. Although I will say that in the long range as a part of that i-5 partnership plan that we've been talking about, that is an improvement that was identified as a necessary improvement to double track the rail line all along columbia boulevard, and that requires reconstruction of that bridge.

Adams: And then one of the other issues, if you could just speak to it again, of trying to get both phases one and two done at the same time? What are the chances of getting that funded?

Deane: Well, I think there is no disagreement, and we even agree that it would be ideal to do both phases at once. The funding realities are such that I don't think that we see that being very feasible.

Actually, we don't think it's feasible. We need to be very clear, odot does not have the money right now to construct phase two. We are -- we have heard people's concern that, a, this not drop off the radar screen, that we move forward on this very proactively, and that we do send those signals. So in our capital plan, our statewide transportation improvement program, we have allocated \$9 million on our 150% list for engineering and right of way acquisition. Obviously we'll have to get that list down to 100%, we'll be working with jpac on that. I'm hopeful that that phase two work will continue to get some funding, and although it may snoot seem like a lot, it is a start, and any time rah project gets any amount of funding it's really the momentum that gets it rolling. I think odot stands ready to really work with the city to identify funding sources, but it really takes a joint effort of the two jurisdictions to accomplish a project of this magnitude.

Potter: One of the other witnesses talked about the h.o.v. Lanes. What is your perception about h.o.v. Lanes?

Deane: Odot has been evaluating for several years our northbound h.o.v. Lane, and from a technical standpoint, we find that we are getting overall more people through the corridor with the h.o.v. Lane, and that's because we have better transit service in the corridor, so you have more people on -- in the bus. And i'd say that having that good transit service there is really what makes the tipping point for making that successful. So per hour we get more people through the corridor than we do without the h.o.v. Lane there in the northbound direction. That said, when i'm out in the community, there's no -- you hear about the h.o.v. Lane both it's a horrible thing, and why do you do it, and it's a bad thing. That's kind of the same thing. It's a horrible thing, or it's a good thing. It's a very divisive issue. You're kind of black and white on it. There really haven't very many people who are in the middle on the issue. When we get to the southbound issue of h.o.v. in the southbound direction, we'll -- odot will be working very proactively with the nix project that's coming forward, the columbia river crossing project, and we'll really need to make sure that we are coordinating the analysis. It's a more complex decision than the northbound direction was. Just because of the way the corridor is set up in the southbound direction may not make it as amenable to h.o.v. as the northbound direction. But the decision has not been made yet and we'll be working

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with your staff and with others across the river to try to determine what the best course is before we open this up. Thank you.

Potter: Questions? Thank you very much.

Deane: If I might, just because so many people personally mentioned my name, I want to make sure that people understand that while i'm the front gal, have been the front gal on this project, that there is no way that I could have accomplished -- that we could have heard from the community about their support for the process that we went through without odot's leadership. This was not the kate dean show. It's very far from the kate dean show, and I want to acknowledge odot's leadership, my colleague susan whitney is in the audience with me, she ran the environmental process, and most importantly, I feel very strongly that really it was the collaboration between odot and the community that really made this a success. I am -- it's been the best experience in my life to really get to work with some of these citizens and know them personally, and I really, really thank all of them. Thank you.

Potter: Anybody else?

Moore: That's all who signed up.

Potter: Ok. Please call the roll.

Adams: I have already thanked folks for their participation in this, and kate, you're a very kind person to deliver and spread the credit and that's appropriate, but I also think that you were the thin edge of the wedge, I was at those meetings, I saw, and you're tireless in your efforts to really make this a quality project, and I want to personally thank you for that. Especially had coming in the middle of it, it made it a lot easier. I want to thank john and sue and the entire team at pdot as well for your good work on this. It's been a long proper project, and certainly been -- all been there as well, so thank you. Aye.

Leonard: It makes our life easier when you use a process like this and you come to us with this kind of consensus. So from a very selfish point of view, I always appreciate it when we see these kinds of results, because it shows a lot of work, a lot of effort, a lot of collaboration, a lot of compromise. So I appreciate it very much. Thank you. Aye.

Saltzman: These improvements are definitely overdue, and i'm sorry we don't have the money to work on phase two, but I hope we will soon. But certainly phase one is going to be important investment as well. I too want to commend everybody who participated in this. It literally is overwhelming to look at a page back and front of names of people broken up into committees who participated in this, and to have it all come to such a harmonious consensus behind the option two is very impressive. So i'm pleased to add my voice to that consensus. Aye.

Potter: I want to thank everybody, our partners at odot, the business community who participated in these, the neighborhoods. Obviously sue and her shop, commissioner Adams' leadership, I think as commissioner Leonard said, it makes our job easier. Not just because people are agreeing, but I think from this kind of discussion the best plan does come forward, and in this case it appears to have done that very thing. And kate, I think you sell yourself short a little. But we and Portland certainly appreciate what you did. Thank you, and I vote aye. [gavel pounded] now we're on to -- would you please read 695?

Item 695.

Don Gardner: Good afternoon, mr. Mayor, commissioners. Don gardner. The agreement you have before you today is an intergovernmental agreement with ohsu to allocate responsibility for the costs of the operation of the tram and to assign management responsibilities for different elements. Both ohsu and the city have a very strong interest in making sure that this tramway is operated in a safe, efficient, and a manner that is very customer friendly. The agreement that we've come to is that the city will own the tram. The city will also be responsible for maintenance of what we call the civil elements, which are the towers, the center tower and the upper and lower stations. Ohsu will operate and manage the day-to-day operations of the tramway through a contract with

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dopple meyer, which they ran the process to select the contractor, the city participated in it, and we concur in the selection. The allocation of cost is based on a 2002 transportation study that determined how the tram would be used in its initial years. The costs are allocated at 85% of the operating costs to ohsu, 15% to the city, and then in two years, we will do a ridership survey and true that up to see if that allocation spread. The management of the system will be an executive management committee which is composed of three city members, one of which is the chief operating officer which is tim grewe, sue keel from pdot, and the director of transportation engineering, which is the position I hold at this time. Ohsu will have on this committee their chief operating officer, their chief financial officer, and their south waterfront project manager there. Will be a seventh member as a citizen at large that will be selected jointly by the two parties. There will also be a -- we envision a five-member citizen advisory committee which would be composed of representatives from corbett-terwilliger lair hill, the homestead neighborhood association, the south waterfront community association, what we're looking at is a member of the ohsu transportation committee which encompasses ohsu staff and neighborhood representatives, as to how to do transportation -- one member from that ask one member at large that. Committee will advise the executive management committee. That's a brief background on what we have. I'm sure if you have questions i'd be certainly glad to answer them.

Adams: I thought it would be useful to have rob talk about the life cycle costs, updated life cycle cost analysis on which some of this work has been built upon. Rob? Do you have copies to pass out? This is a nonemergency, right?

*****: Correct.

Rob Bernard: We did an update, i'm rob bernard, city of Portland office of transportation. We did an updated life cycle cost analysis on the project that went through the cost for operating the project on a day-to-day basis, plus an ongoing maintenance needed from day-to-day, plus a major maintenance reserve fund for planned maintenance. We work with the tramway expert to establish what needed to be done at like two years, five years, 10 years, 15 years, and had them help us estimate the cost for those items. Then annualize those costs into what we would need to put in the piggy bank today in order to othniel askew do those improvements five to 10 years from now. And that's the major maintenance. So we took those costs and said, ok, what's it cost to run the tram for each year? And then we took the cost of the tram of the \$57 million plus its useful life and said, what would be the cost to run this tram for 50 years every year, and in today's dollars, it's about \$2.7 million to build it and run it over its 50-year life span. The city's share of that is about \$400,000, and the others, which ohsu and other funding partners, is about \$2.3 million.

Adams: This is one of the commitments I made to council that we would not -- that we would bring forward both of these at the same time. We would not -- we would bring forward an operating agreement with the life cycle cost analysis to show that we would be taking care of this project and not just operating it, but reserving the appropriate amount of money to maintain this project for the next 50 years. Anything that stands out, rob, for you or anything you would like to highlight for the council in terms of the results of the life cycle cost analysis? This includes funding for not only the moving parts, but the civil work of the tower and the roofs and --

Bernard: It includes taking care of elevator refurbishment, replacing the ticket machines, redoing the roof, the maintenance cost on a yearly basis to maintain the elevators. What it costs to really run the tram on a daily basis. We took a look at all the various items, landscape maintenance and added costs for those items to make sure that we were trying to present a realistic picture as we can, realizing some of the costs are based on expected ridership and the costs may go up or down if you run your car, it takes more gas, if you run your car less it takes less gas. So we've made some assumptions for ridership and use and hours of operation so the numbers can vary depending on actual ridership and actual hours of operation, but this is the best guess, not guess, but the best

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information we have based on the tramway expert. And the cost that we have from the construction industry to replace things.

Adams: Should council assume based upon don's presentation of the organization of how this will be operated that as those costs are tried up with experience, that it will be up to the group to allocate the costs according to the agreement after two years of the 85/15?

Gardner: The agreement as it's drafted identifies which items are ohsu's responsibility to take care of, which are the city's. All of those costs are part of operating the tram. They go into a common number, and it's this 85/15 split. What happens --

Saltzman: What is the estimated annual operating cost?

Gardner: 1.6 million. And we put about \$166,000 a year goes into a major maintenance reserve. What we'll do at the end of the two years is we will do a ridership survey and determine if that allocation of cost is correct. Should it be 85/15, should it be 80/20, 90/10, what's really happening with the ridership. At that time then all of the revenues that -- if we go forward with revenue, go into the common pot, and we make our allocation. The management committee understands that these are estimates, we talked to a lot of experts, we tried to get price, but this is a unique thing. There's only one other tramway in the states like this, the roosevelt island tramway, but it's run by the state fair new york. The roosevelt island corporation --

Adams: They haven't been keeping it up.

Gardner: They did not take care of it.

Adams: Their backup generator didn't work.

Gardner: So some of those things that they didn't take care of we have identified are things that need to be taken care of, and tried to put in an incremental cost every year to make sure those things can happen.

Adams: Could you give council an update on where we're at in selecting an actual operator?

Gardner: We're in a process with ohsu with their process which we participated in, the selected operator from ohsu, who -- they would ultimately contract with is dopple meier. They presently operate the roosevelt tram, they operate trams in other places, plus they're the supplier of our major parts, and they're probably the largest --

Saltzman: People that operate the tram are employees of dopple meyer?

Gardner: The day-to-day operations. The maintenance. And the other thing that has to happen, because of national standards and regulations, there needs to be an annual inspection. It's a very prescribed inspection that is done by an external party who we will contract with to both check the tramway elements annually. The civil elements we'll have inspected -- inspected every of two years, which is the same as major bridge cycle, and then we also have written in the contract with dopple meyer and there will be one additional inspection annually which isn't the complete run all of the electronic test, but it's, give me all of your records and if they see an irregularity, then they would move forward. So it's actually more than is required.

Adams: How is the city paying for its share of the 15%?

Gardner: The agreement that was originally reached in the south waterfront agreement was that our share would come out of parking meter revenue out of the south waterfront. And our share of the -- would be approximately \$240,000 a year.

Adams: Let's say the worst happens and this is not -- this does not make enough money to sustain itself. You're not expecting --

Gardner: The tram is never expected to sustain itself.

Adams: It's subsidized by parking revenue and ohsu. Could you come up here and talk a little bit about many thoughts you v. Mark?

Leonard: Do we get to ask questions?

Adams: This is part of my presentation. We have an issue with the bikes, and I just wanted mark to, for the record, talk about how you're trying to work through the issue with the bikes.

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Mark Williams: I would be happy to. Mark Williams, OHSU, South Waterfront project. Mayor Potter, Commissioners, one of the things OHSU is extremely proud of is our track record on alternative transportation management. We have one of the best mode splits not only in the city, but the state, and maybe even the whole western U.S., and we've got about 50% of our employees getting to work in other than single occupancy cars. So that's a real victory and something we've worked very well with the city on, and also with our constituent groups, and that includes employees that get to work by bicycle, which we're extremely supportive of, and employees that use other means to get to work. Some of the issues that have been raised that are of concern to some of those who ride bicycles is how do you get on and off the tram. And one of the things we wanted to make clear, the tram is designed to accept bus accounts. We expect people to take them on the tram. One of the things that has been designed into the patient care facility is something that we didn't invent, it's very common in Europe and also if you visit our sister city, you're going to see it there all over the place, that is a bike -- a sort of a gutter that allows people to roll bikes up and down this one stairway they'll have to get to to go around the building. I think as we work through this issue we want to work very closely with our employees who commute by bike and others who use bicycle to get up and down the hill to see how that's working and make sure it's working well. We believe that that will be a good alternative in terms of getting people to Sam Jackson and where else they need to go on the hill. We recognize there may be other points of view, but we have a good track record of working with these folks and coming to reasonable solutions, and we pledge to continue doing that.

Leonard: I do have a couple questions on the operating budget. You pointed out it's \$240,000 a year is our share of the \$1.6 million. And the parking meter revenue in South Waterfront will be dedicated to pay that. What is the projected revenue of the parking meters in South Waterfront?

Gardner: I can't tell you off the top of my head, but our belief is given the depths down there that we will be able to easily generate that. I can certainly get back to you with the exact generations. The problem with parking meter --

Leonard: Excuse me. If we're voting today on a financial plan that is based on the parking meter revenue, are we voting today?

Adams: No.

Leonard: This is first reading? So my next -- so I will absolutely need that before I vote, because what I believe would occur is if it didn't generate the revenue that you projected, would not the general fund be responsible to make up the difference?

Gardner: I would wish so, but unfortunately not, it's probably going to be PDOT. It's like the streetcar, we pay that, and so we would be there. Our problem is going to be -- I can get back.

Leonard: Where do you get your money?

Gardner: From gas tax.

Leonard: From the general fund as well.

Gardner: Very small amount that goes to street lighting. It's a very small amount of general fund money. It's mostly gas tax and parking meter revenue.

Leonard: If you take gas tax money that was used to pave streets and dedicate it to operate the tram, streets are being repaired or paved won't be repaired or paved.

Gardner: It will also take 6,000 trips a week off the system.

Leonard: What would take --

Gardner: The tram.

Leonard: Off what system?

Gardner: On the street system we're --

Leonard: I'm assuming we're going to pave more than just the streets to go to OHSU.

Gardner: I understand that.

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Leonard: There's streets all around the city that may be impacted. We don't have the revenue to pay for the operating costs.

Gardner: We will get back to you with an estimate on that. The issue will be as south waterfront develops, meters go in incrementally. That's what we've done with the streetcars, we paid for it with meter revenue, and the river district, all of those meters were not in place when we started, but as streets went in, more meters went in, the revenue --

Leonard: I understand that. But do you have financial people that have worked this out?

Gardner: We'll -- i'll go get the number.

Leonard: That's not my question. My question is when you came up with the plan to come up with the \$240,000, did you have financial people who sat down and asked the question, how many meters a year can we expect to be in, how much will they generate, how much of the \$240,000 will they raise? Did that happen?

Gardner: I believe so.

Leonard: Do we have something that I can have to see that?

Gardner: We can go get it.

Potter: For next week.

Gardner: We'll get it to you as soon as we can.

Leonard: And what commitment do we have that our financial obligation is capped at a certain level?

Gardner: The obligation is capped at a percentage of ridership. This -- you're going to have to forgive me, i'm coming into this late and batting clean-up. When they originally did the south waterfront development agreement, they did the transportation study and they said it's an 85/15 split on the estimated amount of usage of the tram. At that time it said what they would do is split it 85/15. If the ridership proportions change, the allocations change. If the public ridership as the percentage goes up, we absorb -- absorb a larger portion.

Leonard: How do you determine that?

Gardner: By a ridership survey at the end of two years, and then it's --

Leonard: Does every time somebody get on the tram they fill something out?

Gardner: No what happens is you have a fare receipt of some sort, like if you get on the tram and you're an ohsu employee, you'll have ohsu employee badge, which will be counted as one fare, but if you have a valid certificate from, say, your doctor at the bottom of the hill that says you want dish want you to go up and get a test, they'll have some ticket that says, here's your ticket.

Adams: We also do just like tri-met, we do intercept surveys where you ask people where you're from, where you're going, a simple survey.

Gardner : As people come on the tram it's just like any fare system where there's always a fare. Those are counted. There's also going to be an automatic mated ticket machine, should you not be associated with someone who gets a fair validation from ohsu, you would be -- you would buy a ticket. That ticket will be turned in. So there will always be a count of where did our ridership receipts come from.

Leonard: If one were to visit somebody in the hospital at ohsu, and they took the tram, are they counted as an ohsu customer or as a member of the public?

Gardner: It would depend. If they were given a fare receipt by ohsu, like perhaps by your doctor, they would be a patient. One of the things we have to work out with -- through the e.m.c. Is those cases of visitors, how do we capture those if the intent would be ohsu would say, i'm willing to pay for those people, I want them to be able to go up the hill. We have to find a way --

Leonard: If we work that out --

Gardner: We're trying to work that out. We have to have that by november.

Leonard: Shouldn't we do that before the council votes on an agreement?

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Gardner: I would actually say no. There are a lot of operational details to be worked out, and our problem is that we need the agreement, because we need to bring the operator on for the preoperational work. The operator needs to be here during the installation of the tramway itself to be totally familiar with all of the operating characteristics of that particular machine, staff has to be hired to be trained. Those things need to happen before we start to pull the cables, which will occur starting in -- I think we start in June. August 18 it has to be done.

Leonard: What happens August 18?

Bernard: August 18 is the rope installation. What is also critical is when we start to install the mechanical electrical systems that we have the person who's going to operate and maintain the facility there as we do the final adjustments as we do the testing and commissioning, that they're fully familiar with the system so they can maintain it well. And Doppelmeier is already on site starting to install that equipment already.

Leonard: Is Doppelmeier operating, is actually operating the system?

Bernard: It will be a different person, but from the same company.

Leonard: So the person will be will there be a live person inside the tram vehicle itself that is a Doppelmeier employee?

Williams: Yes. There will be -- if I may, there will be a -- an operator on each car that will be employees of the Doppelmeier, there will be a tram operator down below running the machinery, and there will be maintenance personnel.

Leonard: Will they all be employees of Doppelmeier?

Williams: Yes.

Leonard: And --

Saltzman: Employees, how many? How many total operational employees.

*******:** 12, I believe.

Williams: I think it's a grand total of 12 to include all shifts and backup and supervision, and all that.

Gardner: The way the system works is that there's -- there's an attendant in each car who is a Doppelmeier employee, the tram operator who runs the controls and runs the thing from the lower station, and what they call a mechanic who is a much more than a mechanic, who's able to troubleshoot, do stuff, and is a person who is trained at a level that they can back up any other position.

Leonard: I am very uncomfortable with this roving percentage responsibility on the part of the city, that it could change. And the reason I am is just from I guess just from I think a pragmatic point of view, I'm trying to understand. I suppose -- I'm thinking out loud, I can understand why people for an experience who see the tram might go up once, but why would it be used in a long haul for anything other but OHSU related activities?

Adams: What we found in other jurisdictions is the tourism of people just wanting to go up to what will be a spectacular bluff and the ride itself is going to be, how should I say, thrilling in the first or last how many blocks, two blocks?

Bernard: 360 feet.

Adams: 360 feet whether they're going up and down at a 45-degree angle, I have a feeling we're going to get at least initially in the first couple years a fair amount of tourism related rides, and also that's why the issue that it's good to hear OHSU's commitment to work out the bike issue.

[captioner change]

Saltzman: Does any employee of OHSU ride the tram?

Williams: Commissioner, yes. The intent is that what will be considered OHSU visitors, OHSU users will be all of our employees, people going to see their doctor.

Leonard: Do we have that in writing somewhere? Is that in a written document?

Adams: I don't think it is.

*******:** I don't see that --

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Leonard: Am I the only one that thinks we need to have these kind of agreements in writing?

Adams: I think we have tried to think of everything. You have stumbled on something we didn't get and we can get by next week.

Gardner: We know these things need to be done and what we are hoping because one of these things have to be done is the fare structure, get this, get dopplemeyer on board, we will get our folks on board, the issues of fare, definition of riders, how that all works.

Adams: It's two years out they weren't thinking about that.

Leonard: It may be two years out but I am hearing you say you need something by august.

Gardner: We need to have the contract with dopplemeyer pickup august --

Leonard: Why does that mean you need an agreement on the percentage and all those issues before august?

Bernard: Back up one moment.

Adams: If I could, I don't want to get into an agreement and operating agreement without a clear -- a clear indication what the percentages are. The 85-15, which was previously agreed to, I am fine with as long as after two years we audit that based on real trips. I think implicit in your questions is, what's the definition of a rider. I think we can get that done relatively quickly. But the reason why we need to get this going forward for other reasons we need to get the dopplemeyer operational staff to the extent that they are going to be available early during its construction. Part of the construction team so that it's as smooth a launch as possible.

Leonard: I mean --

Bernard: We need them very shortly because dopplemeyer is already on site. August 18 is their rope pull but we are already doing the work where we need to have a tram operator here now. So that's the sense of the preoperation part.

Leonard: Well, I mean, I guess i'm a little frustrated, given the ongoing visibility of this discussion we consistently are told votes we are told you have to do this quick. And that's fine if when we ask questions that you got the answers but i'm a little frustrated at answers like this that aren't forthcoming or --

Adams: There's one question you have asked --

Leonard: May I finish what I was asking? And --

*******:** Count for ohsu? It says right here on page 13.

Adams: I don't think we have got it.

Potter: It says this is a cost apportionment on page 13 of the agreement and for ohsu it's in the form of employees, care providers, students, patients, and visitors.

Leonard: And is that -- is that the operating agreement?

Potter: Yes. That's part of the intergovernmental agreement.

*******:** Wasn't it was two years from now.

Saltzman: What about the v.a. Hospital?

Adams: That information we can get it for you. That's the only question you have asked today we don't have an answer for.

Gardner: The v.a. Hospital is no, sir part of ohsu and they have not contributed to costs or operating costs so someone highways going to do v.a. Hospital would be expected to be a fair paying customer. Ohsu has approached them about having them as well as I think doernbecher.

Williams: Doernbecher is part of ohsu. But I think we need to initiate more discussion was both v.a. Hospital and shiner's up there and it would be nice if they could help contribute to operational costs as well.

Saltzman: I could just envision a tremendous backlash when the tram opens and veteran, vocal veterans groups will be in our face. They won't be in ohsu's face. They will be in our face about that. See I guess I would like to see some thought about the political fallout of that issue.

Adams: And the political fallout of charging veterans?

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Saltzman: Yeah.

Adams: Ok.

Saltzman: I think that the v.a. and those who go to the v.a. Veterans are going to be expecting that this is encompassed in what a service provided by the aerial tram, by ohsu.

Gardner: We would be certainly welcome to work with ohsu to approach the veterans veterans hospital a little more aggressively about how they intend to address this.

Leonard: So are owe council members interested in this issue of the projection of the revenues from the parking meters in south waterfront? Ok. To me that's an important issue. Because what that means to me is that we need to know that we're not, as I understand it, committing potentially indirectly by in vote, dollars that would otherwise go to repair the back log of Portland streets to run the tram. And what I am hearing is there aren't the dollars generated by the south waterfront parking meters, that's exactly what I am hearing is Portland department of transportation funds that are generated by the gas tax which go to repair the roads.

Adams: But we have that information. We didn't bring it here today. We will supply that to you along with a little better thinking of how you would do the survey in two years.

Leonard: And who it is exactly I would like to -- because apparently mark wasn't aware of this provision in the contract because he said --

Williams: I had forgotten we specifically addressed visitors in there. Obviously, we have.

Leonard: And I -- I am interested in somehow limiting the city's liability or contribution or dollar amounts somehow. And I would be interested in limiting it to what the parking meters generate and no more than.

Potter: I have a couple questions. I am not sure they will get to that answer.

Leonard: I'm sure they're not.

Potter: On page 15 of the intergovernmental agreement on section 11 it talks about emergency shut down authority. And it brought to mind two questions. One, is it -- i'm assuming but I have not read that there will be some kind of electrical backup so that if in case the electricity goes out you will be able at least to get the people up and out of the trams.

Bernard: Yes, you will.

Potter: And the other question then, it appears, looking be at the -- there's at least nine conditions where it can be shut down including inclement weather, icing. Having been through a few ice storms here in Portland, sometimes they can last for several days. Under all of these emergency shut downs situations, what is the procedures that ohsu or the city will use to transport people between the base and the top?

Williams: Mayor Potter, we will be using shuttle buses when the tram is unable to operate and there is -- it's automatically at -- what level of wind, rob?

Bernard: I think it's 50.

Williams: Sustained winds of 50 miles per hour shut it down and in the event that we have those kinds of conditions or that we have icy roads, we will be running shuttle buses. One of the things we are experienced at is getting people to our emergency room in inclement weather. We keep sam jackson open for that purpose in order to get people up there. And we have got emergency vehicles to get up there. So we are used to chaining up and getting folks where they need to be even when the weather is bad. I think in, while there will be situations when tram will shut down for inclement weather such as sustained winds at a very high level, I think what we are expecting is that in many cases, severe snow and what have you, the tram will be the best way to get up and down the hill and the safest way.

Gardner: We put in here trying to cover all the bases. But the issue on severe icing is actually unless it's totally something beyond anything we have ever seen what the tram operators have told us in case of ice storms, you can continue to operate. Because what you don't want is you don't want ham what happened to tri-met where their cable, their powerlines, they ice up and then it starts

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to break lines or causes shorts. You want to keep that tram way moving so that you don't build ice on the cables because you don't want it to build up and fall off.

Potter: So even though it says severe icing there's -- the plan is to keep the all of the cables warm by the continuous use?

Gardner: Right. What they told us is to keep using it in that case the operators are part of their agreement with the contractor or operator is the operating manual which this is how you do everything.

Adams: We have dopplemeyer who operates these facilities outside the united states as well, we have an experienced operator.

Williams: And that is correct, if I may. It should be noted that very similar facilities are operated in much, much more severe weather than Portland has, including up to 10,000 feet in the alps and far more severe weather than we ever get.

Saltzman: Are you through?

Leonard: Go ahead.

Saltzman: What is the duration of the operational contract with dopplemeyer?

Gardner: Five years.

Williams: Five years.

Saltzman: Five years?

*******:** With options to renew.

Saltzman: Security is provided by ohsu?

*******:** Ohsu.

Adams: You want to talk about --

Saltzman: Can I finish?

Adams: I want him to answer it fully, commissioner.

Saltzman: I was going to follow up on that.

Adams: Can you talk a little bit about the legal status of your police?

Saltzman: I'm being gagged.

Williams: Ohsu security personnel have police powers up on the hill that's a virtue of our former status as a state agency. That was continued by the legislature. And in its wisdom. And our agreement with the city calls for us to exercise security on tramway to the maximum extent permissible under law.

Saltzman: So I guess I see something in here about public forum. I was wondering since the city owned facility, in terms of law enforcement issues, issues around free speech, right to protest, things like that, is that -- does ohsu have the authority to enforce those types of laws? Are those laws only enforceable by Portland police? I guess.

Gardner: I think one of the questions is, that's one of the things we are still trying figure out what applicable law they can do. The purpose of the not a public forum thing, was that while public rights of ways and streets are public forum and you can protest, a tri-met bus is not. And both ohsu and the city's attorneys wanted to be very clear that if you are on the tram, you are like in a bus and you don't have the right to like shove people and have your protest on the tram.

Saltzman: The platforms as well?

*******:** Yes.

Williams: This is very similar and something I was familiar with in my last job which was, for example, the convention center. You the convention center while it is publicly owned property, is a place of business and commerce. You can't have a demonstration inside the convention center. It's just not for that purpose. So there's a public declaration that it's not for that purpose. If you want -- you can say any darn the thing you want if you rent a room but it's not for the purposes of demonstrations for the purposes of commerce and in that vein, this is a transportation facility owned by the city of Portland. It is for that purpose that it's being operated.

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Leonard: We have an operating agreement and a --

Gardner: You have an operating agreement and the other is a life cycle cost, which shows you the life cycle cost. That is not an agreement. That's just what that is, the cost to build, the cost to operate, what is the city -- what is the joint annual cost of operating this? That's all that is. It's not an agreement.

Leonard: You said what it cost to build, what it cost to operate. Does that included in the \$1.6 million annual cost, the capital set aside for placement?

Gardner: The annual operating cost is \$1.6 million. Which includes a capital set aside.

Leonard: Of that, of the \$1.6 million how much is the capital set aside?

Gardner: 1.66.10.

Leonard: 10% of the annual?

Gardner: Approximately. It wasn't done that way. The major maintenance reserve, we did we went through with representatives from dopplemeyer and outside experts and said, the, like a bearing has to be replaced so the major items, if you had to replace a wheel, what does that cost? How long do they last? Ran that out and that comes out, and we did that for every item on its life. A roof is 20 years. A cable gets shortened every two, I believe. So we ran all those numbers and came up to what would we need to have every year, put in a reserve to be able to accommodate every one of those things at the time they're needed to be done.

Leonard: So when you take that and set that aside in its separate fund, basically, the cost, the actual cost of operating the tram every year would be approximately \$1.3 million? Is that right? Did I do that right? \$1.43 --

Gardner: It would be 1405 plus \$189,000 or \$190,000.

Leonard: What's the \$190,000?

Gardner: That's the subtotal for the serve e-reserves is the 190.

Leonard: Yes. Ok.

Gardner: \$1 million 405. Then you have a major maintenance reserve, then you have a contingency of 10% of the operating so that's 23,000 so what you are really looking at is \$1 -- I can't add. \$1 million 28,200. I will give you copies. I can get you copies of the operating costs.

Leonard: Something dollars. And so i'm just trying to figure out, you know, where the money's coming from. So we are giving the city \$240,000.

*****: Correct.

That leaves about --

Gardner: \$1,355,000 for ohsu.

Leonard: How much?

Gardner: \$1,355,000.

Leonard: Do we care where that comes from on their part? They just contribute that amount? We are not specifying where it comes from? They're just agreeing, are they agreeing to that amount or to 85% and we are projecting 85 equal that is?

Gardner: They are agreeing to 85%, projecting the cost, 85% equals that amount.

Leonard: Ok. And so that cost, is it projected to go, that operating cost go up every year by a certain amount?

Gardner: We inflated it by 4% a year.

Leonard: 4%. What's that for?

Gardner: Just journal inflation because the operating -- we have a number of components to the operating. You have the operator's contract which we know what that's going to be for five years so that's a fixed number.

Leonard: How much that is per year?

Gardner: \$1,067,000.

*****: Of the \$1.2 million, \$1,067,000 goes to dopplemeyer.

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Gardner: Correct.

Leonard: Ok.

Gardner: Then what we have is there are specialty inspections that need to be made that the tramway itself has to be checked by someone highways an independently qualified tramway engineer -- I think they call them a ropeway engineer. Because there's a number of tests you make to check all of the equipment. You run through the cables to make sure -- what we have estimated that and we have to do some structural inspections of the towers and stuff to headache sure those are fine so we put in \$15,000 a year for those independence inspections. We put in 10,000 for utilities because we have to pay the power bill. We have about 20,000 in small parts and that again is an estimate based on information from the tramway engineer and we use the commissioner Adams' comment, are certainty factor around 80%. Seems too me --

Leonard: Parts?

Gardner: Because there's bearings and --

Leonard: Why doesn't that come out of the capital fund?

Gardner: That's for those major maintenance reserves. These are, this would be like, your capital reserve you might put in money for your roof. But to pay to go replace a screw in a door nobody you don't put in cab tall. That's what you are looking at is the small items that just happen, you need a sheave, you need a bearing, you need something. We have in there also for miscellaneous maintenance supplies because we know some things will happen and we are not sure what, we put in \$6,000. I will got you all this, bring it to you. We have \$2,000 in travel and that is, we're not sure on but we right now we have some people who have gone to the dopplemeyer facility in austria and switzerland to electrical work to be sure that they know how to back up these people if something goes wrong. We are going to have to keep training people over time so we have basically a trip a year for somebody, if need be, to go get trained. We have \$15,000 a year that's in for alternative service. If for some reason the tram goes down and we have to go to a shuttle service we have \$15,000 in there to handle that. We have \$100,000 for security. And again, that's a number that is a first number that needs more refinement but the e.m.c. As we get into operations.

Adams: The what?

Leonard: Security? What did you say?

Gardner: The management committee, the joint ohsu owe city because what we have right now is on estimate from ohsu security people to provide us with 24-hour, self day a week security on this facility since they are adjacent and they have people there, it's not like we have to hire them ourselves, they gave us an estimate of \$100,000. As we move in more refinement and the head of security for ohsu has a stronger feel for exactly --

Leonard: \$500,000 we are paying or do we pay 15%?

Gardner: 15.

Leonard: And they pay 85?

Gardner: Right. And we have for both city staff time, because we need to coordinate with them, they have \$20,000 of city staff time. Since ohsu will be doing the day to day operational stuff, we have in \$40,000 for their day to day staff person who will work with dopplemeyer and work with us and whoever else needs to be worked with.

Leonard: Their meaning?

Gardner: Ohsu.

Leonard: We are paying ohsu?

Gardner: We are paying 15% of the total operating cost, part of the total operating cost is having an on-site project manager.

Leonard: I am asking \$40,000 is that the 15% or total amount?

Gardner: That's total amount. Of all these amounts we only pay 15%. We have \$10,000 for specialty engineering services. Again, it's an estimate because it's new. We don't know yet. We

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have no operating history. What would we need if we need specialty engineering work done if we see something, we say, well, we are going to get an outside expert to look at this for us? Rather than just say, well, we don't know. So we have \$10,000 in for that. So that comes up to a grand total for the operating of \$238,250 for things that are not part of the dopplemeyer contract for a total annual operating -- operating cost alone of \$1,405,000. To that you add the major maintenance reserve of 166 and contingency of 23 eight and when we are all done we are at \$1, 595,200 of which we pay --

Leonard: What again? \$1,595,200.

Leonard: Basically \$1.6 million.

Bernard: Commissioner Leonard, it's on page two.

Adams: All these numbers?

*******:** All these numbers are.

Leonard: So -- ok.

Gardner: If you turn the page on that life cycle cost, is everything that's in the major 19nance reserve and how we figured it.

Saltzman: Are there any state or federal safety laws that govern the operation of a an aerial tram or ropeway? Is there any independent authority other than the e.m.c. Deciding there needs to be an --

Gardner: There's the national standards, ansi has standards.

Saltzman: 77.1 is a national code.

Gardner: That covers all aerial ropeways which is what they are referred to. We have to do the annual safety inspections all these things are set out in that ansi code.

Saltzman: Does that have the force and effect of a federal law? Isn't ansi a standard?

Williams: Commissioner, what we have done is adopted those standards and required the operator to adhere to the ansi standards as they exist at the time. And the city as being responsible for, you know, the regulatory as specks of the independent inspections will be complying with those ansi standards as well. Those are the standards which exist in the united states for this kind of operation.

If you were in switzerland, it would be a chapter of the swiss code because they have so many. They have thousands of trams in that country and it's a major industry. They actually have a section of I think it's federal law in switzerland that governs that. We don't have that in the united states either on a state or federal level. We have these ansi code and that's --

Saltzman: Does the Ansi code speak to the frequency of inspections?

Gardner: Yes.

Saltzman: And to the nature of an independent inspection?

Gardner: Yes.

Saltzman: It does?

*******:** Do you what you have to do.

Saltzman: That covers the roosevelt island tramway?

Gardner: They operate you were the ansi code. Has new york adopted something separate in a state law? I don't know. I know vermiculite has an independent -- vermont has a lot because they have ski lifts and they had them in the early days and there were no standards so vermont implemented state law that handled that but most states don't. Oregon doesn't. You have a number of ski lifts thin state and they all operate under the same ansi code.

Saltzman: I just still want to say getting back to the v.a., I mean, mark, you are a pretty smart guy. You have benefit around the scene. Am I incorrect in my analysis here of the politics of how this issue can play out? Am I missing the boat here? Won't people --

Williams: Commissioner --

Saltzman: Don't the v.a. also avail themselves of the tram?

Williams: I think you have identified an issue that needs more attention and more work. And I think it's not on the v.a. But also the shriner's hospital as well. They have got sick kids and their

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families coming up there. And I think what we need to do, part of what this agreement envisions --

Saltzman: I think you will agree with me they are not going to go to ohsu if they are going to come to city hall because it's a city-owned facility.

Williams: My guess is they are going to go both places if they're unhappy and that we --

Leonard: The question is, what we would like to know is that in advance, what the agreement is going to be when that happens. St not hop going to get called first but are you guys going to say, not our problem? City, it's your tram?

Adams: The agreement right now and what the discussion prompts is discussion with the shriner's and with the v.a., what the agreement is right now, is that they would pay. When there are complaints as there will be complaints to my office or to ohsu, unless we want to change that policy, of who would pay and who would not pay --

Leonard: You said they would pay. Who is they?

Adams: The shriners and the v.a. Unwritten. Patrons unrelated to ohsu will pay for the tram. Except those with tri-met credentials.

Saltzman: I guess what I am playing out is the scenario -- we disagree.

Adams: Understood.

Saltzman: And we the city council say, well, we will cover that cost of the fares. How does that get resolved if there's that kind of loggerhead?

Adams: I am not interested in paying for the cost of the fares of shriner's or the veterans.

Saltzman: You say that now.

Adams: I say that now and later. And in terms of tri-met, you shook your head when I say tri-met is not included in the assumptions?

Gardner: The original assumptions when they did the south waterfront agreement is that the tram would be basically "free" ridership. Ohsu paying its share, the city paying the other share. Because the idea was that anybody who had a transit ticket would be able to ride so it's a continuous transit system. I believe really your budget meeting, budget hearings, commissioner Leonard had a problem with that because tri-met wouldn't be paying us. And so in effect the original agreement that was built down there was that if you weren't an ohsu patron, you would be a free ride. We are concerned about that because we think that it does make it this problem of the v.a., the shriner's, and if it's a free thing, it becomes a very common thing.

Leonard: Are you saying there's not a fare box?

Gardner: There is a fare box. The original, this is back two, three years. When they started doing south waterfront development agreement. The idea they were thinking it will all be, we will pay whoever's not ohsu related, ohsu will do it. We have since had a lot of discussions among ourselves and with ohsu over the last six months we have been really involved and it's like, no, there has to be some fare box. There has to be some way to do it. It's not a free ride for anybody who just wants to, hi, I am here and I want to go ride.

Leonard: What is the snare.

Gardner: That's not been established because we are trying to go through this hole process to figure out what the fare would be. Who would be handle would in it, commissioner Saltzman has brought up a good question if we need to go back and talk to the vets and the shriner's about, do they want to contribute for their associates? Or do they, is their attitude, they got to get here somehow?

Leonard: You have \$100 in the fare box. How does it get distributed?

Gardner: \$100 empty fare box goes in to the common pot, which is the common pot of the operating, the -- we have \$1,000 of expenses we put \$100 in, the expenses are now \$900, we split them 85-15.

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Leonard: Why would we give them 85 cents of a fare paid by a person not associated with ohsu? Obviously paying a fare they are not a patient or not a visitor, they are not in a employee. Why would we give ohsu 85% of a fare generated because it's a Portland transportation system?

Saltzman: The original agreements which we're back with the south waterfront, again, this 85-15 came about when it was basically going to be a free ride for anybody who showed up. With ohsu paying the share. We have stayed with the 85-15 because ohsu has a very healthy investment in the capital portion of the whole program. And the 85-15 on the fare box is about equivalent to what our capital investment is compared to theirs.

Leonard: But the people that are riding it by definition pay money, as I understand, are not associated with ohsu.

Gardner: Right.

Leonard: What is the nexus between a person that pays \$1, say, for a ride and 85 cents of that would go to ohsu? Why doesn't that go completely to defray the city's expenses?

Gardner: Ohsu also has an 85% of the costs of this thing.

Leonard: But it serves ohsu.

Gardner: And these others. We were going with what the original agreements were and trying to stay as close as we could while still having an equitable system that allowed us to move forward. We are really of the firm belief, and I hope to be proven I don't think, is that you will find that there is not a big public ridership of this facility. Most of the tram way systems you have like in the roosevelt island, it's used there, it has 8,000 residents at within end. They commute that way. It's it also has a number of facilities that attract people to come out and over the east river. The others that are 'in this country are tourist attractions and they go to tourist facilities and tourist sites. Stone mountain in georgia. You go up to a very tourist site. Here you are really going to a very nice overlook but that's what you are going to because you are standing in a hospital and then you move through the hospital and on.

Leonard: Is the 85-15 split on the fare box in the agreement?

Gardner: Yes.

Adams: The original agreement.

Leonard: Is it in this operating agreement?

Gardner: It is.

Leonard: I'm assuming we will keep 100% of the revenues generated by the parking meters. We don't give ohsu 85% of that.

Gardner: No. The parking meters weren't even mentioned. Again, back, going back to before my time with this, the initial way that this was envisioned to fund was that we would use parking meter revenue out of south waterfront to fund it. That's our revenue to do with as we please. Subject, of course, to all you guys agreeing it's ok to spend but that revenue is pdot revenue paying its 15% of this program. Our assumption was that we will be able to make it out of parking meter revenue. We will get you the numbers to show how it comes online. We may -- and I have to go back and look at numbers. We may subsidize at the beginning and the revenue goes up. But that was how it was envisioned that we would pay our share.

Leonard: If you are riding your projection that the public doesn't ride it very much that means our liability increases.

Gardner: It goes down.

Leonard: How does it go down if you doesn't have more revenue?

Gardner: No. Because if the apportionment is based on percentage of riders, the attribute alt to ohsu and to the city and it's now 85-15 if it turns out their ridership is 90%, we go down. I mean, it is from our financial liability, it's to our advantage to have all of ohsu riders. From the development perspective we want everybody -- it's a public transportation system.

Adams: Randy's right. If the ridership is so low, if the ridership --

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Leonard: He had my point. That was my point. If you had less people paying fare.

Gardner: The cost to run it is it cost to run it. Doesn't matter if -- how many people ride it as long as the percentage of ridership stays with ohsu as the majority rider.

Adams: How will we work out, how do you envision working out what the fare would be for -- I am not sure I understood your answer to randy's question about the fare and how will that be worked out. The fare amount.

Gardner: We still wanted to go through and revise these are operating estimates we want to be able to revise and there was a number of issues already come up that commissioner Saltzman is right, how do we deal with shriner's, how do we deal with the veterans hospital. How do we envision this being used in the e.m.c. To work with that? Because if you take roosevelt island as an example it's a \$4 fare. Is that right? What percentage does it take to try to get the external ridership portion to pay that incremental cost of having them there? So those are all things that need to be worked through and they need some financial analysis we haven't done yet.

Williams: The only thing I could add on ridership no one knows what the split will be. That estimate of 85-15 was made back in the development agreement and was an estimate that was actually put in the development agreement, attached, approved by ohsu for city council and p.d.c. I think what makes sense about trueing it up with survey that is we both agree on over time is we reflect the actual usage. Some people think we are going to have a lot of tourism usage and we may in the first year or two. I personally believe the ohsu share is going to go up over time and we will be an excess of 90% or even higher over time but that's just me. That's what I think. I don't know any more than anybody else does. But that's the purpose of having a survey. I frankly I think this trueing it up over time after an initial estimate that we had to agree on is probably, works in the city's favor.

Potter: Further questions?

Saltzman: I guess the tri-met bus pass issue. It is correct we are going to tri-met passes are honored?

*******:** No, sir.

Saltzman: I have said that in the past. I know commissioner Adams said --

Gardner: That was what was -- in & this raises a different question. I'm sorry. That was talked about. It is not in the agreement. There is never been any form of how they would do it. It was always like, o. It will be this transit system will be on the system. Commissioner Leonard brought up the question back in the budget hearings is, if you are going to allow a try method fare to be your fare, which is \$1.65, would or their monthly pass --

Leonard: Went up to \$1.85.

*******:** Did it go up again? Ok. All right.

Leonard: Three zones. You have in a two zone.

Gardner: So the question then becomes, we in effect then have no fare income from an external rider. None. All you have to have is a bus ticket which we have no money from. So the question then became, ok, what would be an equitable and fair rate? Which we are not sure what that is. The other question besides the hospital's is the neighborhoods. Some of those neighborhoods, would they get a preferential rate? Needs to be talked about. Should they get an annual pass at a lower rate than a tourist type situation? Because they can use it to commute. So those are all things we need to work through. And that was the attempt to have the e.m.c. Work through that.

Adams: And the e.m.c. Needs to come, those is decisions will have to come back to the city council.

Gardner: The way the agreement is written right now is that the e.m.c. Will be delegated the authority to make those decisions but we are certainly, you know --

Adams: Sounds like an appropriately so high degree of interest on the council to be involved.

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Gardner: We will have to find a way to make sure you are aware and agree. But I think some of the questions we have is really, like how do we address residents in the area who would like to have use this as a commute? And get them out of their cars? Is there incentive for them to? Do we give them annual pass? Do we sell them an annual pass at a very reduced rate. Do it like the streetcar where the monthly passers very inexpensive? These are all things that have to be worked out but right now we have a situation, this tram, moving forward, and I hated to be the one to say this because I know it just galls people but we are trying to play catchup here. And this is one of those where we are trying to catch up as fast as we can.

Saltzman: I think this agreement does need to somehow refer to the issue. I have acknowledged with the veterans. You say the shiner's, I only say v.a. That's one I see scenario playing out that I described of veterans coming here en masse, the city relenting and saying, ok, we pick up the fare. And I think that's the way it should be played out. There should be some agreement. If that scenario happens that we split the cost or we split it 85-15. I mean, I don't think the veterans administration, I don't see them stepping forward. They are going to plead poverty. We are a federal v.a. We don't have any money. So the veterans groups are going to come to us, the city-owned tram -- I think there's got to be acknowledgment of that by our partner, too, that that scenario is a scenario with a high probability of playing itself out and there has to be some stepping up to the plate. I know we can simply say we have asked the v.a. And they are not interested. That's probably what I would say if I was the v.a. Administrator, too.

Adams: Commissioner, I think it's a good issue to raise and I think we should send our folks back to work on it but I am not willing to concede before we even sit down at the table that we would subsidize. Let's find out what we can do in terms of negotiations with them and I am happy to be involved with that.

Saltzman: And I have no idea what ridership is or what the present influx, outflux of people to the v.a. Is. But -- I can it hasn't been discussed gives me pause for concern.

Leonard: And I have to say on commissioner Saltzman's point, we have, I am probably going to get in trouble with this, this big white elephant sitting over by the rose garden and every time we talk about doing something with it, we get flooded veterans in here saying don't you dare touch that thing. And some people react to that. And so I think his concern is a real, based on that experience, a real concern.

Adams: I think it's a good call and we will look into it. What are issues are there that we can work on between now and we have to vote on? The park, meter revenue. We have. We will get that to you. We should have brought the it to you today. You want your detail on how we would determine the, in two years, the survey? And then what do we do with the v.a. And the shiner's? Are there any other issues?

Gardner: Just v.a. And both. One.

Adams: I would say both. Otherwise the v.a.'s going to point and say, what about the shrinkers. Those are three issues?

Williams: I could tell you thousand make money with memorial coliseum but that's probably not another --

Leonard: I know how. Every time we try to, though, we get this visit. Refer our visitors to you. You can tell them.

Adams: Any more concerns with safety? Commissioner Saltzman, din mean to cut you off. Any more issues --

Leonard: You cut me off. That's it.

Adams: No one can cut you off. There is any more --

Potter: Cutoff i've ever.

Adams: We will get back to you.

Potter: There is a signup list? **Moore:** We had one but no one signed up.

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Potter: Ok. No further questions of the commissioners. This is a nonemergency. Moves to a second reading. We are adjourned until next week. [gavel pounded]

At 4:13 p.m., Council adjourned.