



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **5TH DAY OF JULY, 2006** AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Potter, Presiding; Commissioners Adams, Leonard, Saltzman and Sten, 5.

Commissioner Adams arrived at 10:01 a.m.

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

Motion to elect Commissioner Saltzman as President of the Council: Moved by Commissioner Leonard and seconded by Commissioner Sten. (Y-4, Adams absent)

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

COMMUNICATIONS		Disposition:
894	Request of Bruce Broussard to address Council regarding school funding and city budget (Communication)	PLACED ON FILE
895	Request of Bruce Deile to address Council regarding non-profits and United Way dispensing of funds (Communication)	PLACED ON FILE
896	Request of Patricia Schaeffer to address Council regarding hospital treatment (Communication)	PLACED ON FILE
897	Request of Paul Phillips to address Council regarding Reverse Logic (Communication)	PLACED ON FILE
898	Request of Representative Carolyn Tomei, Milwaukie Mayor Jim Bernard and Milwaukie City Councilor Carlotta Collette to address Council regarding the Portland to Milwaukie Light Rail Line (Communication)	PLACED ON FILE
TIME CERTAINS		

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*899 TIME CERTAIN: 9:30 AM – Approve funding recommendations for after-school and mentoring programs and leverage fund investments made by the Children’s Investment Fund Allocation Committee (Ordinance introduced by Commissioner Saltzman) (Y-5)	180297
CONSENT AGENDA – NO DISCUSSION Mayor Tom Potter City Attorney *900 Extend contract with Damon L. Vickers of Cummins, Goodman, Fish, Denlye & Vickers for outside legal services (Ordinance; amend Contract No. 52398) (Y-4)	180283
Bureau of Planning *901 Authorize Master Interagency Agreement between Bureau of Planning and Portland Development Commission for planning and implementation of urban renewal projects (Ordinance) (Y-4)	180284
Office of Management and Finance *902 Extend contract with Lloyd B.I.D., Inc. for Lloyd Business District Management Services (Ordinance; amend Contract No. 52142) (Y-4)	180285
*903 Extend contract with Lloyd B.I.D., Inc. for collection of the Lloyd Business District business property management license fee (Ordinance; amend Contract No. 51773) (Y-4)	180286
Office of Management and Finance – Human Resources 904 Create a new classification of Laboratory Quality Assurance Specialist and establish an interim compensation rate for this classification (Ordinance)	PASSED TO SECOND READING JULY 12, 2006 AT 9:30 AM
Office of Management and Finance – Revenue Bureau *905 Authorize an Intergovernmental Agreement with the City of Troutdale for the Revenue Bureau to administer the Troutdale Payday Lender Code (Ordinance) (Y-4)	180287
Office of Neighborhood Involvement *906 Authorize contract with Resolutions Northwest for \$276,016 annually for conflict resolution services for the period July 1, 2006 through June 30, 2008 (Ordinance) (Y-4)	180288

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Police Bureau		
*907	Authorize an Intergovernmental Agreement with the Multnomah County Sheriff's Office to reimburse the Police Bureau for the purchase of a Cogent Livescan fingerprint and palmprint scanning station to be installed in the Multnomah County Detention Center (Ordinance) (Y-4)	180289
Commissioner Sam Adams		
Bureau of Environmental Services		
*908	Authorize contracts with four firms for on-call materials testing, special inspection and geotechnical engineering support services for the Materials Testing Laboratory (Ordinance) (Y-4)	180290
909	Authorize grant agreements and Intergovernmental Agreements with twelve non-profit and public entities related to the Community Watershed Stewardship Program (Ordinance)	PASSED TO SECOND READING JULY 12, 2006 AT 9:30 AM
910	Authorize grant application to the US Environmental Protection Agency in the amount of \$50,000 to provide financial assistance to automotive and landscape businesses to become certified through the Ecological Business Program (Ordinance)	PASSED TO SECOND READING JULY 12, 2006 AT 9:30 AM
Office of Transportation		
911	Grant revocable permit to Tournament Golf Foundation, Inc. to close NW Hoyt Street between NW 12th and NW 13th Avenues from 9:00 a.m. August 16, 2006 to 1:00 a.m. August 17, 2006 (Ordinance)	PASSED TO SECOND READING JULY 12, 2006 AT 9:30 AM
Commissioner Randy Leonard		
Water Bureau		
912	Authorize a contract and provide payment for construction of the Marigold Tank Safety Improvements project (Ordinance)	PASSED TO SECOND READING JULY 12, 2006 AT 9:30 AM
Commissioner Dan Saltzman		
913	Authorize an Intergovernmental Agreement between Portland Public School District No. 1, Housing Authority of Portland and the City to purchase the John Ball Elementary School site for \$800,000 and fund the demolition of the existing school buildings for \$600,000 (Ordinance)	PASSED TO SECOND READING JULY 12, 2006 AT 9:30 AM
Parks and Recreation		

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914 Authorize an Interagency Agreement with the Portland Development Commission for Portland Parks and Recreation for professional and technical services for park improvements for FY 2006-2007 (Second Reading Agenda 880) (Y-4)	180291
Commissioner Erik Sten Bureau of Housing and Community Development	
*915 Authorize subrecipient contracts with 17 organizations to continue projects selected to further the goals of the Bureau of Housing and Community Development through its Economic Opportunity Initiative and provide for payment (Ordinance) (Y-4)	180292
*916 Authorize two subrecipient contracts totaling \$618,465 for the provision of services in support of affordable housing for individuals living with HIV and AIDS and provide for payment (Ordinance) (Y-4)	180293
*917 Increase contract with CSDC Systems, Inc. by an additional \$50,000 for a total of \$90,600 to continue development of software and provide for payment (Ordinance; amend Contract No. 35781) (Y-4)	180294
*918 Authorize seven subrecipient contracts for \$1,354,497 for the provision of services in support of affordable housing for low-income households and provide for payment (Ordinance) (Y-4)	180295
*919 Authorize Intergovernmental Agreement with Multnomah County for the cooperation of units of local government to prepare and update the Consolidated Plan to meet affordable housing goals and to receive payment (Ordinance) (Y-4)	180296
REGULAR AGENDA	
920 Accept bid of Skyward Construction, Inc. for the Union Station Facility Improvement Project for \$832,000 (Purchasing Report - Bid No. 105201) Motion to accept the Report: Moved by Commissioner Leonard and seconded by Commissioner Sten. (Y-5)	ACCEPTED PREPARE CONTRACT
Mayor Tom Potter	

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921	Re-appoint Anne Davidson, Lynne Hoffmann, Clark Brockman, and Terry Amundson to the Adjustment Committee (Report) Motion to accept the Report: Moved by Commissioner Leonard and seconded by Commissioner Saltzman. (Y-5)	CONFIRMED
*922	Office of Management and Finance – Bureau of General Services Authorize a contract and provide for payment to furnish replacement vehicles (Ordinance) (Y-5)	180298
Commissioner Sam Adams Office of Transportation 923 Accept report titled Bicycle-Related Industry Growth in Portland and reaffirm the Cycling Industry status as a target industry in the City economic development plans (Resolution) Motion to accept amendment to include the phrase “the cycling industry, a subgroup of the footwear active wear outdoor gear cycling target industry”: Moved by Commissioner Leonard and seconded by Commissioner Sten. (Y-5) CONTINUED TO JULY 5, 2006 AT 2:00 PM AS AMENDED		36426 AS AMENDED
924	Authorize contract with Henderson, Young & Company for professional, technical and expert services required to update the Transportation System Development Charge program (Second Reading Agenda 877) (Y-5)	180299
Commissioner Randy Leonard 925 Direct the Office of the City Attorney to contract for an independent audit of the Portland Development Commission project record and any other information necessary to review the acquisition, valuation and proposed disposal of property at 209 SW Oak Street (Resolution) Motion to accept amendment to change “shall” to “should” in the second to last Resolved: Moved by Commissioner Leonard and seconded by Commissioner Sten. (Y-5) Motion to accept amendment remove the “Whereas” stating a Public Council Policy: Moved by Commissioner Leonard and seconded by Commissioner Saltzman. (Y-5) (Y-3; N-2, Saltzman and Potter)		36424 AS AMENDED

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<p>926 Mandate minimum blends of biodiesel and ethanol in petroleum-based fuels sold in Portland and require city-owned vehicles to maximize use of renewable fuels (Second Reading Agenda 861; add Code Chapter 16.60)</p> <p>Motion to accept amendment to Exhibit A: Moved by Commissioner Leonard and seconded by Commissioner Sten. (Y-5)</p> <p>Motion to accept amendment that the Commissioner of Public Safety shall convene a work group including but not limited to representatives from the Office of Sustainable Development and Biodiesel feed stock growers, distributors, customers and vendors. The work group shall develop recommendations to align the requirements of this ordinance with the regions ability to meet the mandated biofuel demand, while maximizing the use of regional feed stock the work group shall produce recommendations to the Commissioner of Public Safety within 90 days of passage and the Commissioner of Public Safety shall present a report to Council and the findings within 120 days of passage of this ordinance: Moved by Commissioner Sten and seconded by Commissioner Leonard. (Y-5)</p>	<p align="center">PASSED TO SECOND READING AS AMENDED JULY 12, 2006 AT 9:30 AM</p>
<p align="center">Commissioner Dan Saltzman</p> <p align="center">Office of Cable Communications and Franchise Management</p> <p>927 Grant a franchise to NewPath Networks, LLC for five years for Telecommunications Services and establish terms and conditions (Ordinance)</p>	<p align="center">PASSED TO SECOND READING AUGUST 9, 2006 AT 9:30 AM</p>
<p>928 Grant a franchise to NextG Networks of California, Inc. for five years for Telecommunications Services and establish terms and conditions (Ordinance)</p>	<p align="center">PASSED TO SECOND READING AUGUST 9, 2006 AT 9:30 AM</p>
<p>929 Grant a pipeline franchise to Paramount of Oregon, Inc. for a period of 10 years (Ordinance)</p>	<p align="center">PASSED TO SECOND READING AUGUST 9, 2006 AT 9:30 AM</p>
<p>930 Grant a limited right-of-way use agreement to Verizon Wireless (VAW) LLC, for five years for mobile telecommunications services and establish terms and conditions (Ordinance)</p>	<p align="center">PASSED TO SECOND READING AUGUST 9, 2006 AT 9:30 AM</p>
<p align="center">Parks and Recreation</p> <p>*931 Amend contract with Waterscapes, Inc. for services at Tanner Springs Park to allow for final payment in the 2005-06 fiscal year (Ordinance; amend Contract No. 34652)</p> <p>(Y-5)</p>	<p align="center">180300</p>
<p>932 Authorize a Coordination Agreement with TMT Development Co., Inc. for the South Park Block 5 project (Ordinance)</p>	<p align="center">PASSED TO SECOND READING JULY 12, 2006 AT 9:30 AM</p>

At 11:37 a.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,
OREGON WAS HELD THIS **5TH DAY OF JULY, 2006** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Potter, Presiding; Commissioners Adams, Leonard,
Saltzman and Sten, 5.

Commissioner Saltzman arrived at 2:07 p.m.

Commissioner Saltzman left at 3:10 p.m. and returned at 3:25 p.m.

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

933 TIME CERTAIN: 2:00 PM – Approve the 9 th Amendment to the Central Eastside Urban Renewal Area Plan (Second Reading 810)	Disposition: SECOND READING CONTINUED TO JULY 13, 2006 AT 2:00 PM TIME CERTAIN
934 TIME CERTAIN: 2:05 PM – Adopt the Eastside Transit Alternative Analysis Locally Preferred Alternative and the Eastside Transit Project Work Program Considerations and direct actions for implementation (Resolution introduced by Commissioner Adams) (Y-4, Saltzman absent)	36425
923 Accept report titled Bicycle-Related Industry Growth in Portland and reaffirm the Cycling Industry status as a target industry in the City economic development plans (Resolution) Motion to accept amendment to include the phrase “the cycling industry, a subgroup of the footwear active wear outdoor gear cycling target industry”: Moved by Commissioner Leonard and seconded by Commissioner Sten. (Y-5) CONTINUED TO JULY 5, 2006 AT 2:00 PM AS AMENDED Motion to accept amendment to strike the last Be It Resolved this Resolution is binding City Policy: Moved by Commissioner Adams and seconded by Commissioner Leonard. (Y-4, Saltzman absent) (Y-5)	36426 AS AMENDED

At 3:53 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.

July 5, 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.

JULY 5, 2006 9:30 AM

Potter: Portland city council. Before we begin the official part of our proceedings, each wednesday morning, we have, we ask our community the question. Excuse me, folks. We ask the community the question, how are the children? And the reason we ask that question is because when the children are well, our community is well. And many communities and villages around the world, two adults pass each other instead of saying how are you, they ask, how are the children? So it's a fundamental question, I think, to a society as how we treat our children is how the society itself treats each other. And we invite various people in, as experts, to talk with us. This morning, we have two young people, one goes to vernon elementary and the other to ockley green middle school.

So jaquan and david, will you please come Portland. They are in the first steps sports academy. Go ahead and just sit there and sit in front of a microphone. Did you wish to introduce them?

Melissa Knight: Yes, thank you very much. My name is melissa knight and I am with first steps sports academy. I am the program coordinator. This is david liday and jaquan knight.

Potter: Thank you for being here. And with each of you like to tell the city council what you want us to hear. Would you like to say something to us, a statement?

Jaquan Knight: I would like to say that we need more lunches at the park because they run out quickly and easily.

Potter: Ok. What else?

J. Knight: And the program is learning experience for people that hasn't played basketball or that hasn't played any sports. And you can get educated by learning how to play basketball.

Potter: You are talking about the lunch program. Is that the summer lunch program at the parks put on by the parks bureau?

J. Knight: Yes.

Potter: You are saying they run out too soon?

J. Knight: Yes.

Potter: Ok. Thank you. David?

David Lybay: From the first step academy program I experience different, I learned different things from it like dribbling, scrimmages and doing different fundamentals.

Potter: Is there other things you would like us to know?

Lybay: And I think that schools in the district, I think that they should be starting a little later so kids could have time to sleep. And get up and do their homework. And eat breakfast and get dressed. [laughter]

Potter: Those are good points. [laughter] I think I would like to have that apply to the adults as well. Thank you very much, david, and jaquine for coming. Shall we give a hand for our young experts? Thank you. [applause]

J. Knight: What I want to say also is, I live in the woodlawn district. And at woodlawn, we need more education and that's mostly it. More education.

Potter: Thank you.

Leonard: Thank you.

Lybay: I live also in the woodlawn district. And at ockley green, I think that we need more p.e. because some people are like tired and they need to have more energy.

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Potter: Uh-huh.

Leonard: I think you need to get more sleep. [laughter] there's a message there.

Potter: Thank you, david. City council will come to order. Please call the roll. [roll call] please read the first communications item.

Moore: We do need to elect the president of the council first.

Potter: Oh.

Sten: Saltzman.

Potter: I hear a nomination for commissioner Saltzman.

Leonard: So moved.

Sten: Second.

Potter: Please call the vote.

Leonard: City's in safe hands. Aye.

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

Potter: Aye. [gavel pounded] commissioner Sten couldn't wait for that. [laughter] good. Now we will have the first communications.

Item 894.

Bruce Broussard: Bruce broussard. You look very refreshed. Those two weeks off was becoming to you.

Potter: It was 10 days but whose counting?

Broussard: And I am know you are very excited about getting back. Anyway, again, thank you very much for giving me the opportunity here. Again, again, I am not necessarily trying to repeat myself again but I am still saying we need to solve the issue with Portland public schools as far those custodians are concerned. I think it's an issue that the public wants to know whether or not, in fact, these people are going to be made whole again. There's still this question mark, et cetera. You pick up "the Oregonian" today, and the editorial it talks about the auditors and whatever and the fact whether or not the transparency existed or deexisted and still looking for questions and answers, if you will, with the Portland public schools. I understand that they are underfunded and like but the bottom line is that I think if they solved custodian issue once and for all people will be more receptive for fundings of the school, Portland public school. It's a tough, tough situation. And maybe as a proposal I would suggest maybe "the Oregonian," I notice there was an article again trying to regurgitate if you will the foxworth situation about the emails and this, that, and the other.

I guess "the Oregonian" asked for the files and the city allowed them to have the files. Maybe if we did the same thing with the custodial issue we might be able to maybe resolve this issue because still, the public still doesn't know just what, what actually, why was steve goldsmith fired? What was his background? He was the leading proponent of the whole issue of the custodial issue of it. I think if the public had access to the files and then i'm going to throw this out to the media, you will, if they had access to these files for once and for all we might be able to resolve this problem and then maybe as another alternative, that if, in fact, the culture existed that no one wants to know what's going on with that whole issue, then maybe we may look at the federal government. The issue of the no child left behind. Maybe we might be able to find an order there, the issue has always been whether or not the no child left behind has been effective. We can get two birds with one stone. We can find ought one about no child left behind and at the same time the funding and et cetera, et cetera, for Portland public schools. So again that's an issue that I think that an area we might want to look at. And on that particular note I don't like the idea of being here before you on an on and on but I am excited about the fact, mayor, that you lead off, your whole, the whole mayoral communication with the being -- no child left behind aspect of it. And I am very, very excited about that. On that particular note the only other option I have is to run for congress and you I might be able to asked question of the federal government to come down with the federal no

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child left behind act and get them to maybe do the audit, if you will, and save taxpayers the money if you will from the standpoint of Portland public schools. Thank you very much. Appreciate it.

Potter: Please read the next item.

Item 895.

Potter: Could you please give that to the council clerk instead of to us directly. Thank you.

Bruce Deile: Good morning. My name is Bruce Deile and I will go ahead and jump right into it. "The Oregonian" reported that United Way would distribute charity funds to other nonprofits based on a more competitive process but isn't competitive charity antithetical? Nonprofit funds are procured on the guise of altruism but can be theft when used for extravagant salaries. The reason is they are needed to attract leading professionals within a competitive system but isn't that a terrible commentary on America to say it asks us to live with pigs with charity money? There's the editorial by Nicholas Kristoff, citing the C.I.A. World Factbook, ranking the United States 42nd in infant mortality says it's a disgrace. The average baby is less likely to survive than in Beijing or Havana. According to Dr. Kenneth's testimony before the New York State Assembly on health a seven-year-old Lyme disease patient was kept alive on expensive medication until due to insurance companies' policy "she died within one month of cessation of intravenous treatment." He adds, Metropolitan Life Insurance Company had an important formative role in the creation of the National Institutes of Health. This raises the issue of possible ongoing undue influence of the insurance industry in setting national public health priorities. But as the U.S. is the only industrialized country with no price cap and contracted out to pharmaceutical companies it's not only insurance companies influencing public health policy. The "New York Times" summarizes the United States in 188 other countries signed the United Nations Millennium Declaration the man fess toe to eradicate extreme poverty, hunger and disease. The percentage of United States income going to poor countries is rock bottom. The test is the percentage of national income we give the poor and on that basis this country has a group of seven industrialized nations and the world knows it. That's America the indifferent. And what I left out, the most important part that I left out, is the nonprofit health care C.E.O. salaries buried in the money section of USA Today. That is Catholic Health Care West C.E.O. \$1 million plus expenses, allowances. Memorial Sloan-Kettering C.E.O. \$2.3 million with two surgeons making \$1.6 million each. Kaiser-Permanente's Foundation Hospital outgoing president \$7.4 million. And Universal Health Services C.E.O. \$16.2 million. That's in USA Today 9/30-2004. My last quote is that if when we as a nation prove competitive charity antithetical what makes goodwill think otherwise?

Potter: Thank you, sir.

Deile: That's a lot to get in but thanks for hearing me out.

Potter: We have your written statement.

Deile: Have a good day.

Item 896.

Potter: Please read the next. 897.

Item 897.

Paul Phillips: I'm Paul Phillips. And I am here again to speak that last week, after I left here explaining how the Pope had words with some cardinals and archbishops I believe even one of them was from Portland, he had a way with words of saying that I believe that he used the words "criminal pedophilia." and I also commented that that my service animal has been attacked and within 34 hours of -- within 34 hours the same dog, the same person had attacked my service animal where she let it loose from the leash. The leash was still attached but it was trying to attack us. And injure my dog again. It didn't injure him but I finally was able to -- to go and get hopefully it resolved. I wish to thank the Portland police. I am holding up a paper from Multnomah Animal Control Services. And I didn't have a chance to thank everybody that got involved from the county attorney's office to the judge herself. And I was going to ask the city council -- I'm speaking next

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week more specifically about this -- that in just four and a half months, my service animal was attacked by that dog and person -- well, the dog -- if that's an all-time record. Multnomah animal control services probably has records of events like that. But i'm thinking that that's got to be an all-time record. And that's a shame that things like that happen. Don't you think so?

Potter: You are here to make a statement.

Phillips: Yes. Well, the statement is that i'll be talking more on this restraining order and i'll be providing you with the front page copy of it where I went through the police department and the case number and things like that. Well, thank you.

Potter: Thank you.

Phillips: And if you could tell me, too, if that is an all-time record. To call up the Multnomah animal control services or the Portland housing authority and see just how common --

Potter: Mr. Phillips, your time is up.

Phillips: Thanks.

Potter: Please read the next item.

Item 898.

Potter: Please come forward, folks, and welcome to Portland city council. We appreciate you being here.

Carolyn Tomei: Thank you, mayor. Council members. For the record, my name is carolyn tomei and I am state representative for house district 41 which is in Portland and milwaukie, sellwood, westmoreland, eastmoreland and woodstock and parts of brentwood darlington and I brought -- unfortunately mayor bernard couldn't be here but I brought several other people.

Carlotta Collette: I am carlotta collette from the milwaukie city council. Good morning.

Potter: Good morning.

Lee Layton: Lee leyton from the sellwood moreland area.

Kevin Downing: And kevin downing from the sellwood moreland neighborhood.

Tomei: We know our time is limited so we will just jump right in here. Over three years ago this region made a commitment to the south corridor plan. A two-phase light rail strategy serving southeast Portland and northern clackamas county. This plan was endorsed by the Portland city council, the milwaukie city council, Multnomah county commission, the Oregon transportation committee, the tri-met board, j-pac, and the metro council. Phase one along i-205 and the downtown transit mall is rapidly moving to construction but phase two serving inner southeast Portland and milwaukie is languishing. And we are not here to talk against the east side streetcar project which I know you will be having hearings this afternoon, but we are very concerned that any new transit projects moving ahead of the south corridor project.

Collette: I want to bring you up to speed kind of on what's happening to downtown milwaukie, if you haven't driven down mcloughlin boulevard recently, you should. Because milwaukie is transformed. And with the transformation of our main street and front street, mcloughlin boulevard riverfront park comes a transformation in the demographics of our community. We are rebuilding downtown with the hope that light rail will come and help serve our community. And I want to make sure that you recognize that we have changed over some of our past behavior, you might say. And we've also heard that the new development at south waterfront will require light rail to help them with their traffic issues. But again, I am not here to speak against the streetcar project. I just want too make sure that we don't get back burnerred and put behind yet another project. We want to make sure you don't make any financial commitments to the streetcar until we have resolved the financing plan for the milwaukie light rail project. So please help this community to develop a financing plan for light rail. Just because other projects may be cheaper does not mean that our project is not a viable project.

Downing: Good morning. Actually, I am currently unaffiliated but at one point I was president of the sellwood moreland area league during the time the area was discussing south-north light rail and

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following the defeat of measure 26-47 I direct might transportation chair to put light rail back on the table and she was successful along with the efforts of citizens in other adjoining neighborhoods like brooklyn and the other business areas. We have had a long standing commitment to supporting light rail as a means of addressing some of the transportation issues that the neighborhood impacts and in no small measure actually also reflect some of the opposition we are organizing right now to the siting of the wal-mart at the corner of tacoma and mcloughlin as potential prelude to actually putting a light rail station there. Thank you for your consideration of keeping that option still on the table and moving forward. Thank you.

Potter: Thank you.

Layton: With your indulgence, mr. Mayor, 30 seconds?

Potter: Go ahead, sir.

Layton: Thank you. Lee leyton. I was the president of the sellwood moreland improvement league when we adopted the sellwood moreland plan. I have one familiar face here this morning from that set of hearings. And I read it often and reflect. I would like to share with you a personal story. One time when my mother was here visiting she talked to me and my wife about how she used to live in milwaukie with her aunt and how she would ride the electric line up into the city of Portland for going to the library and various other adventures and so forth as a young lady. We have lost that opportunity for young people. And we tried to retrace her steps. She remembered the address. We went looking for the house where her aunt lived and it wasn't there anymore. It had been replaced by an apartment complex and now many, many families live where she used to live in that house. There are more people living in milwaukie. And we have more transportation needs than we have ever had before and that's going to continue to increase. The light rail through the mcloughlin corridor was strongly supported by the sellwood moreland neighborhood plan. It's part of a structural multimodal system for overall mobility. And I want to just cap the words you have heard this morning by saying that we shouldn't insert projects that may be appear to be easier within reach from budget standpoint in front of it because it's part of a much larger solution that will serve the whole region. Thank you.

Potter: Thank you, folks, for coming.

Tomei: Thank you very much. Appreciate it.

Potter: Thank you very much.

Potter: We will move to the consented agenda. Do any of the commissioners wish to pull any of the items from the consent agenda? Does any of the member of the public here in this chamber wish to pull any item from the consent agenda? Please call the vote.

Leonard: Aye. **Saltzman:** Aye. **Sten:** Aye.

Potter: Aye. [gavel pounded] we will move to the 9:30 time certain. Please read it.

Item 899.

Potter: Commissioner Saltzman.

Saltzman: Thank you, mr. Mayor, members of the council. In 2002 Portland voters created the children's investment fund, which is to about a \$9 million a year serial tax levee to invest in proven programs in three specific investment areas. The first area is early childhood development. The second targeted area is after school and mentoring programs. And the third targeted area is child abuse prevention and intervention. Over that time, the allocation committee, the five-person allocation committee which consist ever myself, commissioner lisa naito, dr. David willis, and clara pedia-andrews have made investment and a renewal of the investment in the after school and mentoring program arena. Our initial investments were for a period of up to two years assuming that the organizations we invested in performed satisfactorily. So in late june, the allocation committee did renew, I believe, some 20 after school mentoring investments which per the statute, we, the city council needs to actually authorize those 77s today. Other thing that the allocation committee did, and also consistent with the children's investment fund mission, was to use, to

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maximize the amount of nontax dollars or private dollars to match the public children's investment fund dollars where possible. We created a \$3 million leverage fund. The minimum criteria was that we would invest in things that would be matched at a minimum on a dollar by dollar basis by foundations or businesses. So we have before us today several of those leverage fund investments which we are also proud to bring forward where I think we are leveraging about \$1.8 million in private money also investing again in the same three targeted areas of early childhood development, after school mentoring programs and child abuse prevention and intervention. I am going to turn it over to the program director for the children's investment fund. She will briefly highlight the after school mentoring investments. We are renewing and she will also highlight the leverage fund investments as well.

Lisa Pellegrino: Good morning, mayor, councilors. To give you a sense of the process we go through before we renew so you had understand what we do in due diligence before we make those decisions we review the contract compliance. How well the grantee has performed all of the provision of their contract. We go out on site visit the grant es and do extensive interviewing process. We do a financial assessment that includes both looking at an audit of their organization as well as spot check to make sure their expenses are supported by documentation. And we ask them to submit a renewal application which we renew and discuss with them if necessary. So that's all of the information that goes to the allocation committee when they are make their decisions to renew a particular contract or grantee. In all cases all 20 programs were voted to be renewed and I will briefly list them for you and also for the folks in the audience who are not looking at spread sheet of programs so you understand the types of programs we are investing in. And then ask you for your approval of those investments. Our investments and after school mentoring programs are to big brothers big sisters, the boys and girls aid practice that conserves middle schools. The boys and girls club, after al school tutoring and recreation program. The bridge builders which is culturally specific program for high school students. Campfire usa, after school program for middle schoolers, elementary schools and middle schools. Ethos which is an after school music education program. Friends of the children which is a mentoring program. Urco which runs an after school program. Life works northwest which runs an after school program in housing sites for low-income housing sites. Metropolitan family services which offers a mentoring program at elementary schools. The ne family center for native americans. Open meadow program for middle schoolers that's aimed at transition to high school. A program offered by ocha for mentoring of hispanic youth. An Oregon health career center which offers an after school program for, at 40 different sun schools. Portland impact mentoring program. The Portland opportunities and industrialization center after school during program at ockley green, one of the students who became before you today attends that school. A grant to Portland public schools to provide ongoing funding for the sun community school program at three schools. Sei, self enhancement inc. Which provides after school stools. Tears of joy theater, and trillium family service which is provides a mentoring program offered by families. So that is the quick review of programs. I would certainly be happy to take any questions if anybody has any.

Potter: I had one on the funding of the sun schools. Because of what's gone on at the county, how does this impact the ability of the gif funds to provide that kind of support?

Pellegrino: We are in conversation with the county, needless to say, because the county has just for -- I don't know how up everyone is on that the -- have the voted to county their funding for the sun schools. We fund different sun schools and parks and recreation also funds I believe 12 sun schools currently. So between our two city programs we are funding about 16 schools. If the county cuts funding to their portion of the schools, that's going to create kind of a dual system where you have got some schools that are receiving significantly less funding than others. So we are now about to meet actually tomorrow or friday with the county and parks and us to sit down and try figure out how we can make this work best. I think we are open to taking us back to the

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allocation committee and potentially back to you if we come up with some other plan to fund some different schools than these or fund them at a different level. I think it's own inclination at the moment not to do that partly because we have a new county commission coming on in January, and they may not choose to go the same direction that the current county commission. So that's the status.

Potter: Ok. Thank you. Other questions?

Saltzman: In terms of leverage?

Pellegrino: Sure. Do you want to vote together on these?

Saltzman: We will vote.

Pellegrino: The leverage fund investments are again, what we do for the leverage fund we talk with foundations in the proposal stage so we are at the stage of trying to convince foundations they should make investments in children as opposed to investing in some other area by dangling our mean along with there's to make more of an impact so we were successful in doing that with five different partners. First was with Meyer Memorial Trust to fund the school works program, a program of the juvenile rights project. And that will provide advocates in the school system for kids who are either adjudicate the youth or foster children so they get essentially a social worker and an attorney to help advocate for, to keep them in school and make sure she get the service they need to stay in school. It's been very successful. It's mottled on a Seattle program that's gotten national funding. Second one is another partnership of Meyer Memorial. A significant partnership around community later. They gave, we together gave \$750,000 to the library foundation. They are funding a set of literacy strategies that are for older youth. We are funding literacy strategy for early childhood. This is really significant investment and the Meyer grant is a matching grant for another \$750 three-point. This is a very significant investment for literacy. Third is a partnership with the United Way and May Kell Clark McDonald fund to fund an expansion of early childhood center which serves low-income kids in North Portland. This will provide early head start services essentially, early head start models to these kids. Fourth is a partnership with the Allen Foundation to expand Saturday Academy which is a program that is offered during after school hours and out of school time. The focus is on in-depth exploration of science and engineering and technology topics with kids and uses professionals in the field to do it. We are going our funds will go to expanding this into many more schools and make the program more available to low-income and minority youth and last is a partnership with the Gates Foundation to fund the Smart program at 20 schools. 20 of the highest -- put this right -- the lowest income schools in Portland are at the highest rates of free and reduced lunch usage at their schools. And that's a two-other grant. We are each putting in \$320,000. That's quick summary of the leverage fund 77s. The total amount we are investing in the leverage funds a little over \$2 million. And that's matched at least dollar for dollar and in some cases more by other foundations. So it's proved a good tool for persuading people to make large investments in children. And in some cases really even brought in private donors. So again I'm happy to take any questions you might have about any of those investments.

Potter: Other questions? Thank you.

Saltzman: Yes.

Potter: Please call the vote. Do we have anybody to testify?

Moore: No one signed up.

Pellegrino: The county has approved these 77s. That's the other step I meant to say. They approve they wanted last week.

Adams: Thank you for your good work, commissioner Saltzman, for your great leadership, continuing great leadership thin area. Aye.

Leonard: This is a well-run program and I appreciate, and I am familiar with everybody on the oversight committee. And they are all top notch people, the staff does an excellent job and I am pleased to support their work. Aye.

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Saltzman: Well, i'm pleased that we are reinvesting in many effective programs. Key criterion is the ability to deliver proven programs in a cost effective manner and all of these 77s have proven over the last two years that they are doing exactly that. And the leverage fund investments I think are another great example of how we can really use public dollars to induce private investment in these, in the children of our community and I want to thank the staff of the children's investment fund for the great work they do. The allocation committee for the work they do and the many citizens who have helped us over the years in deciding who to invest among many, many more applicants than we possibly have funds for in our targeted investment areas. We are all doing a good job here and I want to thank everybody. Aye.

Sten: Well, this I think both a model for how to do it right and what needs to be done. So keep up the great work and I will be brief and vote aye.

Potter: I want to thank commissioner Saltzman for his leadership because I believe this is -- this is one of those programs that has a tremendous impact in the community but doesn't get a lot of public attention. And I think that we need to be focused more effectively on how we use limited resources that the public gives us. So this is one of those excellent examples. I want to thank commissioner Saltzman and also the staff as well as the citizens who serve on it. Aye. [gavel pounded]

Item 920.

Jeff Baer: Good morning, mayor Potter, members of the city council. I am jeff baer, the director of the bureau of purchases and before you is a purchasing agent record recommending award for the union station facility improvement project throughout bureau of general services and it's being requested that we award this to sky ward construction. A quick summary of this particular project. This is one of five projects that we are having odot kind of look over our shoulder as part of the local agency certification program that allows us to, allows odot to delegate the authority for the city to administrator federal aid transportation projects under this program. And one of the things up note on here is that we have, we did have originally come down with a 0% disadvantaged business enterprise goal. We subsequently changed that to a 5%, and then with the recent ninth circuit court ruling that dismissed the hard goal process, we went to an aspirational goal of 5% on this project. And with that they came win a 3% dba goal. That does not reflect there's actually two other subcontractors that are certified as minority women emerging small business but because they are not a certified dba they don't count towards that goal. With that I will stop and address any questions you might have.

Potter: Any questions from the commissioners? Thank you, jeff. Ask for a motion to accept.

Leonard: Move to accept.

Sten: Second.

Potter: Was there a signup sheet on this?

Moore: I didn't have a signup sheet.

Potter: Please call the roll.

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

Potter: Aye. Please read item 921.

Item 921.

Potter: There is staff here?

Susan McKinney: Good morning, mayor Potter and commissioners. I'm susan mckinney from the bureau of development services. In may, you asked that we go back and work on recruiting new members for the adjustment committee. We have four persons who are leaving the committee. One who is needing to be reappointed. He spends intends to take on for a second term. As part of that process, of recruiting new members, we have asked that the people who are leaving minus one so that would be three of them, be reappointed for a term until october 1 through september so we would have additional time to recruit new members. , you know, receive applications, interview and train which takes some time also with our city attorney to have them ready to function as a

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committee beginning september. We have asked that they be reappointed through september just in case we may not get them all in time. And that's why we're here today. Any questions? I can tell you so far, we have nine applications. Seven of them were generated from the list that you received at the last hearing. And two from other sources. And we have an expectation of at least three more that I know of are coming in. And we are also sending out a press release and notification to the neighborhoods next week.

Saltzman: Good work.

Potter: Motion to accept?

Leonard: So moved.

Potter: Second?

Saltzman: Second.

Potter: There is a signup sheet for this?

Moore: I did not have one.

Potter: Please call the vote.

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

Saltzman: Good work. Glad to see there's more interest out there in serving. Aye.

Sten: Aye.

Potter: Aye. [gavel pounded] please read item 922.

Item 922.

Potter: Anybody from staff here?

John Hunt: Good morning. I'm John Hunt, fleet manager, city of Portland. And there are five sweepers that are way beyond their useful life and we just like to replace those units with some fresh units.

Potter: Questions from the commissioners. Thank you.

*******:** Ok.

Potter: This is an emergency vote.

Moore: Yes.

Potter: Please call the vote.

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

Potter: Aye. [gavel pounded] please read item 923.

Item 923.

Potter: Commissioner Adams.

Adams: Mr. Mayor and council, I have a substitute here that cleans up some of the language, and then I would request your moving it as the last item for our afternoon session.

Leonard: He wants to vote on the amendment first.

Adams: That would be great.

Leonard: I would move the amendment.

Potter: I haven't had a chance to read it. I would like to look at it for just a second.

Potter: What's changed on this, commissioner Adams?

Adams: It's the top line, amended to include the following phrase, "the cycling industry, a subgroup of the footwear active wear outdoor gear cycling target industry." so the initial list that we were working off left off the cycling target -- cycling as a note on the target industry and so subsequent to filing this resolution, p.d.c. has clarified the cycling industry is part of the footwear active wear outdoor gear cycling target industry. So we just made that change.

Potter: What is different than as a result of the resolution?

Adams: What is different in.

Potter: What does the resolution do if the p.d.c. --

Adams: P.d.c., they have never gone in and done an assessment of the local bicycling manufacturing industry. Question that as part of our platinum putting together the platinum plan,

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and we also lay out some opportunities for growing the industry as a resolution, it doesn't commit the city to anything but does put in the file the report that's in your book.

Potter: Do I hear a motion to accept the amendment?

Leonard: I move the amendment.

Potter: I hear a second?

Sten: Second.

Potter: Second. Call the vote.

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

Potter: Aye. [gavel pounded] it's moved until the end of the afternoon?

Adams: Thank you.

Potter: Please read item 924.

Item 924.

Potter: This is the second reading. Vote only.

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

Potter: Aye. [gavel pounded] please read item 925.

Item 925.

Potter: Commissioner Leonard?

Leonard: Thank you, mr. Mayor Potter and council members. I think most of council is familiar with the transaction that occurred in 2002 acquiring the property by the p.d.c. on southwest third and oak, and some of the questions it has raised. I want to briefly just summarize the stages of the transition. In 2002, p.d.c. contracted for an appraisal of the property low dated at 209 s.w. oak. The appraisal aim came in at \$8 hundred 50,000. Shortly thereafter the p.d.c. purchased the property for \$1.2 million. P.d.c. then paid to have the property environmentally restored, and created what's known in the industry as a shovel-ready piece of property that would be more attractive to developers. That was done at a cost of \$500,000. Then in 2006, p.d.c. had the property appraised again by the same firm who had appraised property for them in 2002 and again that original appraisal came in at \$850,000. The second appraisal after p.d.c. acquired the property, after they paid \$500,000, came in at negative \$2.7 million. The same appraiser concluded that the property actually would require somebody to pay them \$2.7 million -- or they would have to pay somebody, p.d.c., \$2.7 million to take the property. Then the p.d.c. commission voted to approve a deal that would gifted the property free of charge to trammell crow, a developer. The p.d.c. in its communications also said that the property, because it was negatively valued, would not be required to comply with the prevailing wage statute in Oregon. The proposed development deal was for a 26-story 160 unit condominium development consisting mainly of high-end condominiums otherwise known as market rate housing. The development proposal requires that 15% of the 160 units be affordable to people making 120% median income and after nine months any person with any income level qualifies for the units that have been essentially subsidized by Portland taxpayers.

This transaction comes on the heels of a number of issues that I have dealt with p.d.c. on personally since arriving on the council just about four years ago. I have inquired of p.d.c. about specifics of the transaction. And the responses do not allay the concern that I have and I think others may have as well, that this might be an attempt by the p.d.c. to circumvent two specific council policies, one, council has clearly sent a message that we need to do all we can to provide affordable housing to this community's poor, particularly the aged. So, for instance the project commissioner Sten was intimately involved in in the pearl that created -- I don't recall the name of the project, commissioner Sten, but it created zero to 30% median income housing for seniors that provides a really decent place for them to live. We have decided to spend money, public monies on those kinds of projects before we spend money on projects for people who virtually have no income limit and are provided a high-end condominiums. The second concern I have is this may be an attempt by p.d.c. to circumvent the clear direction of the majority of the council, anyway, to pay prevailing

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wages on projects where appropriate. And I emphasize "where appropriate." this resolution asks an independent audit be conducted and that the city attorney contract for that independent auditor to analyze the various transactions involved, and come back with a report to the council on the -- at the conclusion of that.

Potter: Any questions from the commissioners?

Saltzman: Anybody from p.d.c. here?

Potter: Anybody from p.d.c. here? I have a couple questions myself. The one, two, three -- seventh whereas says --

Leonard: Let me get to my whereas.

Potter: Go ahead. Ok.

Leonard: The sixth.

Potter: Whereas the policy is to subsidize only projects -- that's inaccurate. It's much more than that. We have transit oriented housing, we have work force housing, we've got a whole group of policies around different kinds of housing in the city.

Leonard: That's true.

Potter: So in terms of that. And I think --

Leonard: Whereas I hope a whereas doesn't have the force of a resolved. They are essentially --

Potter: It does state a council policy that's inaccurate. Secondly --

Leonard: I think the point should have been, you are right, mayor, I agree with that. But the point should have been that we have, in the point I was trying to make, we have repealed our policy of directly subsidizing downtown upper income level housing units, which we have placed that in abeyance pending an outcome of some analysis by commissioner Sten. That's the point I was trying to get at there.

Potter: The last paragraph, be it further resolved the Portland development commission has business disburse funds to the city attorney's office.

Leonard: Yes.

Potter: I think that's contrary to the city charter.

Leonard: Let's let p.d.c. sue us over that.

Potter: First of all I don't think we can enact policy contrary to city charter. Have the city attorney --

Leonard: My understanding they have agreed to pay for an outside audit.

Potter: They have.

Leonard: But they want to pick the auditor.

Potter: The resolution itself I think cannot be legal if it's not -- does not give us either the city charter authorization or gives directly to p.d.c. I am suggesting I ask that we ask the city council -- the city attorney's office on that.

Harry Auerbach: We haven't had a chance to review this thing, 24 resolution in depth and we are prepared to work with commissioner Leonard to implement it. Perhaps if you change the "shall" to "should" it would express the intents of council and we can work with p.d.c. to see if --

Potter: What's the difference between "shall" and "should"?

Auerbach: Should reflects the intention of the council. Shall is mandatory and mayor's point is that we may not be able to mandate p.d.c. to spend money.

Leonard: I am happy to make that amendment. I would move "should" replace the word "shall" on the last resolved -- excuse me the second to last resolved of resolution 925.

Potter: Do I hear a second?

Sten: Second.

Potter: Call the vote.

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

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Potter: Aye. [gavel pounded] then to the issue of stating a public council policy that is incorrect, did you want to wish to amend that?

Leonard: We could actually take that out. That whereas doesn't have the force of the resolved so i'm happy to move to remove that sentence.

Potter: Do I hear a second?

Saltzman: Second.

Potter: Call the vote.

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

Potter: Aye. [gavel pounded]

Potter: It's my understanding, commissioner Leonard, that both p.d.c. and the city have agreed to a third party audit. So how does -- how is this different than what has already been agreed to?

Leonard: It provides some assurance to the community that the audit is being conducted independent of p.d.c.'s influence. I understand that p.d.c. and trammell crow have both come forward and said they will agree to an audit. I appreciate that. And I had discussions revolving around that last week. But the point and especially I think what -- I think the community understands the point of an audit isn't that you have an audit done but that it be done in the most independent, transparent fashion possible and that p.d.c. would be in any position to influence the criteria of what the auditor may look at, the selection of the auditor makes the audit worthless in my view. I mean, it would not command the time in my day to read it at the end of the day because you can't have an audit done, in my view, that's credible where the subject of the audit is somehow involved in the picking of the audit or the criteria of what is to be reviewed up by the audit. And I have stated that to p.d.c. and others as well last week as they brought up the -- that suggestion.

Potter: So it's my understanding that p.d.c. agreed to a third person audit. Or a third party audit.

Leonard: I don't care what p.d.c. has agreed to. This at this point is not about p.d.c. It's about the council exercising oversight over their activities and behavior and what they did or didn't agree to is irrelevant to this resolution with all due respect.

Potter: With all due respect I think that what p.d.c. has offered complies with what you are suggesting in this resolution. So --

Leonard: It ought to be an easy agreement then. There should be no problem about -- they have agreed to it.

Potter: I disagree. Commission --

Leonard: I appreciate that, mayor, but the p.d.c. answers to the entire council. It isn't as you pointed out an independently create the creature of the charter that has its own distinct powers and responsibilities. And that notwithstanding all of us are, I think, responsible for the, if not behavior certainly the transactions of the p.d.c., every one of us up here share that responsibility. And in my view, in looking at some of the details and I did ask them detailed questions. They gave me timely responses and detailed answers and I appreciated that and communicated that in writing. But at the end of the day each of us are held actable for the behavior of those organizations that are employed by the city. Notwithstanding what p.d.c. May think it is an organization of the city and this is an attempt to provide independent oversight of a commission in my view that needs it. And I think we all agree with that.

Saltzman: Mayor, you are saying, did I hear you say p.d.c. has agreed?

Potter: Yes.

Saltzman: And trammell crow?

Potter: They have agreed to we hold or halt the project until that audit has been done.

Saltzman: And the selection of the auditor would be by agreement between --

Potter: Yes. By p.d.c. and the city council or the city attorney, whoever would be. Other questions? Is there a signup sheet on this?

Moore: There was and no one signed up.

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Adams: I am puzzled by --

Potter: Can we ask p.d.c. to be here? I wasn't here last week so I don't know.

Leonard: Believe me p.d.c. would be here if they chose to be whether I invited them or not. I invite they wanted in prior council sessions on important issues and declined to come. They are responsible folks up there. They know that this is on the calendar.

Adams: What you know their position is?

Leonard: I believe they would like to be involved in picking the auditor and they have offered to pay for the audit. They and trammell crow, the partner the private seconder partner that is being bequeathed the property, have both agreed to spend the money for an audit. They want to, however, develop the criteria of what is to be audited and be involved in selecting the audit. That is to be polite unacceptable.

Potter: Why would that be unacceptable? Aren't they involved in this?

Leonard: Exactly.

Potter: Shouldn't they have -- in a public forum or at least a public agreement as to what would be the criteria for the audit?

Leonard: Mayor, what I am suggesting here is something inappropriate may have occurred along the way with respect to council direction and council policy. For the subject of that inquiry to be involved in deciding what questions are asked is violates every standard I am aware of, of independent auditing.

Potter: I am unaware of any allegations, specific allegation of any improper conduct. Until we have an audit how can we know that?

Leonard: I just said that. I gave you the two areas that I have concern in. One has to do with a circumvention of council of housing policy with respect to the fact that we have -- we have --

Potter: It's misstated housing policy.

Leonard: Let me state it clearly for you.

Potter: Ok.

Leonard: To state it clearly for you, the council has made a clear public policy statement that it is going to hold in abeyance tax abatements for market rate housing for the same population of people.

And it just seems a little odd to me to be right up front about it that p.d.c., to ask for an appraisal before they bit property comes in at \$850,000, they step up and pay \$1.2 million. I'm not questioning what kind of bargains they are to get an appraisal for 850 and pay 1.2. fine. Then they spend \$500,000 to have the building brought down and the dirt remediated so it's shovel-ready. Get the same appraiser to come in and now it's worth negative \$2.7 million, mayor? Help me understand in downtown Portland how any piece of property is so value-less, you have to pay somebody \$2.7 million to take it. That raises questions. And that they would be involved in answering those questions I think is inappropriate.

Potter: I think they have to answer some of those questions.

Leonard: They will answer them but they don't be paying for them and directing what questions are asked. They will answer them. I mean that's the purpose of the audit. I just don't want enemy, p.d.c., to be involved in who asks them the questions or be involved in paying and selecting who is asking -- paying and selecting -- paying for and selecting the auditor. I think it's inappropriate. And I have expressed this to them. This is not a surprise over the last few weeks. I have told them that. I just think it's highly inappropriate when you are having an audit, I mean, to have the subject of that audit select who it is that audits them.

Potter: You know, the fact that you have already come to some conclusions to disallow their involvement in helping select the criteria, I don't think -- I think that's a fundamentally fair thing to do.

Leonard: We will have to respectfully disagree, mayor. I am sorry but I don't -- I don't see it that way.

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Potter: Ok. Any further questions? Is there a signup sheet?

Moore: There was and no one signed up.

Potter: Please call the vote.

Adams: I'm going to support this resolution because it affirms what I think are some important tenets of independent audits and that is that they be independent. I think the fact that this particular issue has been the subject to media inquiries and has raised in the minds of the public some serious concerns about the operations of p.d.c. And how these deals are put together calls for this kind of an approach. I believe that it's also my support for this is also somewhat cumulative, given that we've had some other controversies lately regarding p.d.c., regarding the tram, and other projects, and I think that to work our way out of or work our way into deepening the trust between the people of Portland and city government, that these sort of extraordinary actions are going to be necessary. So i'm going to support it and I understand the mayor's concerns. Definitely. And I think that this is done on a prudent basis but I think this issue, at this time, is what is necessary. Aye.

Leonard: Aye.

Saltzman: I appreciate commissioner Leonard bringing this issue to our concern. I do feel that given there is agreement on all sides to conduct an independent audit, i'm just concerned about the tone of the resolution. I think it implies a little too much malevolence on p.d.c.'s part which I am not prepared to accept although I am interested in the reasons and the explanations but I believe this resolution sort of implies to me anyway that we are inducting more of a criminal inquiry and I think i'm happy with the fact that everybody's agreed to do an independent audit and it will be done. I don't feel the resolution is necessary so I vote no.

Sten: Well, I understand the points that are being argued. I think this is very necessary as a clear signal from the council. I am the point of the housing commissioners and there was no real consultation on this deal and I think it is in violation of the city's housing policy as we passed a policy that said we were not going to put money into market rate housing units downtown. I think it was pretty clear policy, actually. There's a moratorium and I am leading the process and you can quibble with some of the details and come to the conclusion that the -- there's a way as there is with just about anything to big gull an argument that this fits under what we did but I think common sense says it does not. And I would like to have as independent a possible look at how that all came about. I don't believe that -- I don't believe that the development commission was 42 trying to subvert the policy. I just believe that the independent status which is being pushed today I think almost to a -- pretty disturbing level to say we can't even tell them to pay for an audit. I mean, that just says to me it's really time and I hope to use the results of this as a spring board to finish the discussion that's been started by the mayor's charter commission which I was quite disappointed to see came to the conclusion we shouldn't change anything with p.d.c. The council needs to have budget control of p.d.c. and when you say we set policy and these kind of deals go through, I can't with a straight face agree that's happening. I don't believe the council is setting the housing policy. And I think that needs to be fixed and so I see this as a step towards that, no, sir a punitive bun but to look hot, ok, how are these agreements being made. There's just no doubt when you have this kind of appraisal which doesn't hold up to common sense, I mean, I think the argument that the land has negative value can only be made because there's a contract in place to require that if a certain type of unit be built. Well, that's not the value. Land. That's the value of the contract. And so it's clearly set up as a way to, I think, undermine the basic premise of whether or not the city is subsidizing this. And whatever the language is exactly in the whereas I think the idea that the council is sent a clear message for the time being with the moratorium exists which exists on the tax abatement program we are not subsidizing high-end units in the downtown core is hard to miss and it's hard to miss this is a multimillion dollar subsidy of high end units in the downtown core and I appreciate it's an uncomfortable situation but I want to say that what far trumps any of the

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uncomfortable situation for me is that I am no longer comfortable saying that we are setting policy for this agency because I do not believe we are. Aye.

Potter: One thing I agree so far it does send a message but I don't think it sends a message we want. I think what this does is send a message that we do not trust, not only the staff at p.d.c. but the p.d.c. commission themselves, the people we have appointed. We have a new chair coming on shortly, two new commissioners. And I think within the framework of the city charter, we have got to do what we can to rebuild those relationships. Yes, we have to look at things like the sale of third and oak. I think that it's important that we do. And I haven't heard any addition agreement from the p.d.c. commission that they do not agree with that. Nor do they disagree about having an independent audit. So I find not only that this is unnecessary but I think it's both inflammatory and derogatory of the actual p.d.c. commission themselves. So I am sorry that it has passed. And I hope that as this independent audit comes forward, that it's done in a fair and equitable way, and listens to the concerns of the Portland development commission as to what they think is important to a final analysis of this sale of p.d.c., the purchase and sale of this particular property. I vote nigh. No. [gavel pounded] please read the next item.

Item 926.

Leonard: This is my second of two very noncontroversial proposals today, mayor. [laughter] welcome back. By the way. There have been between last council's session, mayor, last week ago today and today, I think it's accurate to say a flurry of activity to address legitimate concerns that have come up so you may have in your packet other proposed amendments. Those are not applicable and you should only be looking at the biodiesel proposed amendment to exhibit a. That is the -- it says exhibit a amended. It says --

Potter: This one here?

Leonard: Yes.

Potter: What about this --

Leonard: If it's got a prior date, ignore it.

Potter: Well, this one doesn't have a date.

Leonard: If it says amended that's the exhibit a amended, that is the correct.

Potter: The amended biodiesel code language doesn't apply?

Leonard: Correct.

Potter: Ok.

Leonard: That's been replaced by your heading that will say exhibit a-amended. And let me briefly explain what those two amendments do. Is ty here? There he is. Come on up. Ty can give you an articulate on the point.

Ty Kovatch: I don't know about articulate but I will give you a shot. Ty kovatch. Just speaking to two amendments to the exhibit a which is the code provisions of this proposed chapter. The first one is in section 16.60.020 biofuel requirements. This came out of discussions with the western states petroleum association, where they wanted to have a little more clarity in where and who the supplied to and when. Because as it was previously written, one could, one could make the -- one could ascertain it applied to Portland distributors selling fuel to a beaverton vendor. And that was not the intent. And so an effort to clear that up, what you see in front of you is a clear direction that it's for fuel sold by fuel distributors to fuel vendors and by fuel vendors, period.

Potter: Where's that at, ty?

Kovatch: Sections a, b, and c. So you will see that it says on and after July 1, 2007, all diesel fuel sold to fuel vendors shall contain a minimum blend of 5% biodiesel. And then below that in subsection 2, on and after July 1, 2007, all diesel fuel sold by fuel vendors shall amend a blend of 5% biodiesel.

Potter: This is within the city of Portland?

Kovatch: Right.

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Potter: Is that correct?

Kovatch: If you look at the definition of fuel distributor and fuel vendor, it describes where --

Potter: Where is that at?

Kovatch: Under definition 16.60.010 first sections. Fuel distributor is m, fuel vendor is n.

Potter: I don't have a -- 16.610? I see. Ok.

Kovatch: .010. Definitions. M and n.

Potter: Ok. Thank you. Sorry. Go ahead.

Kovatch: No problem. The other, the other -- this is an addition to the code that came as a result of the concerns raised by the jubitz truck stop that the perception that long haul truckers may have of alternative fuels would cause them to potentially go to a different filling station outside the city. And have a detrimental impact on the jubitz business. So in thinking about how to resolve this issue, what our approach was first of all, we didn't want to give an exemption to any one party with the approach that we took. So what we decided to do is the approach was say that any vendor who wanted to provide number two regular diesel at their facility, if they provided b20 which is a blend of 20% biodiesel and 80% petroleum diesel or greater at one pump on their site, their other pumps could serve regular diesel, which, in discussions with the folks from jubitz, satisfied their concern and it has the added benefit to the city of giving some choices to the retail outlets that may also result in choices for consumers because we will have higher blends of biodiesel at facilities around the city. So those are the if you main changes. And that change, I think I forgot to mention is in 16.60.030 section a under exemptions.

Potter: What was that again now?

Kovatch: The section?

Leonard: On your one-page handout.

Kovatch: 16.60.030 section a.

Potter: It goes from 20 to 40 on there. 020 to 040.

Kovatch: At the very bottom of the page with 20 on it you will see that -- you will see the exemption 16.60.030. Just how it printed out.

Potter: On the bottom of what?

Saltzman: Top of the third page.

Adams: Oh, I see.

Leonard: 16.60.030 is on the bottom of page two and the language is on the top of page three.

Potter: Oh, I see. Ok.

Kovatch: Trying to maximize our use of the space allowed on the pages.

Potter: Yes. Yes, please, go ahead.

Adams: I wanted to give you -- I wanted to give you and commissioner Leonard an opportunity to respond to some of the concerns that had been raised. One of them had to do with palm oil and that it is to include that isn't necessarily environmentally friendly.

Leonard: Let me respond to that. We are -- our original draft that came out of o.s.d. actually prohibited palm oil. But as we circulated the draft into the community and that included some in the petroleum community that's included some in the biodiesel community, the biodiesel community raised the concern that the 5% requirement they would have a tough time making with domestic production of biodiesel. So based on that last week, you will recall, I proposed an amendment that allows palm oil to be used to, as part of the supply that would get the city to the 5% mandate. So I am glad you asked because I want to clarify a couple things about that. In the best of all worlds, the original draft that prohibited palm oil would be what we were voting on today. But what I learned from the biodiesel industry was that would be tying one arm behind their back at a time that they are trying to gear up production, and that it actually would hurt their ability to produce biodiesel that is used here in Oregon and that until the time, and they estimated three years, that the farmers in Oregon can gear up their canola crops that will be sufficient to produce the

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demand, they don't think that domestically they can get to that 5%. With palm oil there's absolutely no problem with getting to the 5%. There's a requirement in the that they report us to how they are doing. When we reached that magic crossroads of when local production will meet our demand and then it would be my intent at that point to bring to the council an amendment that brings us back to our original language.

Adams: What would be your just for the legislative record, what would be your sort of out your use of allowing palm oil?

Leonard: The industry tells me they think they can produce this locally, this, the amount that we are requiring in three years.

Adams: That's your goal?

Leonard: Yes.

Potter: I thought you could use any vegetable. In biodiesel.

Leonard: You may be able to but to not get overly technical about this, each vegetable has its own particular qualities including animal fat, I might add. Animal fat can be used as w one of the issues that there are with biodiesel is what's known as the pour temperature, maximum temp at which it will still pour in a relatively fluid like state. When you use animal fat biodiesel that pour temp is in the upper 30's. When you use other vegetable matters it reaches into the 20's and still others are down into the minus zero fahrenheit. And so what we are focused on is getting the highest quality. Because biodiesel is different according to what it is grown to produce it. What we are looking for is the highest natural quality that will require as little attention from the driver as possible, not withstanding what the temp may be outside.

Potter: I guess the reason about the palm oil, my concerns, is the environmental effect it has on the country of origin which is -- indonesia?

Leonard: Asia is primarily exporter of palm oil.

Potter: And the effect of taking that palm oil creates a number of environmental hazards in those countries. Have we done any research or your office or o.s.d. done any research on the impact it's having on the other country?

Leonard: That's an excellent question and I have done quite a bit of research on that which actually drew me to my original conclusion that we should write palm oil out. There is an argument that you have to compare the production and the use of palm oil to its main competitor. That's petroleum. And the impacts petroleum diesel has on the environment and the impacts the drilling costs of petroleum. And when you compare the two by most independent observers' minds there is not even a close call that even using palm oil will some of the impacts you are talking about are much better for the environment than petroleum diesel. Palm oil itself, when it burns, has 70% fewer green house gas emissions that petroleum diesel. It is a environmentally on balance hugely beneficial to use that. Having said that. I want to be real clear about one thing. This initiative is not driven by environmental concerns. We have taken that into account and we think we can make a good argument about it. It's primarily as I discussed with you, mayor, an economic development initiative around creating Portland as the center in united states for the production and even export of biodiesel. We think there's no reason that when the farming community particularly east of the cascades realizes that there's going to be a consistent supply of biodiesel that's going to be used that they will feel confident enough to put canola into production because it's an excellent rotation crop, where wheat farmers are producing wheat every year, it actually deteriorates the soil and has a lot of other adverse effects. When they plant canola it is the ideal rotation crop. This is an industry for Oregon that there is no reason we can't not only meet this 5% but actually become an exporter. All of which, of course, would occur through the city of Portland of biodiesel. And that as anybody who has been listening to me since last fall talk about this, that is my goal. That is our goal as -- we adopted as you know a \$735,000 one-time fund allocation for o.s.d. To do that, an economic development initiative around this kind of proposal for biodiesel and I think most independent

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observers think for a variety of reasons Oregon is uniquely situated to become the biodiesel capital of the united states for a variety of reasons, not just because of the land, not just because of the crops but because we are deep water port, because there is no reason that we can't here end up being a major exporter of this product.

Potter: Let me rephrase my question, commissioner Leonard.

Leonard: Sure.

Potter: What I was suggesting and what I had heard palm oil's environmental effect is in its production, not in the percentage that --

Leonard: Right.

Potter: Of carbon monoxide and whatever else it produces.

Leonard: Well, some of that is misstated. There are farmers in malaysia, indonesia who dedicate their land without chopping down forest to grow this product. They are going to be the beneficiaries of this. But you are right, there are some farmers who eat into the forests around them and the jungles, but what I am saying is, on balance, the community that watches this stuff says that even on balance, when you tray that all into account, the impact on the environment is much less in the production of palm oil than petroleum, where in the substance is, of course, extracted from the ground and burned and has a negative impact on air quality versus palm oil so you have to take the whole process from production to use in judging its impact.

Adams: One of the things I would be interested and I understand you have a task force that's going to be set up.

Leonard: Actually think commissioner Sten is going to propose an amendment here that will codify two task forces into one.

Adams: One of them that I would like the task force to work on is sort of a green harvest of palm oil as opposed to the other option. I would like them to take a look at that.

Leonard: When you get into this field there's a lot of conflicting information. There are those that benefit from this initiative. There are those that oppose it and you have to sometimes look at who is saying what and who's paying for what and why when you analyze some of what's being said in this debate. It's a very volatile field to use a petroleum term, volatile field. And all the information that's presented isn't always as it appears to be and it requires some of this analysis you are suggesting which I would actually find very helpful as well.

Adams: And the other concern that I'm sure you've heard is the amount of energy resources and it's been describe to me that way and then also specifically to petroleum. The amount of petroleum it takes to create ethanol and ethanol's potential negative impact on air quality.

Leonard: That is an area that I think it's fair to say there is conflicting science on. And I'm talking specifically about the ethanol requirement of this initiative versus the Biodiesel. The Biodiesel issue I think in many ways is subtle science. There are political controversies around it, but as far as it being one of the best, even better than petroleum in term of the energy produced per gallon vis-à-vis petroleum, in other words, it has the same number of b.t.u.'s in a gallon as does petroleum diesel, and takes less energy to produce than even petroleum diesel. That's settled. The ethanol I think it's fair to say there is some conflicting arguments about, and it's close enough that I actually look forward to this amendment you're going to hear in a moment, taking that specific issue up. I think it should be talked about, and we should filter some of what's coming at us -- it's a very controversial area.

Potter: I just had a chance to review this this morning. I did have questions about the -- putting this into the bureau of development services as opposed to pdot, which is transportation, or even o.s.d. What was the thinking in putting it in b.d.s.?

Leonard: B.d.s. is an enforcement entity. Its culture is designed to be an enforcement entity. They actually enforce a number of -- they enforce a number of regulations, from cars on blocks in front yards, they regulate that, they regulate noise, levels of noise, and in discussions with the director, he

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felt this initiative was very compatible with those other enforcement responsibilities. We spoke with o.s.d., which is the obvious first thing I think -- first entity one might I think would be the enforcer of this. They didn't -- actually did not want to, because as they said, they are not an enforcement entity and are not geared up for that kind of -- much like the police bureau, you can't -- for instance, what I learned in fire, you can't necessarily think a firefighter is going to be comfortable enforcing the fire code the way a police officer is comfortable enforcing city code. Firefighters, they don't think like that. It was a very difficult thing for them to do. Much the same way, the folks at o.s.d. didn't believe that they were comfortable being responsible for the enforcement whereas b.d.s. is geared up for that, has the infrastructure for that, and this is a simple thing for them in terms of enforcement.

Potter: What about pdot?

Leonard: Well, I don't know that we even really considered pdot. For a variety of reasons, not the least of which is they're very, very busy and strike me as being kind of overwhelmed with their responsibilities now, and I didn't think with an existing resources that would make sense. I guess what i'm saying, this is a responsibility I'm comfortable coming back to the council and reporting on as well with this report, so are b.d.s., but I do anticipate that this is a responsibility that is entirely compatible with their current jobs.

Potter: Other questions?

Sten: Yes, mayor. I guess probably more of a comment. I wanted to offer an amendment I will pass around.

Leonard: I wonder if we could vote on the amendment I proposed.

Harry Auerbach: You've got one amendment already.

Leonard: I'd like to move --

Sten: Should we get them all on the table mayor?

Potter: Let's vote on the first one.

Leonard: I'd move exhibit a dash amended.

Sten: Second.

Potter: Call the vote.

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

Potter: I'll vote aye for this, but I haven't had time to really fully look at this amendment, so I may vote differently when it comes to the final vote. Aye. [gavel pounded] the second amendment?

Sten: I'm passing this out, i'll give the city attorney a copy. There's extras. I'll just read it quickly, mayor. The commissioner of public safety shall convene a work group including but not limited to representatives from the office of sustainable development and biodiesel feed stock growers, distributors and vendors. The work group shall develop recommendations to align the requirements of this ordinance with the regions ability to meet the mandated biofuel demand, while maximizing the use of regional feed stock the work group shall produce recommendations to the commissioner of public safety within 90 days of passage and the commissioner of public safety shall present a report to council and the findings within 120 days of passage of this ordinance. And basically I wanted to share my intent behind this. I've been working with commissioner Leonard's office and commissioner Saltzman's office of sustainable development on this. I have found myself with a lot of really good questions that I don't feel I can answer around particularly with palm oil and the speed at which the Oregon growers can get up to speed. My position is that I think this ordinance from commissioner Leonard is a very strong but good step for this city. I think it gives us a chance to get out in front on this. I also think i'm not prepared to answer what is the very best strategy to deal with what I think is a very difficult question around how to implement. And I want to be clear. My issue is how to implement the ordinance, not whether or not we should have an ordinance speaking for myself. What this does is gives the various players who have come to me and said, you know, I think this or that about palm oil, I think we can -- some think necessity could ramp up

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within a year, some think three years, a chance to work in some detail as an official city task force and come back to us with either a consensus or lack thereof if anything should be changed in terms of how to implement this. After I worked on this, it was a holiday yesterday, it came to my attention the council actually set up a work group on biodiesel as part of our budget note when we put a big chunk of money into biodiesel development through o.s.d. So I had thought, had just a moment to speak with both commissioner Saltzman and Leonard this morning, that maybe this could be incorporated into that work group, and I could -- we could work on some language here on the stand to make that happen. I don't know that we have to have two work groups, they could be the same. I certainly would be comfortable with any combination of the two commissioners sitting on it, but that's really for them to decide.

Potter: Can I ask you a question on your amendment? It has to do with the wording. It talks about developing recommendations to align requirements of this ordinance. Does this mean the recommendations will be fitted to the ordinance, or it may come back with changes to the ordinance to accommodate what is found?

Sten: My intent is to say what i'm looking for the work group to do is advise the council, in this case me as the author of this amendment, on how to implement this ordinance. And the political implication, i'm not trying to put in a weasel clause saying we're not going to do this ordinance. To the extent that the -- their work comes back and needs some changes in terms of implementing it, I would expect that. It's not designed -- sometimes you put these things in to undermine the ordinance. This is designed to strengthen the ordinance and get people feeling comfortable the implementation dynamic is going to be one that's thoughtful and creative. My intent is to open the door to good implementation of it, and if that changes the ordinance a little bit, sure, but not essentially take out the basic thrust and requirement of the ordinance.

Auerbach: Commissioner Sten, is this intended to be added as an additional directive in the ordinance rather than as a section of the code itself?

Sten: Yes.

Leonard: I second the amendment.

Potter: Forgive my ignorance, who is the public safety commissioner,.

Leonard: I am. Coincidentally.

Sten: I don't know if we need language to talk about merging the two groups or not. The intent would not be to create two battling work groups, but that they would be brought together. And we can add language or we can just say that I think would be --

Leonard: I think commissioner Saltzman and I spoke briefly, we're of like minds on this, and hopefully he will serve at the same time I do, because I expect this to be a robust discussion of some of these finer points that we've been discussing here this morning. And I expect to bring back some recommendations to make, as you stated commissioner Sten, to make it better.

Sten: My experience, which isn't always the case, but is often the case, is that you have one round of creativity when sides are lined up to go for a yes or no vote on an ordinance, and a different kind of creativity once an ordinance passes. And it's actually in effect. So I am quite confident there are some good ideas that are yet to be created because this is a new strategy around how to handle the palm oil, the local production, and those issues that I think all of us are not expert in. But think matter. I'm expecting over the next 90 or 120 days that this work group will have some new ideas as well as probably some stronger strategies. And I think the response it will get will change, once this passes and it is -- there is an ordinance on the books, we'll have a different response from some of the players who would prefer the ordinance didn't pass, but now will be looking to make sure it gets implemented.

Adams: Representatives from o.s.d. and the bio-- can we also do --

Leonard: Where are you at?

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Adams: Third line. Can we do customers? So it's feed stock growers, distributors comma, customers, and vendors? Or potential customers?

Sten: That's fine with me. I would accept the word "and customers" -- just the word "customers" after the word "distributors" as a friendly amendment.

Adams: Thanks.

Potter: Further? So now we -- that's a friendly amendment. We don't need a vote.

Leonard: We're actually --

Potter: We're now voting on the amendment as a whole.

Auerbach: Right.

Potter: Ok.

Saltzman: Isn't there a third meeting?

Leonard: We're voting on the amendment. And the entire package needs to wait until next week, wednesday.

Auerbach: Correct.

Potter: Call the vote.

Adams: Great amendment. Aye.

Leonard: I like this amendment and I just want to be clear about something from a global perspective on this amendment and its impact on the ordinance. This is a difficult discussion to have at any political level, whether it's at the u.s. Congress, where they've been actually brought to a stalemate on a number of these issues because of the impact it has on the industry at certainly the state level, same kind of impact where they were brought to a stalemate because of the challenge that this makes to the petroleum industry. And in fact, in some ways the biodiesel industry. So it's a very difficult kind of thing to move forward, actually creating an energy policy, but I think what we're doing here, particularly with this amendment, is creating at least a template for others to look at on what kind of a policy this country needs to adopt to divorce itself from the influences of foreign oil. And this is a small first step, but a first step. And the other benefit of course is that, and we expect to have this entire group involved in this group that commissioner Sten is creating with this amendment, but farmers in eastern Oregon are going to be the primary beneficiaries of this initiative, and they know it. So I appreciate the amendment, I appreciate the excellent dialogue we've had in the last few weeks around this initiative, and look forward to all of us working together to get to the next level. Aye.

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

Potter: Aye. Is there testimony on this?

Moore: We did have one person sign up for the amendments. I believe it's lila leathers.

Potter: Thank you for being here. Please state your name for the record, and have you three minutes.

Lila Leathers-Smith: Yes. Mr. Mayor, commissioners, my name is lila leathers smith. I own leathers oil company, so this is an item that's near and dear to my heart, and I would like to thank you very much for taking the time to make these amendments that you're proposing, because I think that it's such a large issue, particularly -- it's a large issue for everyone in the state because it affects all of us, it's going to affect what you pay at the pump for your product as well as the quality of air that we have. And right now I have one b99 site on southeast division, and i've been trying for some time to get an e-85 site on 102nd and sandy, but the supply of ethanol is so short I can't get enough ethanol to make it work. But I want to thank you for giving us time to do this study and I appreciate really the opportunity that you're offering us to do these -- the get-together and form a committee that can really look at all these issues, because I think that there are so many questions, you guys are facing the questions right now that we in the industry have been facing for quite some time, and we've been looking at them with a should we or should we not, and what's it going to do with our equipment that's in the ground, or our dispensers on the islands and whatnot. So we have a

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million questions, and I just hope we can all take the time to answer all these questions sufficiently before we move on this. I agree that it's a wonderful thing for the state of Oregon for our farmers. I think we need some more things for them to produce, and I think this is -- would certainly be a great idea for them. Since we sell these two products, and look forward to it, it's really an exciting thing to move into something different, because for so long we've sold gas, gas, gas, and diesel, diesel, diesel, so now it's exciting to think of doing something different. But I still have to caution that we do it with all thoughts proceeding the enactment of the regulations, because I know once we get the regulations in place, it's difficult to change them, and there are so many people in the state that we've invested our life savings in our units, and we just -- we want to do everything we can to make money, but to keep the environment great too. We've all invested a lot of money for that too. And to address the e85, the boutique fuel, that's what we're creating is a boutique fuel. That's really I think a bad thing for the state of Oregon, because our fuel in Portland will be different than sandy or marion county, or any place else. And what that does is, when we get put on allocation, just like we are today as of July 1, all of my sites are on allocation from my supplier, because there is a shortage of product. So if Portland runs out of their e85, which might possibly be mandated, then you can't borrow product from some other county, which is what's happened back east. And anyway, just to wrap up, I'd like to thank you again for taking time to address this, and I appreciate your efforts on - - and all the things, all the work you put into this. And also for giving us the opportunity to address you. Thank you.

Potter: Ma'am, could I ask you a question? You mentioned allocation.

Leathers-Smith: Yes.

Potter: Could you explain that a little bit? I'm not in the business, so I'm not sure what that means totally.

Leathers-Smith: When our suppliers, let's say shell, b.p., Exxon, whatever, run low on their allocation, or their product that they've got in their tanks down at the tank farm, then they have to tell us, you can't pull more than what you did at a certain time, let's say, for instance, this is the month of July, they might tell us you can't pull any more product than what you pulled during the month of June. Right now I happen to be on 105% of what I pulled in June. So it's just a way of keeping someone from coming in and what they call making a run on the bulk plant and pulling more product than what they should, and running someone else out so that the next truck that comes in cannot get their fair share.

Potter: So how would this particular ordinance affect that?

Leathers-Smith: As far as the e85? The e85, let's say our Portland rack ran out of the e85, our stations in Portland would be out of product.

Leonard: There's not an e85 mandate in this ordinance.

Leathers-Smith: I just noticed it in the -- some of the things I was reading here.

Leonard: Speaking to vehicles purchased by the city. But there's no mandate for e85, it's e10, which is the current level directed by d.e.q.

Leathers-Smith: Well, e85 or e90 would be the same thing. It would still be a boutique fuel. And --

Leonard: The ordinance doesn't mandate that.

Leathers-Smith: Ok. Ok. I'm giving you a little thought.

Potter: You also mentioned the fact that someone coming from another part of the state, which would not necessarily have the same requirement, would come into Portland and would in effect receive a different fuel because of the requirement for the biodiesel?

Leathers-Smith: Yes. The refinery would have on hand whatever was needed for Medford or Gresham, or Portland. And let's say that they ran out of the boutique fuel if we had one in Portland, then that truck would just have to go away and wait until the refinery got the product back in.

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Leonard: That's not accurate. The ordinance allows for a lack of supply to cause the ordinance to be not enforced, if there isn't the supply of a 5% addition of biodiesel, then it's -- the ordinance speaks to that and doesn't then require the pump to shut down.

Leathers-Smith: Ok. Then that brings up a question I would have on that, and that would be in the enforcement arena. I didn't -- I just looked at this today, it's the first I've looked at it. I'm sure there would be a mandate that there would be enforcement if you didn't meet your b90 or whatever, your b5, whatever, let's say that an auditor came in the state weights and measures probably came in and checked your fuel and you didn't have the b5 in there, how would they know that you didn't have the b5 because there was a shortage?

Leonard: That's exactly the kind of thing we hope to talk about in this --

Leathers-Smith: Thank you.

Leonard: So we'll get to that. To allay concern about different fuels, a diesel engine does not run any differently, doesn't care whether it has, as you know, you sell the b99, which is fabulous, but particularly at a 5% level, it does not -- it's fully considered by the e.p.a. To be an additive at 5%. It's not even considered to be a boutique fuel. It's considered a petroleum additive at 5%.

Leathers-Smith: We actually use that in our vehicles.

Leonard: B5?

Leathers-Smith: M-hmm. It makes --

Leonard: It makes a diesel engine run better. It provides what's known in the industry as lubricity. It's actually -- the skepticism that you hear about biodiesel uniformly is misinformation, at this point in the technology. It is -- it has progressed to a level that really where those -- those who are paying a pension to this stuff don't dispute the nearly universal benefits of using biodiesel over petroleum diesel.

Potter: The final question, since you work in the industry, is about demand. Is this -- is there sufficient demand, or will this create the kind of demand we would like to see in terms of more vehicles using biodiesel and ethanol?

Leathers-Smith: I think that the people that want to use this or that are going to use it, I think a lot of them are searching this out now. My husband has a station over on linton and we've had people drive over from across the pass just so they could buy it. But people that want it will search it out. And as far as it creating a demand, I think the demand can only be satisfied to the extent that we're able to produce it.

Potter: Ok. Thank you.

Leathers-Smith: Thank you.

Leonard: Thank you very much.

Potter: Is there other people signed up?

Moore: That's all who signed up.

Potter: My sheet says this is a second reading.

Moore: It needs to go to another.

Leonard: We amended it substantively, and so it goes to next wednesday.

Potter: Ok. So there's no vote.

Leonard: No.

Potter: Ok. Thank you. Please read the next item.

Item 927, 928, 929 and 930.

Potter: Staff?

David Soloos: David soloos, program manager, office of cable communication and franchise management. This item and the next three that follow are routine franchises we're prepared and would like you to pass to second reading. They're all fairly routine. In 2002 council passed a wireless resolution allowing -- providing for the terms and conditions under which wireless companies could access utility poles and the right of way. Three of these franchises today are of

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that nature. The fourth is a standard pipeline franchise. Council passed a temporary revocable permit to paramount petroleum, and they've been operating under that permit, and this just formulizes this under the franchise. The wireless -- two of the entities, the first two that appear here, newpath and nextg networks, have an exciting new technology where they can put up one set of antennas, one power box and one phone box and serve multiple carriers. So that allays some of the aesthetic concerns that some folks may have and may alleviate some pressure to build for -- for the industry to build new cell towers. These are all fairly routine franchises, and if you have any questions, we'd be happy to answer them.

Potter: This is for items 927, 28, and 29. Is that right?

Soloos: And 30.

Potter: Ok.

Saltzman: David, the newpath networks, you indicated they didn't have their business license yet, but they will have by today?

Soloos: They got their application in, it was fedexed in and I have the tracking form here in my file for confirmation.

Saltzman: Thanks.

Adams: As pdot commissioner i've come to experience the dysfunctional nature of decision-making in the public right of way regarding placement of poles, and would like to have a discussion with the council at a future date after we've completed our research. This gives -- so verizon wireless, for instance, obviously the pipeline is different -- a couple of things. One, i'm not happy with the quality of the patchwork done on our roads when pipelines and other private sector vendors come in and dig it up. I think it is of spotty quality, and it's the kind of thing that shows up a couple years after the work is completed. So we might sign off on it one day, but four years later it's falling apart because they didn't do a good job. So i'm going to come back to council with a discussion on that. The other is on poles. It's come to my attention that we really -- when we grant these franchises we really grant them sort of wild west complete access to every part of our right of way, and we've got some nasty holes going up around the city, and it's my understanding that we don't have -- we have not written into our franchises any sort of appeal and process that I think is sort of a common sense process for addressing concerns about infrastructure and the right of way and how it impacts the adjacent private property owners. So I just wanted to flag that for the council for future discussion on both those items, and i'd be happy to work with commissioner Saltzman and your office in the future, the city's paying too much for bad patches that fall apart too soon, and we are getting slammed with some of these really huge nasty poles that degrade neighborhoods, like north Portland.

Soloos: We have bond and insurance provisions in all of these agreement and we work closely with the office of transportation, and we look forward to working with you if that needs to be altered or amended.

Adams: Thanks.

Potter: It seems like it would go to the criteria for how they do the -- patch up the road after they put in their lines. So is there anything in those criteria -- it sounds as if they may not be using either acceptable or at least the quality types of materials and/or process to patch these streets. Is that something that's specific to these ordinances that will affect our ability to change any of the requirements by passing these?

Soloos: I think perhaps indirectly with the same bond and insurance provision that's we work very closely with transportation on, and those are typically fairly large bonds, anywhere from \$10,000 to \$100,000 for what we call construction bonds. There is also an ongoing franchise bond for all of these that are required to be retained and maintained for the life of the franchise. So if it comes down to it, claims can be made against the bond, and have been on occasion. Usually when it gets to that level the office of transportation does what it does and the companies comply. So if there are

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complaints, we would again be happy to work with whatever mechanism the council decides to effectuate a solution to this.

Adams: I think the -- i'm still researching all of it, but I think the problem has been that pdot has released them of their liability too soon, and so they'll go out and look at the patchwork and it will look fine, but, for instance, if they haven't compacted underneath it properly, then in a year it's falling apart. So i've seen the potential problem and I think the potential problem doesn't rest with this shop, it rest was mine, so we need to -- we're getting on top of that.

Potter: It's one thing to I guess police them, it's another thing to prevent it from occurring in the first place. That's why i'm wondering, by passing these ordinances, will this affect our ability to amend the particular requirement for laying the proper foundation after they've pulled up a street?

Soloos: I would imagine that's a legal question, but as I sit here I would think not. What this is is sort of door number one for these companies to be able to access the right of way. After a franchise is approved, if they want a specific street cut in a street, or attach wireless facilities on a specific pole, they need to apply through transportation for a street opening permit. And that permit has its own terms and conditions, and it's governed under title 17, I believe, of the code, and there are some construction specs and rules and reg that's transportation has. And it also has field inspectors to where that sort of high-level oversight that you're asking about is managed.

Adams: So there's nothing that -- there's nothing to prevent us from pursuing, if my initial take on the problems are accurate, there's nothing in here that prevents us from pursuing fixes for those by passing these today?

Soloos: There are no limitations i'm aware of, because again, that would happen under the terms and conditions of the street opening permit, and as an aside, for the construction bonds that we require, we require them to be in place for two years after the last date of construction, because as we understand from transportation, about approximately 90 to 95% of any street failures will occur within that first two years. If that's not enough, there is still the franchise bond itself that transportation could consider claiming against.

Potter: Thank you. This is item 927. Correct?

Moore: Yes.

Potter: Ok. Are there any people signed up to testify on 927, 28, 29, and 30?

Moore: I didn't set out a sign-up sheet.

Potter: There's not too many people here, so I assume -- ok. So 927 is a nonemergency and moves to a second reading.

Moore: Yes.

Potter: Please read 928, and we'll go through them one at a time.

Item 931.

Potter: Commissioner Saltzman?

Saltzman: This is a contract amendment with the designer. Janet, why don't you come up here and give a quick explanation of this and the next item.

Janet Bibb: Janet bib, strategic projects manager, Portland parks and recreation. The contract amendment is a housekeeping item that we need to take care of. As you know, tanner springs was complete a year ago and has been operational. This ordinance will allow us to pay the final at least \$7,000 outstanding and close the contract. The contract was successfully completed with the design consultant team. The -- there were contract amendments that went over the 25% allocated in normal contracts. These were work scope items that were successfully completed and agreed with p.d.c., who is the funding agent for all of the construction costs. So p.d.c. is satisfied and Portland parks from the staff are satisfied this contract was successfully completed, and this is, as I say, a housekeeping tool to allow us to close the contract.

Potter: Questions? Thank you. Was there a sign-up sheet for this?

Moore: I didn't set one out.

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

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

Potter: Aye. [gavel pounded] please read item 932.

Item 932.

Janet Bibb: This is -- as you know, we were before you in May to get your approval on accepting the donation agreement from Mr. Tom Moyer and T.M.T. Development for the park property and the million dollar donation. The piece of paperwork before you today is a coordination agreement that lays out the relationship of the City of Portland with T.M.T. Development. The reason we feel this is necessary is that this is a great but complicated construction project with T.M.T. Development responsible for approximately \$25 million construction of the parking garage. And the City of Portland responsible for the \$2 million project on top. The document before you agrees that we will work closely together, that it will be an open book process where T.M.T. will share their information with our construction managers. We will similarly share all of our drawings, etc. It agrees that as necessary we will design together and grant easements that allow the two properties to be carefully coordinated in terms of utilities. Those are some of the key provisions. It also sets the stage for the final condominium agreement, which is a mechanism ultimately when the property is transferred, we will own the -- the City will own the surface, and T.M.T. Development will own the subsurface. So the coordination agreement is a piece of paperwork that clarifies our roles, and I think sets the stage for a good working relationship. If we did not have this, I think that when we come to problems or issues we would not have the legal guidance that we both feel we need to be successful.

Potter: Questions?

Saltzman: I noticed this weekend I was downtown and fences are around block five, and it looks like work is underway.

Bibb: It is. And it's on --

Saltzman: Can this agreement afford to wait 30 days, or do we need an emergency on this?

Bibb: We're looking at an 18-month construction period on the parking garage. And during that time we'll be hosting our public involvement process and designing the top part. So transfer of the property -- our working relationship really is underway, and this is a document that will support it. Much of it has to do with design and construction, which is something that we're just beginning to embark on with our first public meeting in the first week of August. So it is I believe timely.

Saltzman: Ok.

Potter: Further questions? Thank you. This is a nonemergency and moves to a second reading. We are recessed until 2:00 p.m. today. [gavel pounded]

At 11:37 a.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.

JUNE 5, 2006 2:00 PM

Item 933.

Potter: This item is being continued until July 13 at 2:00 p.m. correct?

*****: Yes.

Potter: Please read the 2:05 time certain.

Item 934.

Potter: Commissioner Adams.

Adams: Thank you, Mayor Potter. Today we're going to be considering the l.p.a. Locally preferred alternative for alignment of our next expansion of the Portland streetcar to the east side, and it's my pleasure to welcome someone who is well known to this building, the brainchild, the streetcar was the brainchild of our first speaker in a city club presentation in 1987 he called for its creation and implementation, and in 1988 he was a key member of the city council that made sure that it was part of the central city plan. Since he left the council to go to congress, he has continued his advocacy for streetcar not just here in Portland, and our progress in the -- in the expansion of the streetcar could not have helped without his cheerleading, but in 2003 he was able to get the congress to pass the community streetcar development act. And incorporate the substance into this act in the form of the small starch program, intended to provide support nationwide to develop streetcars in every city in the United States. We're very proud of our streetcar, and it could not have happened without Congressman Earl Blumenauer. This is the first streetcar that is seeking to take advantage of the federal funds that Congressman Blumenauer has sought to make available. We are delighted that you've taken time out of your schedule and I would please welcome to the dias our congressman, Earl Blumenauer.

Congressman Earl Blumenauer: Thank you, Commissioner Adams, members of the council, Mayor. It's a pleasure for me to join with you today, and with your permission I would like to just touch on a couple of other things that are related to the topic at hand. It is true that the streetcar has been a priority of mine since I was privileged to serve on the council, but it's also I think noteworthy the progress that the council has made. And I just wanted to acknowledge the work that's been done on another priority of mine for as long as I've been in elective office, one that I know is shared by a wide number of Portlanders, the work that is being done on the central eastside. The work that is moving forward on the bridgehead there at the foot of the Burnside bridge. And Mayor Potter, when you and I were in different capacities, that was a vexing and troubling area for us both, you as chief of police and me as a member of the council, and prior to that, I'm sure Commissioner Saltzman recalls the problems that related for Multnomah County and its assignments. So the work that's being done there, the work that is being done with the planning and transportation efforts to deal with the eastside couplet -- and I understand there may be additional discussion that's taking place about where it goes on the other side of the river, but the vision for being able to move in with street improvements, to recapture literally hundreds of millions of dollars of redevelopment, and with with the realignment of what is the worst intersection in the city of Portland at 11th, 12th, Sandy, and Burnside, I used to live just a few blocks from there and had the privilege of waiting for that northbound light on 12th. A real opportunity here, and because of the hash with the old state highway, Sandy, Burnside, 11th, 12th, the redevelopment that you have

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planned with the cuplet has the potential of capturing significant new area for redevelopment and smoothing the traffic flow and the three projects together, we're also talking about today with the streetcar, I see more potential activity to really keep the commitments that the city has made over the years to people in the central eastside near southeast and near northeast. I think the potential for more progress to be made in the next five years than we've seen literally for decades. And I just want to express my appreciation for you and the men and women who are working with you and the citizens who stuck with it, the potential over the next couple years of these coming together I think can have a dramatic effect in terms of traffic flow, in terms of public safety, in terms of economic development, and in terms of demonstrating that if you keep working at it and people keep faith, things can happen. As your partner on the federal level, I have made clear to each of you, and I want to make publicly an expression on the record, that I will continue to work in congress to help you realize this vision. Part of it is the streetcar, and as commissioner Adams mentioned, we've had some success in getting the small starch language adopted, and a part of the transportation reauthorization, and frankly, Portland was the model for that legislation. What the city has been able to do with the first modern streetcar in 50 years helped get the point across. And there are over 80 communities around the country that are now interested in streetcars. So we have some momentum with the project, and we're going to be working as best we can with f.t.a., federal department of transportation, with both the authorizing and the appropriating committees. But I think it ought to be acknowledged that the city has started a movement that I think is going to bear fruit in communities across the country, and in the long term is going to help us reestablish a streetcar where appropriate. And I think you're discussing today the east side streetcar, where there's pretty strong evidence that it is appropriate part of our mix. We've been able in the past to get some money for the burnside redevelopment and for the streetcar in the last cycle, and I wanted to make clear that it's my intention to work with you as best I can as long as i'm in this capacity to explore with you each and every opportunity for resources to make that vision a reality. I think it works best if it's a partnership, and I want to reiterate my commitment to that partnership. I wanted to put one little expression of hope that when you have the three projects coming together, that the council and the development commission do everything possible to try and coordinate them over the next couple years, because the bridgehead can't move -- project can't move forward if there's uncertainty about the traffic flow. They work better, they work better if they -- they work if they are integrated, and if there's uncertainty or it's uncoordinated in terms of the development, then we're going to have delays that are going to make more difficult the realization of that vision that you're working towards, it's going to cost money for not just development, but we've seen what's happened, and I don't have to remind the council of the cost of delay for major infrastructure projects with the demand that we see for raw materials skyrocketing, it can throw the best-laid plans really in serious disarray. Ultimately we know what we're going to do, and the extent to which you're able to do what's necessary to finance it so that it happens on schedule, even if it's in effect making a progestin loan of some description. I'll continue to work with you to realize the vision, even if you're advancing funds, because I understand that these are -- that these are difficult times for the city. You have significant priorities, and competition for the priorities. And I hope that the federal government will actually in the future be a better partner that we come into a new era in terms of transportation and infrastructure not just for transportation, but for water, for sewer, these are important things that we need to be working with. So I wanted to make that point if I could and urge if at all possible that these things be coordinated. Make clear that for me this is not a temporary part of our partnership, but this is an integral part of what I hope to be working with the city in each appropriation cycle, in each transportation cycle, and continue to build that with other people on the federal level, and with a growing movement around the country based on what you're doing. I have shared again I think with each of you individually, but I don't know that i've acknowledged it before the council, what difference it makes in terms of the leadership that the city

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has provided. We are watching what you're doing in terms of green initiatives and sustainability, in terms of making Portland kyoto compliant, what -- just in terms of the transportation legislation itself. Part of why you are -- your congressional delegation was successful for Portland and for Oregon in the last cycle, even though money was scarce, it was about a c-plus for the country, but it was a b-plus for Oregon. It was because of the work that you've done in providing this model. The last person I talked to on the floor of the house before we broke for the 4th of July recess was congressman oberstar. And you've all met with hill, he's probably the single most influential member of congress in either party when it comes to infrastructure. And he's forever singing the praises of the work that Portland has done. And it made it easier for us to get some things for the city, and I think it will make it easier for us to get some hinges in the future. The hard decisions you're making, the planning, nuts and bolts are discouraging, but it is making a difference in terms of advancing national policy that Portland can take credit for, and in no small measure, it's going to make it easier, it has made it easier in the past and it's going to make it easier in the future. I look forward to the day when maybe there's a shirt-sleeve session that we can be a part of because i'm very interested in where the council is going with its vision for the central city. Commissioner Adams referenced the fact I was on the council when we did the central city plan almost 20 years ago, which was a 20-year plan that was going to last maybe 10 years. And what we do as a community to build on that foundation and take advantage of the changes that you're seeing every day is something that is of great interest to me. I appreciate your courtesy in permitting me to address the council. I appreciate the partnership that we've been involved with, streetcar is one part of it. Just two weeks ago commissioner Adams and I greeted some 400 of your closest friends in the cycling community, and I understand you're going to have a report here later in the agenda about the economic impact of just what the cycling investment has made in Portland in jobs, in economic activity, and the sense of the future. I am proud to represent the city and look forward to continuing our partnership.

Potter: Comments?

Saltzman: Thank you for coming here. This morning we had some people from -- carolyn tomei, city council from the city of milwaukee, and they were expressing concerns that the commitment to light rail along the milwaukie corridor was somehow being supplanted or support for that would be supplanted by our support for the eastside streetcar. I was just wondering -- it was cryptic to me, they only had three minutes to make their point, i'm wondering if you could maybe put this in some context. Since you have the big picture, i'm assuming.

Blumenauer: I spent a significant amount of time and energy and what political capital I had to try and have the city of milwaukie connected via light rail. And the people in milwaukie in their wisdom actually decided they didn't want light rail, at least at that time. And so my philosophy has been we will build no line before its time. We went ahead going north, we went ahead with streetcar, we went ahead in Washington county with commuter rail. There is a delicate balancing act that proceeds, but I do -- because of the nature of the transportation initiatives and because we've been working very hard to broaden the funding source, and streetcar permits more opportunity for local investment, you've seen it with the l.i.d. That was used for the initial streetcar line, we've seen partnerships come forward, the work on streetcar has not stopped moving ahead, the 205 and the mall redevelopment, those are separate funding source and they have their own momentum. It would be my hope there would be a regional vision about how we go south. I represent milwaukie, I worked hard to get light rail there initially. But I do not see streetcar, commuter rail, light rail as necessarily being opposed. It is unfortunate that the people of milwaukie decided to delay, and it raises more uncertainties and it doesn't get easier, and it doesn't get cheaper. But I don't think what we're talking about here today with streetcar extension on the east side should prohibit or significantly delay moving to the south with light rail. I am of the opinion that working together with streetcar extension and working hard on the vision of what's

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going to be and what we call the central eastside, that there may well be opportunities of new development and momentum that actually might make it easier to have a bigger picture moving south as people see the success and are able to work together.

Saltzman: Thanks. Appreciate it.

Adams: Can you maybe give us an update, congressman, on the funding situation in congress on all these related issues? How is it looking?

Blumenauer: We are -- we're having the implementation challenge right now. We got the legislation passed, how we realize the investments from congress at a time when some people have higher priorities for tax cuts for paris hilton and giving something to warren buffett that he doesn't want with the inheritance tax, things are tight in terms of transportation funding. And the trust fund is going to actually be exhausted in the next four years. So our challenge in terms of long-term financing, is significant. But what we've seen is that we've been able to -- as we've been able to go along there's been small amounts of money, I think the last appropriations cycle there was another half million dollars towards work on the burnside project. We are working now with f.t.a. In terms of the rule making and trying to advance the notion of why Portland should be well positioned for this. We benefit -- I mentioned earlier the strong reputation and the performance the city of Portland, tri-met, metro, you notice the full funding grant agreement that is -- we got a big chunk of change for the light rail despite difficult funding. And that was the administration's request. So I think on balance it's going to continue to be a struggle, but I think we've got strong performance, strong proposals, we've had pretty good track record in the past. But it's going to continue to be difficult. I hope, and I mentioned earlier, that we're able in a new congress and the next administration to have a higher priority on transportation and infrastructure. This is something I have heard from republican colleagues when we did the last reorganization. The artificially low number the administration was pushing for mystified my colleagues, republicans and democrats alike. So i'm hopeful we'll come into a new era where it won't be quite as challenging.

Leonard: I just wanted to thank you for seeing commissioner Adams and I when we came back recently to talk about sewer and water infrastructure and the related issues. But you mentioned congressman ober star, and sam and I had the chance to meet with him back there during our trip when we saw you, and you have quite a fan in him, and he is one impressive guy. It was a real treat to sit and talk with him and hear his ideas and then his unabashed enthusiasm for bicycling, and particularly here in Portland, and his friendship with you was very nice. So appreciate all your hard work and the relationships you've stabbed that helped usism measurably here in Portland. Thank you.

Blumenauer: Thank you. I appreciate the feedback and I appreciate your having a chance to spend some time with these people. Jim is a very impressive person. He is a fan of Portland, but I happy there's a way we can help people understand how this is cumulative, and sometimes you're making some difficult decisions but if having a chance to have the vision, have the plan be path breaking, I think is in the long run what's going to make a difference. And we will be talking with you I hope before the summer is out in a more informal context about what happens with water infrastructure. Because I truly -- I won't say the tide has changed, or mix my metaphors, but there is such interest across the country with the challenges that we're facing, there are thousands of cities dealing with c.s.o., there are some 60 billion dollars of immediate need for water and sewer infrastructure investment. And i'm hopeful that's something we can think through and work with you with your national organizations and some of your other key city partners that we can advance that, because that's even worse than the transportation as you know.

Potter: Other comments? Thank you, congressman. It's always a pleasure to see you.

Blumenauer: Thank you, mr. Mayor. Appreciate your courtesy and look forward to continuing the conversation and the partnership.

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Adams: Thank you. We will now have vicky diede and richard branman and ross roberts come forward. And i'll say a few introductory comments. Before us we have an analysis of transit alternatives for a loop circulator in Portland's central city. What you will hear includes transit ridership result was exhibit the highest percentage of streetcar riderships on the east side of up to 75% if we go the full loop to omsi, the full loop streetcar alternative and to a lesser degree the shorter segments that you'll be hearing about meet the project's goal of creating the central city circulator that distributes trips throughout the districts. What we also learned in this process is that if the commitment to streetcar was made that land within one block of the streetcar based on our experience in south waterfront and based on experience in the pearl district would be built to 90% of its allowable density as opposed to 60% without a streetcar sort of investment, and that this would provide for 3400 and 32 housing units is what we could expect if the full omsi loop was constructed. As some of you know from our discussion on the central eastside urban renewal district renewal issue, there is a significant amount of e.x.d. Already in the district, and to achieve these housing goals would require no change in existing land use. We looked as part of this process at a number of variety of different design options and we did settle on the one you see on the map before you, and to take us through some of the discussion we'll begin with vicky.

Vicky Diede: For the record, i'm vicky dee dee with the office of transportation and the city's project manager for Portland streetcar. With me is richard branman from metro, the planning deputy director, and metro was the lead agency on this alternatives analysis that we went through. We've been working with metro and our other regional partners for about a year, and also involved - have been four other bodies that I think have been really important. First of all is the steering committee, which was chaired by metro councillors rex burkholder and brian newman, and also sitting on this committee were commissioner Adams, michael powell, fred hanson, hank ashforth and representatives from lake oswego, clackamas county, Multnomah county, and the Oregon department of transportation. The second body was our eastside policy advisory committee, which was chaired by hank ashforth with rick parker and other members of this committee include businesses and property owners as well as neighborhood representatives in both the lloyd district and the central eastside. The third group is the project management group, which was chaired by richard branman, and this is senior staff from metro, tri-met, the city, Portland development commission, Portland streetcar inc., lake oswego, odot, clackamas, and Multnomah counties, and then lastly, we had a technical advisory committee chaired by ross roberts from metro, and this was staffed by the technical representatives from those same regional partners. So I guess the message i'm trying to say, it was inclusive, not always easy, but it's a good way to do it i've decided. And richard is going to describe to you the alternatives analysis process, discuss the recommended consensus opinion on the locally preferred alternative, and then i'll talk a bit about what the resolution asks of the city council, and we have people to testify and then we'll be here for questions.

Richard Branman(?): Thank you. It's a pleasure to be here for the record I am richard branman, a deputy planning director for metro. I was the lead metro staff person on taking us through this process, which is actually a federal alternative analysis process in that this project will be seeking federal money if it moves forward through the rest of this process. Today's presentation we're going to the give you a little bit of an overview on the project's background, results of the evaluation, and the recommendation that is before you, which was a unanimous recommendation from the steering committee. This project goes way back in time. There were plans that were made and developed primarily by the city of Portland and others by metro in the 1970's which looked at the future for the central city, both from a land use and a transportation perspective. Those plans called for increasing the f.a.r., they called for mixed use -- more mixed use zoning, they called for the industrial sanctuary, and for an inner city transit loop that included a central city streetcar. These plans are totally consistent now with other plans that have come subsequent on that, including

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metro's 2040 plan, which is the guiding principle for how we're connecting land use and transportation throughout the region. With respect to the origins of the project, following the success of the existing streetcar running along the west side of the willamette river and the west end of the downtown on 10th and 11th streets, there was a determination made by the Portland city council to try and move forward with a streetcar that would connect from that to the east side of the willamette river. You considered alternative routes in this process, it was a city-led effort, and it was determined at that time to try and seek this project to construction, take this project to construction with local dollars, and at that time you actually adopted a preferred alignment on m.l.k. and grand, and that occurred in june of 2003. Subsequent to that, and as you just heard from congressman blumenauer, there was an opportunity to try and seek federal funding for this project. Through the congressman's leadership, the federal -- the congress created a program called small starts, which will enable projects that are usually of fixed guideway, meaning rail projects or other projects that run in their own right of way, to seek federal funding, but these projects are smaller than the large light rail and commuter rail projects, they would have to be less than \$250 million of total capital costs with the federal portion being less than \$75 million, meaning that the remaining gap if there is any between the project that you'd like to construct and that \$250 million, would have to come from local sources. So the city asked metro to assist in developing a federally sponsored alternatives analysis as we've had a lot of experience and practice doing that throughout the last couple of decades on all of the light rail projects that have moved forward. Today you're here in the middle of a federal process. I won't go through all the boxes, but if you look in the middle box it says locally preferred alternative recommendation, early june. That's where we are right now. And this is a step where the local governments decide this is the project we want to propose to the federal government. The federal government doesn't get to say what the project is that gets proposed, they get to respond to the project that local governments propose, and then more importantly, they get to say if they like it or not and whether they want to fund it or not. Following the conclusion of this process, which will -- the next slide you'll see ends at the metro council on july 20th, the work would actually begin on performing any environmental work that would need to be required, whether that's an environmental assessment or something called a categorical exclusion. The no-build, basically what happens if you don't do anything in this corridor that requires a capital intensive sum of money. That was the baseline for this project. The next was a full loop streetcar alternative. And we used as our starting point the loop that was similar to the loop that was adopted by you in 2003. It's important probably to realize here that that loop would use the planned caruthers crossing of the milwaukie light rail, commissioner Saltzman just reference that particular project, and i'll add to what the congressman said by just noting that we'll begin our federal environmental process for the second or 3rd time on that project later this summer. So that project is moving ahead, as we speak we're getting our work plans developed right now, r.f.p.'s together, so there is significant progress being made on the milwaukie light rail project. During a federal process it's always helpful to look at what are your options. You never know going into a process like this, I won't say never, but you often don't go going into a process like this what the data will tell you with respect to what's the project that makes sense. You also don't know how much the project might cost, because you haven't done that detailed work before you get started with the analysis. So in this instance we looked at three possible minimum operable segments, that's federal jargon for what are the possible construction segments, and for this purpose we looked at northeast Oregon street and basically the lloyd district area, southeast morrison street coming off of the morrison bridge, and then for a terminus at omsi. We also have to look at different alignment options. That's also part of a federal process. So we looked at not only looking at the alignment on martin luther king and grand avenues, but also we looked at what if we just put the streetcar running in both directions on grand avenue itself? That would have done a number of things. One of which was requiring all of the northbound traffic, not all, but a majority of the northbound traffic that's

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currently on grand avenue to be redirected over to seventh avenue. Evaluation results, we looked at a variety of criteria, these are all pretty standard as we go through a federal process. We care and I think the public and the community care a lot about, how many people are going to use this, this is paramount when we're moving forward with these projects. What's the ridership look like. What will it do for land use and economic development? Is there any relationship? We have a rich history of making sure there's a relationship, there are many places that don't make sure there's a relationship. And then finally, we look at impacts, we look at costs, and we have a very good track record of bringing projects in on time and on budget. Looking at the next slide on ridership, i'll briefly explain this to you. I'll just look at the bar that says full loop, just for explanatory purposes. You'll see at the bottom it says existing streetcar 7700, and new streetcar 12,400 for a total of 20,000. What this is saying is that if this new line to the east side is built, and that would -- if it's built as a loop, it would have 12,400 approximately trips on it in the year 2025. That's in addition to another 7,700 trips on the existing streetcar line. Giving you a total of 20,000 trips on the -- basically on about four or five miles of track. And that's a lot of trips on a short segment of track. If you look at the next slide, one of the things that the federal transit administration does for us, to us is to ensure that the projects meet their purpose and need. And the purpose -- part of the purpose and need of this project is to distribute trips throughout the central city. And as you can see on this slide, and where the shadings are and basically the barriers between zones, that's the willamette river. This project would do exactly what it was setting out to do, which was distribute 14% of its trips in the central eastside, 19% into the lloyd district, 19% into downtown, 9% into the pearl, 5% old town, etc. So it's a very even distribution of trips, which is not the norm on a big transit project like this where you have a large distribution of trims just to the downtown. So this is actually functioning very well with respect to its purpose and need. With respect to development, which again I think Portland and the region are leaders in with respect to tying these projects to development, if you look at this map and look at the yellow dots, it's showing you visually where have all the projects that have been constructed in the central city since 1997 been located? You can see the vast majority are located around the streetcar. More than 7,000 residential units, over 4.5 million square feet of nonresidential development, totalling over \$2 billion in construction almost all of it private, which was in response to a \$55 million initial construction cost. A little more technically, how much of the area that can actually be constructed is actually being constructed. That's part of the issue every day. You can allow great things to happen, but you don't require great things to happen, and it's up to the development community to respond. In this instance it's showing within a block of the streetcar all of the construction that's taking place is building to 90% of its allowable capacity, which is basically unheard of pre1997, it was 35%, and it was just a little over 40% for all of downtown. So it's really creating the kind of environment and development that was hoped for when it was constructed. The next couple of slides are showing more of what the capacity is. If you look at the dark blue, let's go to the next slide, that is showing you how much capacity there is in both the downtown and on the central east side. There's been a lot of conversation about running the streetcar through the lloyd district, with respect to is there enough development potential there. There this is showing you what the development potential s the three blocks running north-south are bordered by m.l.k. And grand, and it's showing you you have very high development potential along that corridor where that streetcar would run. That's with an existing tone sowing -- zoning. The next slide shows you of that potential, there's still a lot left, and it's showing you where there's been less than 20% consumed. With respect to additional housing and jobs, it's showing you that based on analysis that an economist that does a lot of economic forecasting in this region, you would almost double the amount of projected development measured by square feet. If you built the streetcar on the central eastside than if you didn't. And this comes right off of analysis he's done in the pearl, and on the west side, and then not extrapolating that, but looking at east side conditions and making realistic determinations of what's possible to do on the

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east side. Getting into how much does this cost, there are four construction segment that's are possible. The shortest being about 100 million and the full loop being about 187 million with different amounts obviously in between. The bottom, the blue bar is actually showing you how much you can potentially erase from the federal government, again, \$75 million is the cap for any given project, and so the remaining amount was have to be assumed by local governments and the private sector. How much will it cost to operate? We spend a -- spent a lot of time working with tri-met on this, and it's -- and Portland streetcar inc., and these are the operating cost estimates of the moment. Ranging from about \$4.8 million, this is per year, to about \$6.9 million. I'll parenthetically mention right now there's lots of work to be done to create and finalize both the funding sources for the local capital side as well as for the operating side, and that's not a decision that has to be made today, nor does it commit you to any particular sources of money for the future. Moving on to what is the actual recommendation itself, there were three big issues that we have to go through in these federal processes. First, what's the mode, because we looked at streetcars and buses, and this is suggesting that the mode that we're recommending to the community and the federal government as streetcar. The alignment would be the m.l.k. grand cuplet as opposed to the two-way grand avenue option. And the term news would be the full loop as the ultimate goal, which is again dependent on milwaukie light rail. The omsi terminus until the willamette river crossing is complete, and the goal for the factual first construction segment would be Oregon street in the lloyd district. Quickly as to why. We're not building these things just because it's a very interesting thing to do or people seem to like it. They actually have demonstrated benefits and results. The streetcar itself would have higher ridership by about 30% than if you just ran a bus in that corridor. It will leverage far more private development than buses ever would and there's much more higher level of community support. With respect to the m.l.k. grand alignment, the two-way grand alignment would be about \$17 million more expensive. I hope I said that right. The two-way grand alignment would be about \$17 million more than the m.l.k. grand cuplet. The cuplet has the highest level of community support by far. I'd like to note here, we had rah very extensive public process as we went through this alternatives analysis, and there was far more support for the m.l.k.-grand cuplet than for the two-way grand option. It's also got the best ability to leverage local improvement district funds as a result of covering more of the territory on the central eastside. There were concerns, however, and I want to note those concerns, and they're in your resolution and in the reports that accompany the resolution. First, it was -- these are conditions again that have been recommended by the project steering committee, which commissioner Adams sits on. Progress towards a developer agreement for p.d.c. for the burnside bridgehead project, identification of additional private and public redevelopment opportunities, and amending the central eastside urban renewal district to facilitate development objectives. Those three are there waysically to say this project is not entirely about getting people to ride streetcars, it's also about leveraging development so even more riders will ride streetcars. That's very important. The federal process right now it makes these projects very attractive to the federal government, and also makes them successful locally. And then additionally, there needs to be an m.l.k./grand transportation management plan. That will address issues such as pedestrian access to the veto car stops from the bridgeheads, traffic issues on the streets, making sure freight can move in a very orderly fashion along m.l.k. and grand, as well as addressing a variety of other traffic and transportation needs. And then lastly, as developing a parking management plan that includes some either probably revenues based on meters or garages to help fund streetcar operations. Lastly, before I turn it back to vicky, there are a number of issues that are not of interest to the federal transit administration, but they are of interest locally to ensure that we pay attention to these things as the project moves forward. First, make sure that this work is coordinated with ongoing planning efforts that are updating the central city plan. Those efforts will be lid by pdot and the planning bureau over the next few years. Two, preparation of alternative views or benefit measures. That's a reference to an

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f.t.a. measure that applies to how they actually rate these projects. Three, the capital costs and the -- three and four the capital and operating costs need to be refined in the next phase, and then funding plans need to be solidified for both the capital and the operations. Five, i've referenced, we need to have better traffic and streetcar operations planned, and seven and eight, we need to be evaluating. Here we have an opportunity. Right now the light rail for example runs only on the steel bridge into downtown. If this project moves forward, we'll be providing an opportunity for the streetcar to potentially cross the Broadway bridge and the Caruthers crossing, and even though there will be some challenges, and this may not be achievable, we're going to take a hard look in this process to see if streetcars and light rail can be made compatible in emergency situations to use the same bridges. And then last is a concern that when TriMet is asked to be a funding partner in the operations of this project, that it come back to the steering committee and show at what level will they be a funding partner and what do they need to do to be able to be a funding partner with respect to potentially reoriented transit service or costs throughout their system. So that's it in a nutshell. I would be happy to take questions and also turn it over to Vicky, who will go over the more -- over more of the details in the resolution.

Diede: Thank you, Richard. So the resolution actions are, one, that the city council would adopt the locally preferred alternative and the work program considerations as recommended by the various committees and that -- that came from our steering committee. But beyond that, PDOT has -- feels there's some other things we need to do, that before we are in a position to -- during project development, but before we go for our federal construction grant agreement, we think it's important for us to look at the feasibility of securing both the capital and the operating costs for each of the M.O.S.'s. The full loop gives us the best deal from a cost per rider perspective, from the development potential, but recognizing that that bridge is dependent on another project, we need to look at, can we get to OMSI, and if we can't, can we get to Morrison, and if we can't get to Morrison, how do we get to Oregon. So we would like to do that during this next project development phase. We also believe we need to incorporate all of this into the city's asset management plan. And then we think we need to have a conversation and an assessment of the near term and the long-term sources of funding for the local resources, and that will have to be compared to the competing needs for those funds. The planning and development bureau directors have provided review on bringing the project this far. It's been very valuable help, and we'd like to continue them be involved with the review process. And then some short-term things we need to complete an intergovernmental agreement with Metro. There are federal corridor study funds available to work on project development, and we will hopefully bring that to council later this month. And then we need to put out the request for proposals for the technical work and go through selection process and consultant selection. And then we believe it's important to continue to work with our regional partners to develop strategies to proceed with the Milwaukie corridor project, including the Caruthers bridge. And this guy has become our -- he follows us around a lot.

Potter: I had a question about the maintenance funding. It talked about using parking payment. Would there also be charges for ridership?

Diede: Absolutely. The source that's we use currently are TriMet provides resources to us to operate and maintain. We use parking meter revenues within our service area and then we have fares. The existing alignment, however, about three-quarters of it is in fareless square, so we don't get a lot of money from fares. If we were on the east side, most of that would be fareless. So fares would be a portion of it.

Potter: You don't think that would turn into a fareless square too?

Diede: I think that would be pretty tough. You got to replace those revenues from another source, and I'm not sure where we would start looking for that.

Saltzman: I was interested in your statement about the shared operation for emergency purposes. I guess refresh my memory, are streetcars and light rail the same gauge?

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Branman: They're the same gauge, but they're not the same width. So the light rail -- the light rail vehicles are wider. Meaning that you need less platform for light rail vehicle than you would a streetcar.

Saltzman: Is there any feasibility of --

Branman: There wider --

Saltzman: Sharing the steel bridge or Broadway bridge?

Branman: There's not a problem where for the running alignment where there's no stations, the problem is only at the stations. I can't sit here today and tell you what the answer is, is it possible to have an extension of a light rail platform that you could remove or bolt on when you needed it. That's the kind of thing that would probably be looked at. Again, I don't know how feasible it is, but we've seen some presentations in Europe where they're doing some pretty interesting things that cost a whole lot of money, unfortunately, that enable different kinds of trains to be running on the same streets. And then actually use similar platforms.

Saltzman: Is the Caruthers street crossing envisioned to be one track shared by streetcar and light rail?

Branman: At the moment that's how that would operate, yes. One track each direction.

Adams: We also have the F line in New York. It's both functional and scary as hell if you happen to be standing on it. Thank you both very much for your excellent work on what has been a very exciting but laborious project. Thank you very much. Mr. Mayor, with your permission I'd like to invite now Michael Powell, the incoming chair of Portland Streetcar Inc., Chris Smith, and Jay Isaac. Good afternoon. You all got the memo. You're pretty much all in black.

Mike Powell: As of this morning I'm now chair of Portland Streetcar Inc., if you stay around long enough, they run out of options.

Leonard: I thought you were going to say you should all be in red.

Powell: Well, there is that too. I wanted to speak briefly to two topics. One the process we've been through, and this because I've experienced it. I've been fortunate enough to be a member of the advisory committee which has met for some three years, which was the neighborhood stakeholders, neighborhood association folks, folks in the Lloyd district and other businesses and stakeholders who have met for the last three years in an attempt to find a resolution to the issues you have before you. And more recently the advisory committee that Commissioner Adams and I serve on, which is a regional committee addressing both this route and the Lake Oswego route. But before that I want to take a moment to glory in the success of the streetcar. On July 20 we'll celebrate our fifth anniversary sometime in the week after that we'll have our 10 millionth rider, we're currently having ridership slightly under 3 million a year. Each segment we add most recently to Riverplace increases the ridership dramatically. We had a 25% increase when we went to Riverplace. October 5 we go -- open up the route to Gibbs, to meet up with the tram and to open up access to the South Waterfront project. For those of us who -- while we may have grown up here are geographically challenged, I will now know how to get to South Waterfront in a predictable manner, than the hit or miss attempt I make when I go by car. In a year from now we hope it's looking very good to run the projects to the southern edge of the South Waterfront. You've heard about the densities, double the densities of the rest of the city, over 90% densities along the line. That number of development that happened along the line is significantly out of date. I think it's approaching more like \$3 billion. The projects just grow, and it's exciting to see. I hope to sign it on the west side of downtown as well as at Portland State and South Waterfront. We're trike to bring the excitement and the success of this project to the east side. To that end I work with folks over there that I didn't know very well. I live in the east side but inner east side politics always scared the hell out of me, and as a consequence I think I bought into some myths that we're dispelled for me, and one of the myths you hear a lot is the central eastside lacks vision, lacks agreement, or doesn't know what it wants. And I'm here to dispel that myth, they know exactly what they want,

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they have a vision, and what they want among other things is a streetcar down milk and grand. They have a vision for how that builds out housing and commercial opportunities and supports the industrial district they like so much. The lloyd district has always been rock hard behind this, and there are numerous and significant development opportunities in the lloyd district that would support the streetcar and the streetcar would support them. So I would say that the learning curve here for me was healthy and good, and what came out of it is a consensus on what you've heard today. I thought it was very well put by vicky and richard. You had a good summary of what we've realized, it's taken about 3½ years to get where we are. This is only the beginning really of yet a long process. If you want full employment in lifetime commitment, federalize your project. But it's a learning curve, and one of the things I learned also, if you federalize your project you're also regionalizing it, so now we have to take into consideration the concerns and issues of other parts of the community. We have that support I believe, and I think we can go forward. There's lots of unknowns yet, funding is not nailed down, federal money is not committed or guaranteed. We're taking it one step at a time, this is really the first step. But it's a very exciting vision for Portland. Finally realize the long-term vision which really was articulated by a group a long time ago who saw the opportunity to do a loop with the streetcar and do something special for Portland. I don't think we realized we were doing something special for the country, but we did, and we are. So with your support we'll go forward with this and achieve all kinds of new exciting things. So thank you.

Chris Smith: Chris smith, here today as chair of the Portland streetcar citizens advisory committee. That's a committee appointed by the commissioner in charge of transportation to advise him and all of you on the full streetcar system. In that capacity i'm here today as the authorized representative of the c.a.c. for purposes of our lobbyist registration ordinance. We have a letter that's being distributed to you, i'll hit some of the high points. First and foremost, the c.a.c. enthusiastically supports this project. We'd like to encourage you based on our history on the west side where we sort of took the biggest bite we could swallow at each point in the construction streetcar and as michael has pointed out, in doing that we keep moving. We'd like to encourage you to actively work with the project team to see if the first phase can get as far south as possible. It would be wonderful to get to omsi. If we didn't get to omsi, it would be great to get to morrison and at the weren't do that, Oregon street is still a very good thing, but the more we can swallow at this point the better it will be for the community. A couple of considerations to think about as we get into the more detailed design. Thinking about the full system, even though this is envisioned as a service that would run from riverplace or p.s.u. To omsi, we need to think about how it affects all parts of the line, including the portion in northwest Portland. We'd like to make sure even though we don't conitem plate at the moment it's possible to run trains from northwest Portland to the east side, there is for example a group advocating for an extension from the lloyd district to hollywood already. I could envision a line that ran from northwest Portland to hollywood at some point. So we need to make sure trains can flow through all the junctions in all the different directions to preserve future options. And finally, I want to reflect on some learnings from the west side. I think it's safe to say in doing the first alignment we had some nonoptimal trade-offs with bicycles. We learned from that. In the south waterfront we had some additional learning experiences that I think we put a lot more energy into, even though the process was still a little suspect. But I think we got better outcomes. The c.a.c. Hopes on the east side we can take that to the next level and think about how we can optimize both systems, both in terms of making sure streetcar operates in a way that's very compatible with bicycles that we can design both systems to work together, but also to realize opportunities where streetcar may complement the bicycle system. And that would probably principally be where in developing streetcar along Broadway, Weidler, M.L.K./Grand, when we add signalization or create platforms, that we look at how those might provide opportunities for bicycles to cross those major arterials. I think you're hearing from the bicycle community the idea of using

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lower speed less traffic streets is probably the next phase of Portland's development for bicycles, the challenge then becomes how do you get those routes across arterials. Where we do redevelopment work of the transportation system for streetcar may present the opportunity to work across to facilitate those kinds of paths. We're working institutionally to make sure the relationship between the two systems better. We've add representatives of both the pedestrian and bicycle communities to the c.a.c., so I hope in this project we can begin to integrate that planning at an even tighter level. Thank you.

J. Issac: Mayor, commissioners, good afternoon. Jay isaac, i'm a member of the streetcar board, and I also sat on the eastside c.a.c. I'm also here representing the lloyd district business improvement district and the lloyd transportation management association. I sit on both of those boards. I'd like to thank the council for the continuing support you've shown for Portland streetcar and the eastside project, and urge you to continue your efforts by adopting the locally preferred alternative for the east sideline. As a member of the c.a.c., I can assure you that the l.p.a. was derived with great care, exhaustive study, and the inclusion of all interested parties. Virtually everyone involved, including the lloyd b.i.d. and the l.d.t.m.a., agrees with the conclusion reached and all agree that an east sideline would be one of the best things the city can do to improve transportation and encourage economic development on the east side. I want to thank you for your time and your consideration.

Powell: One last thought if I may share with you. I would be remiss, don never started the meeting without saying let the minutes show we are concerned about safety. And we've run now five years, and 10 million riders and tens of thousands if not hundreds of thousands of trips, without a significant single incident of -- that caused pain and grief to anyone. We've had minor accidents, but nothing of a significant nature. That's a tremendous safety record. And the reliability of the system, which was a little bit of a risk, our cars are made in the czech republic, hopefully soon in Portland, Oregon. But now in the czech republic, and while they have a long history of building street cars, this was a new generation, and there was some risk in that, and these have been a very reliable system. The system is reliable, we had a little trouble with weather from time to time, and emergency vehicles, and congestion, but those are all manageable challenges. It's an organization that's proud of its cooperation, I would want to thank pdot and tri-met for all the support we've gotten from them, and more recently metro and other agencies that have been involved. It's a pleasure and it's encouraging to see the city work together on something like this. Thank you.

Adams: I want to thank each of you for the contribution and leadership that you've made to this project. Before I took over as transportation commissioner and definitely in the past year wail i've served my first year as transportation commissioner, thank you each and every one of you.

Potter: Do we have a sign-up sheet?

Moore: Yes, we do. We have five people signed up.

Potter: Thanks for being here, folks. Please state your name for the record. You each have three minutes.

Terry Parker: Thank you for the opportunity to testify. My name is terry parker, post office box 13503 Portland, Oregon, 97213. The current east side streetcar plan may be a flashy way to transport people, but it lacks vision, totally misses an opportunity to bring a new environment to the east side of Portland, and demonstrates a complete lack of regard for stakeholder motorists who pay the majority of taxes that fund and subsidize transportation projects. One of the major problems with the east side streetcar plan is the route selected, starting with the Broadway bridge it appears as if the primary objective of the route is to obstruct other traffic rather than providing an efficient method to move people. The biggest problem with the route choice is to wedge in the streetcar on m.l.k. and grand avenue. Both streets already operate at near capacity various times of the day. Once the replacement overpass near omsi is completed, and the weight restrictions removed, union pacific plans to increase rail truck transfer activity at brooklyn yards. That will significantly

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increase truck traffic on the m.l.k./grand couplet. Every streetcar stops for passengers, it will act as an obstruction to the flow of traffic. Such obstruction only creates more congestion, requires motorists to consume more fuel, and has a negative effect on air quality that adds to global warming. The streetcar is likely to encounter service delays too. Furthermore, the experience of riding a streetcar on such a traffic intensive street offers little incentive to attract passengers or pedestrian activity. Instead of focusing on the two most heavily traveled streets on the lower east side, and using a club approach that has negative impacts, another more favorable opportunity exists. If the vision is to create a truly pedestrian oriented streetscape with transit alternatives, the route chosen should be an underutilized business array in the street that has light traffic volumes. The street that best qualifies for this vision is sixth avenue. Because sixth avenue lies between two major vehicle corridors, m.l.k./grand and seventh avenue, and because sixth avenue is basically an underdeveloped small business street that also has various rental housing alternatives, sixth avenue offers the greatest potential for a transit corridor for the close-in east side. The vision would include a makeover of sixth avenue more like a mall with street trees, sidewalk furniture and ornamental street lighting. Transit options would be two way, going north and south. Auto traffic could be limited to local access, street parking could be optional depending on the block. Fifth and sixth avenues downtown, sixth avenue on the east side would be known as the transit mall. Unlike the pulse on m.l.k. and grand avenue, the tempo on sixth avenue would be more leisurely without the hum of generated -- generate bid heavy traffic and where people would want to -- furthermore, sixth avenue would be reconstructed to accommodate any transit mode option including the east side streetcar and east side max connector trolley bus or regular bus service. Redesigning sixth avenue offers a greater opportunity for diversified development than do other options. Vision coupled with opportunity should make sixth avenue a top candidate for an east side transit corridor and a better choice than creating more negative impacts than positive ones on m.l.k. and grand avenue. Making sixth avenue the transit corridor benefitting all modes of travel on the east side. To my knowledge, the sixth avenue route was never either citywidened or thoroughly studied. It is time to think outside the box. Sixth avenue is the carrot approach and should be fully explored. Thank you.

Joe Angel: Joe Angel, 1001 southeast water. I'm here to ask for your support for this proposal. I was on the committee, I was in the minority about this alignment issue, but I'm here anyway to say that I think it's very important to have a full loop, and for you as the council and for the p.d.c. To, when you look at this area, because I also was part of the central city plan when I was on the planning commission, I think it's time to look at this area and get the most investment and the most jobs you can in this district. Thank you. Any questions?

Adams: Thanks for your service, Joe.

Art Lewellan: I'm Art Lewellan, and I've been involved in transit projects here in the city for a long enough time to have learned a few things, and am supportive of this project. I wanted to say it's difficult for me to come and voice my opinion because I often take an opinion that doesn't hold quite a line, and I was among that group of rail transit advocates who believe the south-north really needed to be improved, and could -- should have been voted down, but are glad that the interstate max is a much better project than the north segment of the south-north. It got improved because of people like me that made the effort to demand that it could be improved. And I think the Milwaukee line has improved too, and I think the line up into Vancouver is improved. So it's kind of the same way with the streetcar, so I'm suggesting that you should just go to Oak Street and not try to go any farther south for now, because I think you have some options. So I'm saying take the shortest option for now, you'll get a good development to return in the Lloyd district where -- I follow the metro regional planning principles that philosophy that you can't just build downtown west side, you really have to build outside of downtown and even into the region. Portland is not just downtown, Portland is the region. We're all dependent upon the whole system, transportation, the

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whole development package to work. So bringing over to the east side with the streetcar line I favor, and -- but like -- someone was saying -- into hollywood, a streetcar into hollywood, I say that -- it was -- instead of turning on seventh, going to 15th, and then doubling back was an option. Better serving the lloyd district. But I think that could come in eventually, so i'm not opposing the initial go to seventh, turn, and -- anyway. So overall i'm supportive and I think you should go ahead with the project. Thank you.

Gwenn Baldwin: Gwen baldwin, representing the lloyd executive partnership. The lloyd executive partnership strongly supports the eastside streetcar and the recommendations contained in the recent metro analysis and recommendations. The eastside streetcar is one of three priorities for the lloyd executive partnership. Because of its potential to create jobs, add a range of housing option and maximize past public investments in the lloyd district. We recently sent a letter of support to metro president david bragdon, and I believe that's before you right now, along with an overview of the lloyd executive partnership and its priorities. In 2005 five of the largest property owners in the lloyd district came together as the lloyd executive partnership to look at the state of the area, the status of planned projects, and the investment that's have been made through the Oregon convention center urban renewal area funds. Our mission is to provide a clear voice on the economic priorities of a lloyd district and ensure strategic support from our public partners. The streetcar will integrate well with the lloyd district's already progressive programs tory dues commuter trips. As important, the streetcar will provide economic benefits for the east side of the river. Helping to serve as a catalyst for plan investment, such as the burnside bridgehead project, the Oregon convention center, and hotel. The lloyd crossing, the vision plan for lloyd -- the vision plan for Oregon convention center blocks, often referred to as o.c.c. Blocks plan, and the rose quarter plan. Each of these projects represents key elements of the city and regionally adopted plans for job growth and development on the east side of the river. One of the east side streetcar's goals is to -- it's already doing so. The the lloyd business improvement district brought together a coalition of private partners to support the formation of a roll improvement -- local improvement district to help provide funding for the streetcar. The needed commitment the for this l.i.d. Came through in almost I would say a record time. And demonstrate the high level of support for this project and the priority that it representatives for the lloyd executive partnership. We encourage city council to support this resolution and we look forward to working with you as the project moves forward. Thank you.

Susan Pearce: Good afternoon, gentlemen, i'm susan pearce, my address is on file. I represent hosford abernethy neighborhood association on the streetcar project advisory committee. But I think I can also speak for not only hosford abernethy, but buckman and kerns neighborhoods, which overlap the central eastside industrial district as well as the central eastside industrial district in much of what I have to say. We support this plan for the east seed streetcar with the m.l.k./grand alignment. We recognize it will create a loop that will connect both the east and west sides in both - - and both north and south. Which will be important to connect the inner city. With one another. We recognize the options for development that will occur along the m.l.k./grand route as zoning currently allows, that's both business, commercial, and residential development, the housing that exists there is affordable housing, and I -- those are people who may be happy to use public transportation. And we recognize -- we support that kind of business and commerce will support the larger industrial area which as we've said before, we want to keep that industrial area. We see this as several things converging as the urban renewal area, as extended and expanded for a few more years, the burnside bridgehead project is occurring, the streetcar will be a part of that, it -- even will mesh with the burnside and couch cuplet, all of these things are coming together. I want to thank michael powell for pointing out what I think some of us thought was obvious, that the central eastside industrial district does have a plan and a vision, and it includes au among other things, work -- live, work settings -- work-live settings, let me say that correctly, thank you, sam --

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along with incubator businesses, the small businesses that are beginning to start up. Those are the people who may be ridership on a streetcar, who may choose not to own cars. There's more, but we support it.

Potter: You have a half minute.

Pearce: We also support the fact that the streetcar will create some traffic calming on grand which is seen by us as -- m.l.k. And grand, which are seen as barriers between us on the river, and we're hoping it will help destroy that barrier, or at least lessen it. And omsi currently does not have public transportation, so this would be a form of public transportation to omsi. I'll stop there. Questions?

Adams: Thank you.

Moore: That's all who signed up.

Potter: Further discussion by the commissioners? Please call the vote.

Adams: I would like to thank everyone on the streetcar board, vicky, rick, ross, steve paul, april, everyone involved as part of the streetcar and pdot staff. I would like to thank metro, this is the first time we've gone through the metro funding process for streetcar, and it's been a good learning experience. And I look forward to the next one. I want to allay any concerns about this competing against milwaukie light rail. We're also looking at streetcar to lake oswego. The streetcar light rail federal funding comes from two different pots of money, and we do not believe that they compete on the capital side. On the operating side I actually think they have the potential to complement each other, and my commitment is as strong as it is one to the other. So it is nice to have a locally preferred alternative, which allows us to go forward full board to get the funding. My goal is to get funding at least the local amount of funding so that we can get it to omsi and go from there. Aye.

Leonard: I think that this work actually is going to benefit greatly development on the inner east side part of the city I care deeply about, so I am really pleased with the work that's gone into it and the efforts the people whom sam identified previously, so I won't. So thank you all very much. Aye.

Sten: This is very thorough and exciting piece of work, and I guess this is the easy vote, but i'm looking forward to working with you on implementing it. Aye.

Potter: I think this is an exciting project. I know there's a lot of work left to be done, but this is the next step and I think -- I appreciate all the work that all the committees, metro, tri-met, everybody has worked together on this. I think mike powell said it's nice to see everybody working together on something. This is one of those things that will benefit our city years down the road, and will only add to Portland's livability. I vote aye. [gavel pounded] please read item 923.

Item 923. (continued from July 5, 2007, 9:30 a.m. session)

Adams: Thank you, mayor. I just have a small amendment to the resolution I just wanted to get done, and that is to strike the last be it resolved.

Leonard: Second.

Potter: Please call the vote.

Adams: Aye. **Leonard:** Aye. **Sten:** Aye.

Potter: Aye. [gavel pounded]

Adams: Thank you, mayor and council. Because of the leadership of the council you see before you and council that's have come before us, Portland is recognized as a great bicycling city. Just recently bicycling magazine rated us the best city for bicycling in the united states. The benefits to our city for increasing bike usage are well known, are clear, decreases congestion, number of cars on the street, reduces traffic, and parking demand, improves our quality, reduces greenhouse gas emissions, it provides for better health for Portlanders, lower transportation costs for everyone. But we're here today to talk about an additional benefit of bicycling, and that is on our local economy. These include bicycle-related businesses, major events such as bridge pedal, daily bicycle rides, activities, tourism, development around trails, bicycle racing and the attraction of new residents and

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families to Portland because of our bicycle friendliness. As part of our efforts to make Portland the first major American city to attain the platinum level status from the American League of Bicyclists I asked pdot to do research on the economic impacts on the bicycle-related businesses in Portland. Mia, if you would come up, I'm happy to be able to introduce a resolution today to accept the report on bicycle-related industry growth prepared by Alta Planning. The resolution also directs me to return to council in six months working with the Portland Development Commission and others to present a plan to grow the bicycle-related industry in the city of Portland. With this -- what this report shows is that bicycling is not just good for Portlanders' health, but it's also good for business.

And in addition to Mia I'd like to invite Lavinia Gordon from pdot, and the two of you to describe in detail what you have learned. And it's very exciting.

Lavinia Gordon: Thank you/ name is Lavinia Gordon. Promoting bicycling as a safe and sustainable mode of transportation in the city of Portland is one of the goals of pdot and the transportation options division. As you may have noticed, bicycle ridership in Portland has been steadily increasing. Recent counts show there are over 10,000 trips per day on Portland's four bicycle friendly Willamette River bridges. This is a fourfold increase in the last 10 years. There are obvious benefits to getting more cyclists on Portland's streets and as part of our go platinum Portland campaign we wanted to find out more about cycling and how it's impacting Portland's economic activity. Commissioner Adams directed pdot to evaluate the economic contributions of bicycle related industry in Portland, all to planning under the direction of its principle was selected to perform that work. Mia is no stranger to city hall. She has served at the -- as the city's bicycle program manager from 1993 until 1999. She has 16 years of experience in the transportation field, focused exclusively on energy efficient and environmentally sensitive planning, design, and implementation. She is an adjunct professor at Portland State University, teaching pedestrian and bicycle issues for master students in urban planning. She's developed over 60 trail and corridor plans and has managed the implementation of over 300 miles of new walkway, trail, and bikeway improvements. She's nationally recognized author and speaker on pedestrian and bicycle issues, including main street design, traffic calming, contact sensitive design, and safe routes to school. It's my pleasure to introduce Mia Birk.

Mia Birk: Thank you. It's a pleasure to be here. So we as Commissioner Adams pointed out, we have learned a lot about the benefits of bicycling. We had also started to come to the clear realization that bicycling was good for the economy as well and that there was a great by-product of our -- by-product. It's all of the businesses that are cropping up. I myself am an owner of a business, we have 18 employees and we do bicycle, pedestrian, and trail planning and design and implementation. It's in large part because of Portland's reputation and what we've done here that cities around the country hire us to teach them what we've done here. I'm just one of many businesses. There's over more than 100 bicycle heavy related businesses in Portland that Congress has floor about approximately four sectors. One is retail and repair, retail shops, one is manufacturing and distribution, then there's tours, rides, races, and events, and various professional services. Just going to go quickly over these. There are -- there's a growing -- the retail industry to start, there are over 40 bicycle retail specialty shops in Portland. There's tremendous growth in this area. A lot of them are new. There's also a lot of bicycles sold at big box stores like Costco and G.I. Joe's. We contacted all of the businesses that were in our database and that we researched and found about 100 bicycle-related businesses. We contacted them all with a survey asking how much revenue their business generates, how many employees they have and whether Portland's reputation for bicycle friendliness and the work Portland's done has helped their business. We learned that first of all this is a very conservative report, the report you have before you. In terms of the numbers. That's in part because the sector that sells bicycles at the large big box retail stores does not respond to questions like this and did not want to participate. So a very conservative estimate was done based on other studies out there of the amount they contribute and from all reports the

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amount we've put in is very conservative and low, so be aware of that. We consider this a start, if you will, a snapshot to let us know this industry is growing. On the manufacturing and distribution side, we have a number of high-end bicycle manufacturers who are basically custom frame builders, as well as component manufacturers and clothing manufacturers. These are creative entrepreneurs who have either started businesses here or brought their business here specifically because we have a bicycle friendly reputation. We heard many quotes along the lines of, "we came here because we have a wonderful employment base that would -- that's highly skilled and we came here because Portland has such a great reputation for bicycle friendliness. Because the kind of people that you have here are the kind of people we want to attract to work in our business. You've heard about this, "the Oregonian" got really excited about this part of it, which is that there are over 2100 bicycle races, rides, tours, and events annually, and again, this is a pretty conservative number. This is just published calendars of, I'm going to list the groups, I'm going to miss some. The Portland touring club, the bicycle transportation alliance, shift, bike gallery, river city cycles, community cycling center, pump, which is Portland united mountain peddlers, alpenrose villadrone, Portland slugvello, slow rides -- and many others that are commissioning rides that are leading rise throughout the city that are people -- everybody that goes on these rides spends money in our local economy. They attract some of the larger rides, like bridge pedal, cycle Oregon has been contributing money throughout the state to small cities, and a lot of the participants are from Portland. So it's clearly an area that's very exciting and a great opportunity for growth. Then we have professional services, which is like miscellaneous. Which includes planning firms like myself, the bicycle transportation alliance, which now has about 14 employees. Artists, legal support create entrepreneurs, and others that are participating in fueling this economy. We estimate, again, conservative estimates of approximately \$63 million in revenue, about 800 jobs, and it's every single person we talked to just about reported that their business was growing. Again, we had a number of businesses that declined to participate. There's a few bike rack manufacturers, a few distributors, another fairly large component manufacturer that declined to give us their information. So this is again a conservative estimate, a start, and an exciting opportunity. And I should say that there was just such overwhelming support from the businesses in saying that Portland's the work we've done here has been beneficial to their business. We also had interviewed a number of coffee shops and restaurants that said they rely on bicycle business, they want to deliver by bicycle. We didn't include them in terms of the economic numbers, but they were very, very positive. The last slide is quotes from business owners letting you know they moved here because of our reputation, that it's easy to recruit nationally with the enticements to move to the bicycle friendly city. That we have a lot of business, that business is growing, that their people are very excited and positive to be part of this -- part of Portland and what we're doing here. And thank you very much for commissioning this report. It's been exciting to be a part of it, and i'm looking forward to working with you to see how we can continue to expand this part of the economy.

Adams: Thank you. Any questions for them?

Potter: Thank you folks.

Adams: If I could have jonathan, jay and bill. Please come up and then evan and Allison will go after them.

Potter: Thanks for being here folks. State your name for the record and you each have three minutes.

Jonathan Maus: Hi council, I'm jonathan maus. I'm here as a citizen advocate also a consultant in the bike industry for about five years. Currently the founder and editor of a website called bikeportland.org that covers the local bike scene. I just want to first say thanks and giving me the opportunity to speak and commissioning the report. Just to share a quick anecdote, I was actually an employee of chris king whose one of our major bike industry companies here located in the northwest industrial area. I worked for them back in the late '90's in santa Barbara California. We

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ended up having to move from there because of business conditions weren't great and they were also having finding the right kind of talent. I stopped working for them when they moved to Redding, California, looking to fix some of those things. That didn't end up working out. They had trouble finding the right kind of employees and as you know now they recently have moved up here to Portland. And I recently saw their former vp, Matt O'Rourke and he told me they have their best team they have ever had and they're just overjoyed to be in Portland. They are finding great talent from top to bottom. It's a real interesting company because they really require diverse work force from blue collar machinists which are increasingly hard to find, to customer service reps and white collar v.p.'s, marketing people, like that. They also are sort of a perfect example of why Portland is so great for the bike industry and I am hoping we can continue to kind of do things to encourage companies like this to come here and that they are very green. They make all of their products right here in Portland. Everything in their products from their bearings to their anodizing is done here. So just like to say it's great a company like that can come here and find success and I hope we can encourage more comes to come here and that's all I've got. Thanks.

Adams: Thanks, Jonathan.

Jay Graves: Good afternoon, Mayor and Commissioners. Thanks for the opportunity to speak. My name is Jay Graves. I am the owner of the bike gallery stores in town. I also sit on the board of numerous local advocate and nonprofit organizations. But I also speak on behalf the national bicycle dealers association, which I currently sit as president of. And being a Portland native, I have seen the growth of cycling in Portland over the years, and am extremely grateful for what Portland has done over the years to make cycling more friendly. We started in 1974, with five employees, actually, one employee and four unpaid family members. So not a lot of revenue there for the city. But we are now over 100 employees, and I know that Portland is known and revered nationally by other retailers because of what we've accomplished here in the city. As part of our bicycle friendliness. The best part of my job is talking with customers, and hearing about their experiences cycling and how easy it is to ride their bikes here in the city. And our staff, in order to help those customers, need to have, we need have qualified staff. And people move to Portland because of our bicycle friendliness. And our business has grown in the last 10 years. We have probably -- I'm sorry -- in the last 10 years we have doubled our business because of the amount of growth and expansion that we have gone through and what we've -- the city has accomplished. So recent trends with gas being at \$3 a gallon and above, our business is growing as most bike shops businesses are growing. And the future for the bike-related industries in Portland I see as very bright. And I encourage you to please consider and pass this resolution. Thank you.

Adams: And fixed just because you don't come before us very often, thanks for all the leadership that you've exhibited here in Portland since the 1970's. And we wouldn't be here in the position that we are without your constant vigilant, enthusiastic and always optimistic leadership. Thank you.

Graves: Thank you very much.

Bill Stites: My name is Bill Stites. I have a, I am an industrial designer and I probably fall machine the within the manufacturing section of the bike industry. I design and prototype bikes and trikes and I really appreciate what's happening today. And I, one of my main purposes is to support the resolution here. Many unexpected benefits in supporting the bike industry and one of the things that I really appreciate about Portland is that bicycles are seen as genuine transportation. And that's a real, a real key point. And the reason I mention that is because I'm very interested in trikes, in basically examining -- there's a -- well, basically, efficiency is derived from light weight as far as the primary factor of transportation efficiency. And there's kind of a ratio between vehicular weight and cargo weight. And that's one reason why bicycles are so efficient because the bicycles are actually lighter than the cargo. And you compare that to a car that weighs 3,000 or 4,000 pounds carrying a couple hundred pounds of cargo, you can see the ratio is pretty poor there. One of the

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areas that I would like really my second purpose here is to kind of expand the cautiousness and recognize there's really a rather large niche or gap between bicycles and cars dealing with vehicles that weigh 30 to 50 pounds to cars several thousand pounds. I think there's a real opportunity to support growth and businesses and achieve incredible efficiencies for transportation including business deliveries and such in the realm of, say, 300 to 500 pounds. So I just ask to you use your najera nation. Think about vehicles. Particularly three-wheelers, four-wheelers and such. Various forms of power, human power is not to be beat for efficiency. But i've also recently moved into electric assist. It's a super combination. The hybrid idea of human plus electrical power is very, very effective in my opinion. So I simply ask you to recognize that what you are doing here is really important, not only for the two-wheelers but to think about trikes and to think about additional vehicles in that several hundred pound range. Thank you very much.

Potter: Thank you, folks.

Adams: Last two invited testimonials are from evan and allison.

Evan Manvel: Good afternoon mayor and commissioners. My name is evan manvel, I'm the executive director of the bicycle transportation alliance. We are a state wide organization with 4,000 members across Oregon and southwest Washington. And my job and those of my 13 employees exists because portland loves bikes. It's a great joy as I travel across the country and people tell me things like when we grow up we want to be the bicycle transportation alliance. So were not done growing and that's exciting. We're continuing to grow. Over the last seven years we've gone from the two employees to the thirteen employees we have now. We are part of this great industry and this strong bike industry is not only evident in the direct, clear ways of having some of the nation's leading bike shops and apparel, manufacturer, things like that but compelling art that you will see at first thursday. Commissioner Adams as visual art. Both paintings and drawings and high-end frame building. It's the industry is evident through exotic travel. You might notice "the Oregonian" advertises its travel with picture of two cyclists and they appear to be in europe. But we bring people here through cycle Oregon and bridge pedal and other ways. And the industry is evident through sexy hipness. Johnny soul's advertises its shoes through a picture of a bicycle. One less car. And it's evident through kid and family friendly homes. You may have seen sunday's advertisement about bend's northwest crossing. We're creating a community that impacts all of industry throughout the various veins and it's not just the great people like jay and bill who are creating bikes but it's everyone from real estate to artists. People who bike to work are healthier. They are more alert and more productive. And we love the city supports that. So I hope that the city can pass this resolution and continue to work so across the world, not just the country, that when people think of bikes they think of Portland and they bring their businesses here whether it's bikes or art or travel or books or shoes or homes. Thanks for your time.

Alison Hill: My name is allison hill and I am director of development and communications for community cycling center. Thank you very much for allowing me to speak and for considering this resolution. The community cycling center reuses and recycles used bicycles that are donated by the community. We promote bicycling as an alternative mode of transportation through youth and adult programs where people earn bicycles while learning how to ride bicycles safely. Most of our participants are lower income Portlanders. We also operate a used retail bicycle shop, again, those bicycles are donated by Portlanders. We have about 30 employees right now. We also run popular events such as the worst day of the year ride and the holiday bike drive. We enthusiastically support the adoption of this resolution so that we can expand the bicycle industry here in Portland to highlight bicycle as central to the culture of Portland. Which we hope will make bicycling safer and will make bicycling more prevalent for all of Portland citizens. Thank you very much.

Adams: Thank you. Did you just --

Hill: I just started.

Adams: Ok.

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Hill: Yes. Hi.

Adams: Did you just start a store or has there been a store for a while in vancouver?

Hill: We opened a store in vancouver in the last, I think -- I just started also with the ccc about three weeks ago. I think it was six months, within six months in vancouver.

Adams: Good work. Welcome aboard.

Hill: Thank you very much.

Potter: Thanks, folks, for what you do for our community.

Hill: Thank you.

Moore: We have chris smith.

Chris Smith: I was here. I couldn't resist. Chris smith in the capacity as a private citizen. But you know one of the things I worry about and one of the other roles I have is on m-pac thinking about regional issues. For the council, I think a lot about what kind of economy we are going to have here in the region. And I really appreciate this resolution because it's not just great for our bicycling community here. I think it's great for the economy in our region. It's one of the strategies I would like to see us pursue is to anticipate the kind of industries that are likely to be heavy growth industries as we deal with peak oil, as we deal with global warming and the need shift the way we move ourselves around our city and our region. And I think if Portland can support the right market basket of industries, our economy and our prosperity can benefit greatly. And I think just as I am a supporter of hopefully getting a streetcar manufacturer here in Portland I think the idea of trying to grow a bicycle industry here, particularly in the future as we look at needing more local manufacturers when moving a frame from china is not such an easily economic proposition as it is today, there's a lot of benefit in the long term from this. So I congratulate you and encourage you. Thank you.

Potter: Thank you.

Moore: That's all who signed up.

Potter: Ok. Please call the vote.

Saltzman: I have a question.

Potter: Excuse me.

Saltzman: The last resolve says "this resolution is binding city policy."

Adams: We took that out.

Potter: That was eliminated.

Adams: While you were in the bathroom.

Leonard: How do you know where he was? He was just gone.

Adams: Sorry.

Saltzman: Sorry. My apologies.

Potter: Ok. Please call the vote.

Adams: You weren't in the bathroom.

Saltzman: I'm not telling where I was.

Leonard: None of your business where he was.

Adams: I said my thank yous, aye.

Leonard: I was sitting here, trying to remember three years ago, that I got a call from chris king. And he asked if he could come in and his company was interested in moving to another city. And wanted to know what kind of package the city of Portland could put together for them. And not being necessarily a bicycle enthusiastic, I just assumed he was just another person who ran a business looking for a place to relocate. And I happened to mention to my oldest son who is 30 now and was probably 27 then, that -- because he is a bicycle enthusiast, I had met with a person with a name I was sure he would know thinking it's prince or royal or -- he said chris king? And I said, yeah. How did you know -- chris king. He said, you didn't meet with chris king. There's no way you met -- he's cool. You wouldn't meet with chris king. [laughter] and I realized that you

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know, bicycle manufacturers, particularly those high-end cyclists, like Chris King supplies a market for, are imminently popular so I reintroduced the negotiations with Chris with a renewed enthusiasm after the inspiring words from my son and was so pleased particularly on the heels of that recommendation that they did decide to move to Portland. So I enjoyed the entire presentation. Of course, I always enjoy seeing Jay who I am a loyal customer of. But this work is excellent work. And I really appreciate it. Aye.

Saltzman: Well, it's indeed very satisfying to see this industry develop into an industry. And I want to thank a lot of the leaders in this room -- Jay Graves, the community cycling center and Mia Burke -- it's really exciting to hear you have 18 employees in your company. That's -- I mean that's to me emblematic of this success and the things we can aspire to become. Not only making the city easier and safer to get around, in something other than an automobile, but also to really, you know, take a strength and turn it into an economic asset and I think that's what this report is all about and what this next step will be in terms of how do we grow this industry and to even better things in terms of more jobs, more opportunities for our residents and also making Portland a better city to get around in safely. So this is great work. Appreciate Commissioner Adams' leadership. Aye.

Sten: I want to thank everybody and Commissioner Adams for bringing this in. I think the world is changing and I think some for the good and some for the better but for Portland, a real opportunity is can we build actual business and commerce and things that are going to make -- essentially help us not only survive what could happen with I think peak oil and all the other issues but make it a much better place. I think we are too long on our economic development strategy and I think this is a key part of it. You start linking to -- people are too fast to look past the things happening here. The 18 employees we just talked about and with the bike gal radios has done and keen locating here. This is heart and soul of a good economic development strategy which is one based both on your values and your principles and strengths and things that you can sell. And we are not going to and I am not sure we want to compete with everybody in all the things they do worldwide but if we can grow these strengths -- I think we have been a little too shy as a community in pushing some of these issues as economic development strategies and we say we are doing this because it's the right thing and it might be good for the economy and I think we can really have to be more aggressive and so for that I really thank Commissioner Adams for this resolution because I think it sets a tone that, yeah, we can actually -- and it's important people have jobs. This sets a tone we can do that by doing really interesting and innovative things and it will bring people here as you mentioned. So I look forward to helping in any way I can and keep going. Aye.

Potter: I want to thank Commissioner Adams for his leadership on this. And the biking community for their leadership. There's still a lot of issues facing our community in terms of relationship between bicycles and cars and I want to work with our bicycle community and our motorists to make sure that we have safe transit for everybody in our city and safe options. I do believe, however, that we are going to have to think of a new ranking above platinum for our city. And we just may want to call it a Portland standard. [laughter] [applause] so I am very proud of all of you and thank you for all your hard work. I vote aye. [gavel pounded] we are adjourned until next week. [gavel pounded]

At 3:53 p.m., Council adjourned.