



CITY OF
PORTLAND, OREGON

OFFICIAL
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **11TH DAY OF MARCH, 2009** AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Adams, Presiding; Commissioners Fish, Fritz, Leonard and Saltzman, 5.

Commissioners Fritz and Leonard arrived at 9:29 a.m.

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

Linly Rees, Deputy City Attorney, replaced Walters at noon.

Items No. 233 and 236 were pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

| COMMUNICATIONS | Disposition: |
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| 220 Request of Victoria Taft to address Council regarding Mayor Adams (Communication) | PLACED ON FILE |
| 221 Request of Bill White to address Council regarding prayer for the City and Council (Communication) | PLACED ON FILE |
| 222 Request of P.J. Mulcahy to address Council regarding Mayor Adams (Communication) | PLACED ON FILE |
| 223 Request of Holly Bacon to address Council regarding Mayor Adams (Communication) | PLACED ON FILE |
| 224 Request of Michael O'Gara to address Council regarding proposed parking fee increase (Communication) | PLACED ON FILE |
| TIME CERTAINS | |
| 225 TIME CERTAIN: 9:30 AM – Accept Report and Recommendations from Major League Soccer/Triple-A Baseball Task Force (Report introduced by Mayor Adams and Commissioner Leonard) (Y-3; N-2, Fritz, Fish) | ACCEPTED |

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| <p>S-226 Declare City support for Peregrine LLC bid to bring a Major League Soccer Franchise to the City of Portland and authorize Peregrine LLC to present a financing package to Major League Soccer (Resolution introduced by Mayor Adams and Commissioner Leonard)</p> <p>Motion to accept Substitute Resolution: Moved by Commissioner Leonard and seconded by Commissioner Fritz. (Y-5)</p> <p>Motion to amend Exhibit page 2, funding plan section 3.1, sources of funds. Delete “TIF Bonds” and insert “to be decided” to remove \$15 million from a new TIF area: Moved by Commissioner Saltzman and seconded by Commissioner Fritz. (Y-5)</p> <p>(Y-3; N-2, Fritz, Fish)</p> | <p align="center">SUBSTITUTE 36687 AS AMENDED</p> | |
| <p align="center">CONSENT AGENDA – NO DISCUSSION</p> <p align="center">Mayor Sam Adams</p> <p>227 Appoint to the Urban Forestry Commission Deborah Wechselblatt and Joe Poracsky for terms ending 12/31/2010; Meryl Redisch and Kendra Smith for terms ending 12/31/2012 (Report)</p> <p>(Y-5)</p> | | <p align="center">CONFIRMED</p> |
| <p align="center">Bureau of Transportation</p> <p>*228 Amend Intergovernmental Agreement with the Oregon Department of Transportation and Metro for NE Lombard to Columbia Freight Connector Study (Ordinance; amend Contract No. 30000345)</p> <p>(Y-5)</p> | | <p align="center">182572</p> |
| <p>*229 Authorize the Director of the Portland Bureau of Transportation to accept and acknowledge individual sponsorships, donations and contributions for Sunday Parkways projects not to exceed \$10,000 per individual per year (Ordinance)</p> <p>(Y-5)</p> | | <p align="center">182573</p> |
| <p>*230 Authorize application to the Northwest Health Foundation for a Physical Activity and Nutrition grant not to exceed \$100,000 for Safer Routes to School Engineering Reports Project through 2012 (Ordinance)</p> <p>(Y-5)</p> | | <p align="center">182574</p> |
| <p align="center">Office of City Attorney</p> <p>*231 Authorize an Intergovernmental Agreement with Local Government Personnel Institute for legal advice and consultation pertaining to collective bargaining obligations (Ordinance)</p> <p>(Y-5)</p> | | <p align="center">182575</p> |
| <p align="center">Commissioner Nick Fish Position No. 2</p> <p align="center">Bureau of Housing and Community Development</p> | | |

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| <p>*232 Authorize an Intergovernmental Agreement with the Housing Authority of Portland and the Portland Development Commission for \$70,000 to support a Housing Policy Manager and receive funds (Ordinance) (Y-5)</p> | <p>182576</p> |
| <p>Portland Parks & Recreation</p> <p>233 Report to Council on Trails Needs Assessment (Report)</p> | <p>REFERRED TO OFFICE OF COMMISSIONER OF PUBLIC WORKS</p> |
| <p>Commissioner Dan Saltzman Position No. 3</p> | |
| <p>Bureau of Environmental Services</p> | |
| <p>234 Authorize contract with Portland General Electric to receive utility relocation services for Sellwood Sewer Interceptor Capital Improvement Project sewer improvements Project No. E06973 (Ordinance)</p> | <p>PASSED TO SECOND READING MARCH 18, 2009 AT 9:30 AM</p> |
| <p>235 Authorize a contract and provide for payment for the construction of the SE Clay-Taylor Reconstruction and Green Streets TGD-24 and TGD-31 Project No. E08669 (Ordinance)</p> | <p>PASSED TO SECOND READING MARCH 18,2009 AT 9:30 AM</p> |
| <p>236 Amend contract with GSI Water Solutions, Inc. for as-needed services to support implementation of City Water Pollution Facility Control Permit (Ordinance; amend Contract No. 37953)</p> | <p>REFERRED TO OFFICE OF COMMISSIONER OF PUBLIC WORKS</p> |
| <p>REGULAR AGENDA</p> | |
| <p>Mayor Sam Adams</p> | |
| <p>*237 Accept donation of \$100,000 from the Palau Association and churches in the greater Portland area (Ordinance) Motion to amend exhibit to clarify distribution of funds: Moved by Commissioner Fish and seconded by Commissioner Leonard. (Y-5) (Y-5)</p> | <p>182577 AS AMENDED</p> |
| <p>Bureau of Transportation</p> <p>238 Vacate the Alley in Block 5, Albina Homestead Addition subject to certain conditions and reservations (Hearing; Ordinance; VAC-10055) Continued to March 12, 2009 at 2:00 p.m.</p> | <p>PASSED TO SECOND READING MARCH 18, 2009 AT 9:30 AM</p> |
| <p>239 Authorize contract with Precise Parklink (USA) Inc. for back office software and support services for Stelio parking pay stations (Second Reading Agenda 213) (Y-3, Leonard absent) Continued to March 12, 2009 at 2:00 p.m.</p> | <p>182578</p> |

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| Office of Management and Finance – Business Operations | | |
| *240 | <p>Authorize sole source contract with Michael Willis Architects, Inc. and provide for payment for architectural and engineering services for the construction of Fire Station 31 (Ordinance)</p> <p>(Y-4)</p> <p>Continued to March 12, 2009 at 2:00 p.m.</p> | 182580 |
| Office of Management and Finance – Human Resources | | |
| *241 | <p>Authorize a Letter of Agreement with the City of Portland Professional Employees Association amending the July 1, 2007 to June 30, 2010 Labor Agreement regarding Standby Pay (Ordinance)</p> <p>(Y-4)</p> <p>Continued to March 12, 2009 at 2:00 p.m.</p> | 182584 |
| *242 | <p>Ratify a Letter of Agreement with the City of Portland Professional Employees Association authorizing payment to Lindsay Deis in accordance with the Out-Of-Classification provision of the parties' Collective Bargaining Agreement for the period of April 5, 2007 to January 7, 2009 (Ordinance)</p> <p>(Y-4)</p> <p>Continued to March 12, 2009 at 2:00 p.m.</p> | 182585 |
| Office of Management and Finance – Purchases | | |
| 243 | <p>Accept bid of Michels Corporation for the Portsmouth Force Main Segment 2–Willamette Blvd for \$19,353,144 (Purchasing Report - Bid No.109235)</p> <p>Motion to accept the report: Moved by Commissioner Fish and seconded by Commissioner Fritz.</p> <p>(Y-3, Leonard absent)</p> <p>Continued to March 12, 2009 at 2:00 p.m.</p> | ACCEPTED PREPARE CONTRACT |
| 244 | <p>Authorize a \$1,250,000 contract with CSDC Systems, Inc. for continued maintenance and support of the AMANDA computerized permit tracking system for Bureau of Development Services (Ordinance)</p> <p>Continued to March 12, 2009 at 2:00 p.m.</p> | PASSED TO SECOND READING MARCH 18, 2009 AT 9:30 AM |
| *245 | <p>Amend contract with S. Brooks and Associates to provide temporary aquatic staff for Bureau of Parks & Recreation for an additional 5 year period (Previous Agenda 193; amend Contract No. 40828)</p> <p>Continued to March 12, 2009 at 2:00 p.m.</p> | REFERRED TO COMMISSIONER OF FINANCE AND ADMINISTRATION |
| <p>Commissioner Nick Fish Position No. 2</p> <p>Portland Parks & Recreation</p> | | |
| 246 | <p>Accept a donation of improvements to Portland International Raceway from the Portland Rose Festival Foundation (Second Reading Agenda 217)</p> <p>(Y-3, Leonard absent)</p> <p>Continued to March 12, 2009 at 2:00 p.m.</p> | 182579 |

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| <p style="text-align: center;">Commissioner Dan Saltzman Position No. 3</p> <p style="text-align: center;">Bureau of Environmental Services</p> <p>*247 Extend contract with Brown and Caldwell for additional work, compensation and time for the Fanno Basin pump station pressure main–Multnomah Section, Project No. E08294 (Ordinance; amend Contract No. 37106) (Y-4) Continued to March 12, 2009 at 2:00 p.m.</p> | <p style="text-align: center;">182586</p> |
| <p style="text-align: center;">Bureau of Police</p> <p>*248 Accept an additional grant award in the amount of \$132,000 as part of the 2007-09 Oregon Department of Transportation Work Zone Enforcement Program for officer overtime (Ordinance) (Y-4) Continued to March 12, 2009 at 2:00 p.m.</p> | <p style="text-align: center;">REFERRED TO COMMISSIONER OF PUBLIC AFFAIRS</p> |
| <p>*249 Apply for a \$20,000 Oregon Department of Transportation, Transportation Safety Division, Photo Radar in Highway Work Zones grant for overtime (Ordinance) (Y-4) Continued to March 12, 2009 at 2:00 p.m.</p> | <p style="text-align: center;">182581</p> |
| <p>*250 Apply for a \$35,000 Oregon Department of Transportation, Transportation Safety Division, Multi-Agency Traffic Team enforcement grant for officer overtime (Ordinance) (Y-4) Continued to March 12, 2009 at 2:00 p.m.</p> | <p style="text-align: center;">182582</p> |
| <p>*251 Apply for a \$69,960 Oregon Department of Transportation, Transportation Safety Division, DUII Intensive Supervision Program grant for program expenses (Ordinance) (Y-4) Continued to March 12, 2009 at 2:00 p.m.</p> | <p style="text-align: center;">182583</p> |

At 3:49 p.m., Council recessed.

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WEDNESDAY, 2:00 PM, MARCH 11, 2009

**DUE TO LACK OF AN AGENDA
THERE WAS NO MEETING**

March 12, 2009

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,
OREGON WAS HELD THIS **12TH DAY OF MARCH, 2009** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Adams, Presiding; Commissioners Fish, Fritz and Leonard, 4.

Commissioner Leonard arrived at 2:14 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Jim Van Dyke, Chief Deputy City Attorney; and Ron Willis, Sergeant at Arms.

Items No. 238 through 251 were heard in the 2:00 p.m. session.

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| <p>252 TIME CERTAIN: 2:00 PM – Accept the 2008 State of the Arts Report (Presentation introduced by Mayor Adams)</p> <p>Motion to accept the presentation: Moved by Commissioner Fish and seconded by Commissioner Fritz.</p> <p>(Y-4)</p> | <p>Disposition:</p> <p>ACCEPTED</p> |
| <p>253 TIME CERTAIN: 3:00 PM – Economic Recovery as a Transformative Opportunity (Presentation introduced by Mayor Adams and Commissioner Fish)</p> | <p>RESCHEDULED; DATE TO BE DETERMINED</p> |

At 3:38 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.

March 11, 2009
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.

MARCH 11, 2009 9:30 AM

Adams: Item title for item 220. Ms. Taft, welcome to the city council. Please give us your first and last name and you'll have three minutes.

Item 220.

Victoria Taft: Thank you very much. My name is victoria taft and I live and work and vote in the city of Portland and i've been before you before, asking that the mayor resign because of the disgrace he's brought upon the city by his acts. To enumerate them, grooming a teenager to have sex with him. Allegedly kissing and fondling the teenager in a city hall bathroom. Going to the teenager's 18th birthday as a way to celebrate his becoming legal so he can have sex with him. Slandering the man who dared to bring it up before the election and ending his chances for hire political office. And lying to voters about these incidents because he knew he wouldn't be elected otherwise. I passed along nearly 400 emails to mayor Adams and the rest of the council from concerned citizens of portland and Oregon to ask the mayor to resign and you've ignored them so far. I know people have called on the mayor to ask him to resign. They've phoned his office and the calls go ignored. I know the mayor has gone before the council each and every week and conducted business as usual with those of us in the audience week after week wanting him to leave and asking him to leave because what he's done is disgrace the city of Portland. I know the mayor has gone before groups of people and apologized and the apologies really mean nothing without action. The ultimate act of contrition sam, the teachable moment you've spoken of is to resign. But the mayor and I dare say the council want our attention away from the mayor's unethical and probably illegal activities and want to sell us ballparks and teams and soccer venues and boy, it would be easier to be here to talk about those things than to actually cheer about something, but it's really not what we have to do today. We have to ask you to do the right thing and resign. We will always question your motives because it's perfectly reasonable that we do so. We've seen what you will do to a teenage kid, we've seen what you'll do to the voters to win an election. Why would we trust anything you say? Recently a reporter from a local paper called me and asked me why I would criticize the mayor. Aren't you being an opportunist, he asked, and I laughed. And I said what an irony. Questioning the motives of a citizen who says out loud what the mayor does, and i'm the opportunist? Questioning the mayor about grooming a teenager to have sex with him and I'm the opportunist? Questioning the mayor about lying to win an election and i'm the opportunist here? Those same reporters asked if the people with me here today and those who have been here in weeks past are in a concerted conspiracy to see the mayor go. They're worried about a conspiracy of citizens who stand up for what's right and right in front of them, they have a conspiracy to steal an election on false pretenses and a conspiracy of silence with a teenager so that nobody would find out you had sex with him. Mayor Adams the city is riven with your drama and you've embarrassed us all and the entire state and you need to go. Thank you.

Adams: Thank you. [applause] thank you for your testimony. Please read the title for council item 221.

Item 221.

Adams: Mr. White, glad you're here.

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Bill White: I'm bill white and a citizen of the city of Portland. I have no words of criticism and I come to play and ask god's blessing on all of you because we live in a dire time where we'll see upheaval and civil unrest if things don't improve. I want to ask god's blessing that you have god's wisdom and knowledge of what you have to do. You guys have tough jobs and I don't want god to frown upon Portland. I want the city to be blessed. Father, we thank you that we have the opportunity to pray for the city council and there are many things that have again on but we're asking for all sin we've forgiven and we know that sin is not doing what you have instructed us to do. So father, we ask you to bless the city of Portland, bless the city council and every citizen in Portland, father, because they're happy to make tough citizens, father and he ask you to lead and guide the city council. Protect them and ask that you give them wisdom, knowledge and understanding of how to conduct the best business possible and ask that righteousness rein in the city of Portland. And we release the anointing and power of god in the city. In the name of jesus, I pray. Thank you very much.

Adams: Thank you, pastor. [applause]

Adams: Karla, please read the title for item 222.

Item 222.

Adams: Mr. Mulcahy, welcome to the city council.

P.J. Mulcahy: P.j. Mulcahy, sergeant, u.s. Air force. [inaudible] served this counsel for six years in the '60s and I came here as a veteran. I'm here to condemn your actions, for the word of god and the constitution and this uniform. We served honorably so you could hold your public office and follow the rules. Your nonchalance and so what after the election, didn't think I would survive, so I just lied. Is the ultimate arrogance to me and this uniform and the people who wear it. The constitution requires truth and honor and respect. Unfortunately, you have none of these qualities. You're a fraud posing as a mayor. A disgrace to the office of mayor and the citizens of Portland. Do you listen to the public comment. Did you hear the lady who was raped by a sexual predator and did you hear the emotional plea from her heart for you to resign, or the person from the gay community? Is it getting any clearer for you? Your resignation is the only acceptable apology for your misconduct. Fox, cnn, the national media reported that the most undesirable city in america is Portland, Oregon. Your deception is outrageous and reflects on the state and nation. You're an insult to myself and the honest citizens of this city. You're under investigation by the Oregon attorney general and the justice department for criminal sexual conduct with a minor. How can it get any worse? The public indictments are in, sam. From nine major publications, respected members of the gay community, the police union, citizens and veterans, it's clear it's time for a new mayor. And when the indictments come down, you have nowhere to hide. There would be no place for you to hide. You all know the facts. You're public servants. Do your job under the authority of the constitution I served for. It begins with a no vote for sam Adams. At least you can place him under administrative leave until the investigations are complete. That's the procedure for any other city employee. I'd like the pastor said this morning, we do pray for you. That's what we need in this town. We need guidance from god almighty. I learned that in life. God came into my life and made a new man out of me.

Adams: Thank you for your testimony. Please read council item 223. Good morning and welcome to the city council. Glad you're here. Please give us your first and last name. You have three minutes.

Item 223.

Holly Bacon: Ok. Good morning, my name is holly bacon and I was born and raised in Portland. I'm a graduate of parkrose high school and of the university of Oregon. I live in the area. And care very much about the city of Portland. I'm here this morning to ask for the resignation of sam Adams. As mr. Adams seems unwilling do the right thing and leave office, I implore the city council members to insist on his immediate resignation. Maybe you have a disconnect with an

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average citizen like myself and do not understand the impact your actions have on myself and my community. It might be helpful to hear what your unethical and dishonest choices made. And, yes, they're choices that you really made. Let me try to enlighten you. I have a teenager and the thought of a 47 something year old man mentoring is in itself a reason for your career to be over. But you must have known that, unless why would you have lied about the event. How can anyone believe what you say about anything? You have shown yourself to be quite an effective liar, even going so far as to play the victim. Getting in the way of anyone that gets in the way of your ambitions. The sympathy you created by playing the poor innocent middle-aged gay man may have helped to win you votes. Another lie you fostered to serve your needs. City council members, how can you all know these things that have been admitted by mr. Adams and still remain silent? So abusing a teenager, lying to the public to win an election, slandering a man who tried to expose the truth, to name just a few of the events we the public know about. And then refusing to do the honorable thing and resign. Not the type of leader I want representing me in the great city of Portland. We teach our children there are consequences for the choices they make. A child cheats on a test, they receive an f. In college, if you cheat on an exam, you get thrown out of school. You drive drunk, you get your license taken away. All these events can be apologized for and even explained in some cases. It doesn't matter. The consequence is a consequence. Excuse me. You, mr. Adams, don't think the consequences apply to you? Your example brings disgrace and dishonor to Portland. I hope you resign and city council, I hope you help him to do the right thing and resign.

Adams: Thanks for your testimony. Could you read item 224? Good morning, and welcome to the city council. Glad you're here. Please give us your first and last name and you have three minutes. That clock in front of you will help you keep time.

Item 224.

Michael O'Gara: Thank you very much. Not often that parking is a lightning subject at a meeting. My name michael o'gara and we've lived in the city in john's landing area and Portland has a viable downtown area especially in the evening with shops and so forth open. Three or four times a month we go downtown for movie or a dinner or theater. We eat in local restaurants and good downtown for a movie because they usually start at 7:00. Now by extending parking to 9:00 p.m., we probably will not attend events in the evening. Several more, I know 5% to 10% loss in customer base would be a significant loss to their survival. With light rail and bus mall and other construction, I think you should be encouraging rather than discouraging the evening use of the downtown area. I've spoken to many others and they feel as I do. It is like when you have a bad experience in a store or restaurant, most people don't go back. They don't complain and they just don't go back. All of a sudden, people won't be returning in the evening. Won't be coming downtown. Last night, one the local news stations was comparing Portland parking fees to other cities of like size. One had extended hours. Most cut their parking off at 6:00 p.m. So that people can attend evening events. The additional fee is not so excessive. But I can do the same thing, go to lloyd center and shop in the suburban malls. So to maintain the viability of the city by adding the fee, you're going to harm it. Take a long term look at the serious repercussions and not just a short term look at trying to gain more revenue in the short term. Thank you for your time.

Adams: Thank you for your testimony. If it's ok with the city council, we will do the time -- excuse me, the consent agenda and then out of courtesies for guests to move item 237 up quickly before the time certains. If that's all right. 237 is to accept a donation from the palau association of churches in the greater Portland area. Let's do the consent agenda first. Is there anyone who would like to pull any item off.

Fish: Mayor, i'd like to pull 233 and have this item returned to my office.

Adams: Unless objection, item 233 is returned to commissioner Fish's office. Do you need to read the title?

Moore-Love: Yes, we should. [gavel pounded]

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Adams: So moved. All right. Is there any other item that anyone else would like to pull off the consent agenda?

Moore-Love: Commissioner Saltzman, you had 236.

Saltzman: Oh, yes. Thank you. I'd like to have 236 pulled off the consent and returned to my office.

Adams: Please read the title of the item.

Adams: Unless there's objection by the city council -- [gavel pounded] -- so moved.

Moore-Love: Did we already pull --

Adams: 236 has been pulled and 233 has been pulled.

Fritz: And wasn't there another on parks employees, or is that a regular agenda item?

Moore-Love: That's the 245 regular agenda.

Adams: Anyone here to testify on the consent agenda? All right. Then Karla, please call the roll on the consent agenda.

Fritz: Aye. **Fish:** Aye. **Saltzman:** Aye. **Leonard:** Aye.

Adams: Aye. [gavel pounded] consent agenda is approved and unless there's council objection, I'd like to hear item 237. Karla, please read the title.

Item 237.

Adams: Please have the representatives of the palau organization and folks in the churches. Hi, Megan. Come forward. We need to do an amendment that clarifies how the money is to be distributed. To home again mentoring, the Portland public schools transition center of \$60,000 and the east Portland school districts to be used for educational opportunities.

Fish: So moved.

Adams: Moved. Is there a second?

Leonard: Second.

Adams: It's been moved and seconded to clarify the use of funds from the palau organization. Any discussion? Anyone wish to testify on the amendment? Karla, please call the roll.

Adams: This is just on the amendment.

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

Adams: The amendment is approved. [gavel pounded] a couple of words of introduction. Schools, homes, churches, serve as the core of the community for many and your work and the work of the elective effort of the season of receives has helped the city in countless ways. I was able to participate in a cleanup crew at Franklin High School as part of the season of service and been at a number of events and it's an amazing gift you've given the city. Not just the financial resources today, but the gift of time and attention. Your devotion to actions to help with the physical needs of our community are amazing and you have shown that Portland is better together and as I said at some earlier gatherings, it was amazing how many people were working on local schools that were not residents of Portland. So I really appreciate it and we wanted to have you here to thank you in person and give you an opportunity to speak as well.

Megan Palau: Thank you. My name is Megan Palau, here representing the Luis Palau organization and it's exciting to be part of the Home Again Mentoring project and to address the dropout rate in Portland schools and I want to thank the staff of the Mayor and Commissioner Fish's staff and Carmen Rubio and also Sally from the Bureau of Housing and also James Ames from the Mayor's office. They've been very professional and I want to commend them for their work. Giving away money is complicated and they've walked us through this process. I do want to acknowledge the Palau Association acted as the catalyst for this. It really was the churches who had the vision for this and the congregations who gave sacrificially during the Christmas season to do something for the city and those less fortunate and suffering. I'm honoring to have the pastor here, representing the churches.

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Pastor Mark Goodwin: We're delighted to partner with the city and we hope it's a prelude of a long time of service between us and thank you for being willing to partner with us and I simply represent all of the churches and we're delighted to be a part of this. Thank you for partnering with us.

Adams: Thank you.

Sally Erickson, Manager, Ending Homeless Initiative: I'm sally, and i'm extremely grateful. This is a wonderful reason to be here in front of city council to accept this gift and the ongoing commitment and pain partnership of the association and the safe community as we continue to work together to end homelessness in Multnomah county. Because of your leadership and the season of service, we've achieved more than we can imagine and the safe community has truly become our partner in the work to accept homelessness and while we're here to accept the gift. I want to recognize the gift of your service and the one on one work that the faith community has given to people in need in our community. In august 2008, the city and county held our most successful Portland connect event in connection with city fest on the waterfront. Their volunteers played an important part in the event. Dozens of churches have replicated the model of homeless connect to provide compassion connect to provide medical and dental services to many across the region. This is a model that will be replicated across the country. The individual chunks have partnered with join and human solutions and jean is here from human solutions and street outreach to homeless individuals and finally, the home again mentoring program, which is a recipient of the funding, promises to be a national model of how community partners, including the business community and private foundations can join together to have a positive impact on families in need. Thank you very much. And thank you, jean and human solutions for taking the lead on the home again mentoring program. It's going exceedingly well.

Adams: Want to say a few words, jean?

Jean Demaster, Human Solutions: 5% of the homeless are people in families. We know to solve that problem, the non-profits can't do it alone and government can't do it alone either. So this partner with the faith-based community and the luis palau association, that's the only way we're going to find ways to find homes are to the people who are homeless every night. This is proven very successful in terms of bringing homeless people and providing rent assistance so they don't have to be homeless any longer but providing the church community to help hem receive the long-term solution so they don't have to be homeless and they can overcome that problem and put it in their past forever. We're grateful for the city providing support and particularly the luis palau association to give these families a chance to not have to be homeless and have these children grow up in poverty, but get real solutions so they're not homeless or poor any longer. We really thank you.

Adams: Commissioner Fish.

Fish: Thank you. Mayor. I want to acknowledge the role that former mayor tom potter played. But six months, I had never met luis palau or his children. I was aware that he drew thousands of people to the waterfront but frankly, it hadn't been my thing. About four months ago, the mayor and I -- excuse me, I guess it was last summer. Time flies. The mayor elect and I were on the stage in front. 100,000 people which was quite an experience. And something has happened here that I think needs to be acknowledged. As long as i've lived in Portland, there has been, in my view, a divide between the faith community particularly what I would call the more fundamentalists, and the city of Portland. And it has been my impression what has frequently been accent waited in that relationship is the differences and there have been some people both in government and the faith community who in my opinion have been effective at emphasizing those differences and it's easier it pick a fight. It's harder to find the common ground. I know that in my marriage. [laughter] so I have watched this relationship evolve and I will tell you i've watched it evolve with some skepticism and I think it was shared with many in the faith community as i've heard expressed at

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various gatherings. But what has happened is this idea of a season of service has such a powerful resonance with all of us, regardless of our faith and past, that it has provided the sort of baseline for a new relationship of understanding and mutual respect. And the season of service, as I'm fond of saying, three of the most beautiful words in the English language and if it was a rose, we hope it's a perennial and not an annual and I'm proud of the Palau organization and the pastor and all of those involved who say this is going to be an annual event. What does it mean? It means in addition to our existing partners in the non-profit community and the business community, the faith community has stepped up and said we want to be part of the solution. As you know during these lean times, government can't do it all. And the need that Jean has documented has gone through the roof. To have the faith community step up and say we want to be part of the solution is powerful. To those concerned within a mentoring program with church involvement is going to transgress the lines between church and state, we've put clear boundaries and guidelines in place, and I think those are fears that people should focus on, they should be concerned about them, because these are lines that need to be honored for legal and constitutional reasons. I'm satisfied they've been observed. This mentoring program has made a difference. There are people at risk for homelessness and the mentoring program is saying those families at risk, we're going to try to avert calamity. We know what happens to the children and the families and the collateral damage. So as the housing commissioner for the city, from the bottom of my heart, I want to thank all of you for your great work on this and I hope this inspires others to step up and be helpful and help in this time of need. I want to close with a quote of Dr. King on service, that we're all familiar with, but I think captures the essence of what you're doing. At one point he said of service, "everybody can be great because anybody can serve. You don't have to have a college degree to serve. You don't have to make your subject and verb agree to serve. You only need a heart full of grace and a soul generated by love." and I think that absolutely beautifully captures this partnership and we're grateful for the \$100,000 which will make a difference in the lives of families and children and look to build on this relationship going forward. Thank you for your service to our great city.

Adams: Thank you very much. [applause] is there anyone else that wishes to testify on item 237? All right. Thank you again very much. The money is going to very good use. We'll now have -- we will now have a vote on the Resolution. Commissioner Fritz is making sure I'm on top of things.

Fritz: Thank you so much for providing the money and it's important to recognize that money is needed in these tough times to provide funding for the programs which, like human services, and also that the Palau organization has been organizing the community cleanups for many years and I've participated and they're fun and constructive. You get to drive by or walk by a school for the rest of the year and remember that you helped fix it up. Thanks very much to all. Aye.

Fish: I'd like to acknowledge the city staff -- acknowledge the city staff playing a role. And appreciate, Sally, you calling them out. Carmen Rubio from my office and Jane from the Mayor's office. Done great work and proud to vote aye.

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

Adams: I'd also like to recognize city staff, Carmen and others and the great Jane Ames in my office. Thank you for your work. Aye. [gavel pounded] we'll now move to the time certain at 9:30. Item 225. Karla, please read the title for item 225.

Item 225.

Adams: Thank you, I'm going to make some opening remarks. And ask you to be patient. Because I'm going to spend just a little bit of time going over the issue of why I'm supportive and working on this over the past year and a half, two years with Commissioner Leonard. Why invest in sports? Sports have the power to bring people together. Diverse groups, unlike almost any other community pursuit. Great sports teams can gather across race, gender, income and background to bring a community together around a common interest and a common point of pride. Sports also

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have the power to inspire. To inspire youth to pursue greatness through team work and older athletes to further challenge themselves and keep going. And promote in the community healthy lifestyles and family-friendly opportunities. Major league sports teams can do all this and more. Why soccer? Portland and, in fact, all of Oregon has a long-standing soccer heritage. Whether it's collegiate clubs like the university of Portland or youth soccer clubs or the women's world's cup and other international events. This region's soccer community has proven for the game. We can build on this base and as you know, it's my goal for Portland to become the most sustainable city in the world and doing so, become the hub of the nation's green hub and become the most sustainable economy in the world, Portland must build an international profile and the international language spoken most is the language of football. Soccer is the most played sport on earth. Portland has the opportunity to join with more than a dozen cities across america and hundreds across the globe to rally around their professional soccer clubs. Why now? It's a tough economy and now is the time we need to take smart risks and invest in Portland's future and I recall a touchstone -- or one of the emails i've gotten and I preserve all of the emails that have come in on both sides of this issue. Somehow, the personal address that comes to my machine is what everyone is using and it's been great. [laughter] when the machine is not smoking and ready to explode. It's been great to hear both sides and one of the emails reminded me in the depths of the last great economic sort of global catastrophe. There was another major recreational investment and except it didn't have a public partner. And that was timer line lodge. The many improvements made by the w.p.a., all with taxpayer dollars, what we're considering today, I think is very much in keeping with that, except we have tens of millions of dollars on the table from a private investor. And our private investor, merritt paulson, and the paulson family, has already demonstrated their willingness to work with us and think creatively and be resourceful. We have a partner with deep resources and willing to take on the risks that the private sector must take on at this time and make sure the deal is ones that fair and considerate to the city's need and fiscally conservative and risk adverse. Why this deal? This deal was shaped in large part by citizens' taskforce that oversaw every step of the conversation. Every member of the city council up here had an opportunity to see their choices put on the taskforce and that taskforce was armed with a set of guiding principles approved by this city council. And they set forth conditions that we have met in this proposal. No risk to the city's basic services. No reductions in basic services to fund the baseball or soccer facilities. And include a significant private vest and located in an area of the city easily accessible by light rail and bus and other modes and if the project involves touching the memorial coliseum, the city must continue to memorialize veterans. This is the cost effective way to bring soccer. You'll see this equals the lowest cost soccer stadium and many cases we're getting two stadiums for the price that other cities are paying for one. We don't hang our hat on this that this is a big economic moneymaker for the city, but it's a decent economic return. 80% of the attendees to the triple-a ballpark come from outside of the city, and this has an opportunity to be an incredibly green endeavor, given that 65% of those who attend do so by transit and locating the ballpark in the most rich transit part of the city, the rose quarter, we can see that number hit higher. It's for these -- hit higher. Randy Leonard and the deal we have negotiated and look f.y. '0forward for the healthy debate that's about to ensue. Commissioner Leonard.

Leonard: Thank you. I think you've covered the details well. I would say more globally that Portland is not the city it is because its leaders shied away from making hard decisions. We attract the businesses and people that move here because of the very, very tough decisions, such as going to be made today, that had been made in the past. Thus, we have pioneer courthouse square, thus we have parks, we have attractions and amenities. We have the blazers and all of which were decisions not unlike being made today by prior councils to make tough choices that not everybody thought was a good idea. Want to point to light rail. Some say it's excess and -- I remember in the '90s when the citizenry was up in arms and angry at city council and the legislature for supporting

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light rail. We now have lines that go almost to Washington, up interstate avenue. By the way, created only through the -- created by urban renewal dollars and we have light rail that's almost completed that will connect lents to the heart of the city. This is the city that is what it is today because of decisions like that that we're going to be making today. It is hard to calculate the impact of having the energy that is brought, and I would only compare it to the blazers. If you can compare the success of the blazers and the way it's brought this community together, those kinds of activities that will be brought with not only major league soccer but reenergized the Portland beavers located at the rose quarter, that will host concerts and venues do more for the city than just bring in dollars.

But let there be no mistake. They do bring there dollars. Those who are here today to argue against using urban renewal dollars for the p.g.e. Park, need only talk to the restaurants and shops that are in and around that will benefit mightily. From the infusion of urbanites who come in to buy and they wouldn't bother to do if they weren't going to a professional soccer game or beavers' game or blazers game. The county won't reveal the

Amount of income tax and revenues they receive from those activities. But as one of my colleagues said today, just a few moments ago, it's easy to pick a fight. It's much harder to find common ground. There's a good example of that you'll see played out here today. There should be common ground and there should be no reason for disagreement because this is a good effort for not just fans of soccer and baseball, but our entire community. Thank you.

Adams: All right. We're going to get a first -- first hear from the chair of the taskforce, the citizen taskforce, steve, and then an overview of what we're considering today from steve janik, and lou bowers.

Steve Maser, Task Force Chair: I'm steve maser, a professor of public policy at university m.b.a. Program. I want to thank you for the opportunity of allowing me to serve on this taskforce and report to you what our findings are. Three things i'd like to do, summarize the process we went through. And then summarize the recommendations. You have the written report, I believe, so i'm not going to go in great detail on that. The taskforce of 18 people was remarkably diverse taskforce of very hardworking folks. Even when early on, we realized we had a lot to do and switch from meeting every other week to on a weekly basis, people showed up all the time. When we decided there were some complex finance issues we needed to dig into, we took the financial experts on the taskforce and created a subcommittee and they met even more frequently and reported back to the taskforce. So you got an awful lot of value out of this set of folks who took it seriously and worked very diligently and hard on this for a couple of months. And I think the other value you got out of this, by the nature of the folks you put on the taskforce, we kind of reached out. I mean, people from different parts of the city would contact taskforce members and people from the taskforce would contact other people. Not just within the city, but experts around the country. I spoke to a person in the midwest who had over a dozen years of experience dealing with major league soccer on both stadium and proponent side and spoke to attorneys for major league soccer teams and you've got a lot of expertise brought it the table. And always we were asking what are the questions we should be asking, what are the land mines out there and how do we provide the best advice to all of you? And so I think smart people with good intentions who worked hard on this. We started with a charge that when you look at it, basically boils down to look at what the proponents are suggesting, assess their projections on finances, I mean, at the end of the day it boils down to are they going to be able to pay the rent. Or projections on ticket sales, are those reasonable? Assess those things and look at the proposed stadium projects. Are those things reasonable and so on. Look at -- tear it apart and put it back together again and advise you on how to go forward. And by and large, that's pretty much what we did. What was the process? Well, we had a series of meetings. We heard a great deal of information. It was close to overwhelming. We heard from the proponent and the proponents' consultant, heard from city staff. We heard from the consultants that the city hired. Always assessing and evaluating projections and costs and so forth. A lot of

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financial information. And other issues as well. That we sort of worked our way through to try and formulate the advice that we wanted to give you. At the very first meeting, then mayor-elect pointed out, there were people that he knew that were opposed and some favored and some neutral. I put myself in the neutral camp at that point. And I, as the chair, sort of said -- and said this to the taskforce and I believe they agreed -- I'm going to aim to get us to a consensus at the end of the day on this. There are two main reasons why. One, I felt that you and the city even the proponents, all the parties involved, would be better served if this group came to a consensus whatever it decided to come to a consensus on. Secondly, the process we used to come to a consensus, while it's a little bit more time consuming, and if you look at the videos of the meetings, you'll see the occasional frustrations across the faces of the taskforce members. But the process is one where you dig deeply into what the members' concerns are and try and tease out those concerns to get a more complete and thorough assessment of the issues. I wanted people to walk away from the table, not saying, my issue was heard and lost. I wanted them to say, my issue was heard and addressed and addressed in a way that was satisfactory. I can live with it and people walking away, you know, I support that, that's good advice to the council. So we sought a consensus, and to my amazement, got there at the end. Within a few weeks of the end of the process, we took a straw poll and surprised ourselves to discover that I think it was 17-1 on a very informal poll: Are you inclined to support this or not? After all we'd heard, people were generally inclined to support it. The devil is in the details. Why do you support it and what are your remaining concerns? We spent the final weeks digging into the basis for any reservation and could we address them in the conditions that you see in the recommendation. About two weeks before the end, we had a period of public comment. Which was very helpful. We heard from about 35 people who came largely in support. But five or six who were opposed and very articulate in their concerns and it was helpful and their issues we had not paid enough attention to and we did try to and those found their way into the final recommendation you've received. So let me summarize the recommendations. They're in categories and the most significant one was the financial issues. This was a group that was very adverse to putting the city at risk. I mean very resistant. Not only was there concern that no dollars that might be used for public programs for basic city services funded by the general fund that either current or projected programs -- we argued over wording here -- that no dollars be spent on this project from the general fund. Not only that, but the general fund shouldn't be put at risk to the extent possible if the general fund has to back any bonds that are sold. I mean, this group said, ok. This is a good project. The projections are reasonable. If we can do it, if it pencils out, we should. But don't put the city at risk. And you see that being instructed through the first set of recommendations. And I would say that as a general principle, the concept. Using city spectator funds to support the project, there was a general consensus that's an ok idea. Because the funds that flow into the city spectator funds are funds on the rents paid for the use of the facilities and fees and taxes and surcharge that is people who go to the events pay, parking paid for by people who go to the events and park in city-owned garages. The flow of money goes into the fund from the people who are benefiting from the investment you're considering making and to the event that the people who are benefiting are bearing a significant portion of the costs that's a reasonable principle. I don't think we had any question about was it ok to use city spectator funds for this. Just to look at this project on its merits. That principle was important and we accepted that. The issue was, well, generally the general fund might back the guarantees on bonds issued by the flow of revenues into the spectator fund and that's where we said, our advice is to find a way to guarantee that. Guarantee through private parties and I think the taskforce will be pleased to see that the proposed deal on the taken does have the proponent coming up with guarantees for those bonds for the life of the bond. I think that's consistent with our advice and members of the taskforce, satisfied and pleased to see that that happens. The amount of bonding available from the spectator funds, you change different assumptions and different features of the proposal comes up. The last figure, was around \$31

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million, I think. Again, the presumption is those funds aren't going to be used for other things. No city services are at risk. But at the dollar value increases, it make the guarantee more important and negotiated in a way that the city feels is secure. 25 years is a long time to carry a guarantee. But there are ways of doing that, and our advice is that those doing the negotiations make sure that's a really tight guarantee. There's -- one of the things I heard time and again from people in the area and many of us did outside the area is a classic problem in these projects is cost overruns. We said at the very least, cap the city exposure to cost overruns. The concern about are the bonds saleable and the fact that the bonds may be available to be placed privately is a great advantage on this. It is consistent with that advice. The urban renewal issue, I would say that I didn't sense on the taskforce, and it's the longest paragraph in here -- I didn't sense on the taskforce any concern with the concept of using urban renewal funds for this purpose. It was not an unusual way to use urban renewal funds. We were mindful with representatives from the different neighborhoods that could be affected serving on taskforce that there were alternative ways to spend the funds. But the taskforce, I think, ultimately reached the conclusion, this is not an open checkbook. Spend as much of the dollars as you want. But the neighborhoods were willing to spend a portion of what the bonding capacity was to those districts to the project. And since you're involved in that process and the neighborhoods themselves are involved in the process of making those decisions, the taskforce basically said well, if that process concludes that this is a good use of those funds, then that's fine because the right people are involved and who know the best use of those funds. I would actually say probably the -- toward the end of the meetings, the most contentious issue involved the use of open space public park and you're going to hear from another member of the taskforce, mike, who has sent you a letter as well. I'm not going to dwell on that. And to the extent that a new basketball park winds up not in an open space park area but in the rose quarter, that issue is sort of addressed in a way. The underlying premise is the view that any city-owned land is valuable and shouldn't be treated as something that's stereo cost. Especially if it's open source park land where we have an increasing population and neighborhoods of the city that are not well served by parks and that should be a serious consideration in your decision where to locate infrastructure. So I -- there were other issues you'll see there, involving memorializing veterans and jobs and labor related issues but I think that covers the highlights.

Adams: Questions for steve?

Leonard: I want it say I wasn't it a number of taskforce meetings and participated. How much I appreciated your leadership, steve. You really were the right person to do this, because it required a lot of patience and listening skills and collaborative skills and you displayed all of those and I don't think the taskforce could have been successful without your work. I want to thank you very much for a great job.

Maser: Thank you.

Adams: You did a fantastic job.

Maser: Thanks.

Adams: Commissioner Fritz.

Fritz: You have done a good job. It was my understanding that the original charge was to provide input on a preferred site.

Maser: It was, that was the original charge. And the original charge really was overwhelming and we kept trying to dig in and narrow it down and focus on it and even going to set r set up a subcommittee to assess sites. Two things happened. We had to figure out a way to focus in under the time line, the soccer league needing a decision. That was one issue. And so we gave priority and commissioner Leonard advised us on that. To give priority on the soccer issue, but couldn't really completely separate it out because changing p.g.e. Park meant the beavers moving and -- so we never -- we got to the point of saying we really don't have the time to make a decision on the site. The decision on the site to some extent is also a political decision and that's not our charge.

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You guys are elected to make that decision. But we said let's spend time talking about criteria. You see in the recommendations, if we were in your shoes, these are the things we would look at closely in making the decision. That's about as far as we could take it. If we had tried to reach a consensus, or any decision on-site, we couldn't have gotten as far as we did by today.

Fritz: Thank you. So your recommendation is for us to consider the highest and best use of the land in the rose quarter, you didn't do any of that study?

Maser: No, we heard evidence on it and we became aware this is going to take a lot more digging on our parts. There were arguments, the two primary sites, lents and the rose quarter, good arguments and concerns on both of those and I think you have that information.

Fritz: My final question. The condition of jobs. Was there a lot of discussion on the need to make sure we have good family-wage jobs?

Maser: Certainly -- yeah, he would have liked to have more time to talk about those issues. A lot of that came up as a result of public comment and the proponents of those concerns approached a number of us individually and we talked about it and there was a concern at the minimum, if this project moves forward, it's compliant with the city's fair wage and other kinds of existing statutes. And I think that comes -- tried to come through in the final recommendations.

Fritz: Thank you.

Adams: Other questions of steve.

Fish: I'd like to echo my colleagues' comments. Thank you for your service on this taskforce. While I wasn't able to attend live I did watch some on cable tv.

Maser: Ah, thrilling. [laughter]

Fish: Actually, more interesting than I thought it would be.

Maser: I got complemented on my attire from a neighbor who watched it on cable tv. [laughter]

Fish: Let me say, you look great on tv.

Maser: Thank you.

Fish: So I had a few questions off the report. And just to make sure I understand where the committee came down. In your testimony, you talked about the portion of the financing that comes out of an urban renewal district and this plan contemplates money coming out of urban renewal on both sides of the river. One is an established district on the east side. One is a to-be-formed on the west side. You say we should take into consideration reports and projects that have been identified within the urban renewal. How do we do that in a to-be-determined urban renewal on the west side?

Maser: Well, that's a good question and part of my answer, the taskforce relied on the processes that are in place to make shows determinations. Meaning, to the extent that in the p.g.e. Park venue, as I understand it, and let me say i'm not an expert on urban renewal here, and actually, I should have said it earlier. Let me also point out that the extent we have a variety of different expertise on the panel, we couldn't have done what we did without the support of city staff. Others who were far more knowledgeable were very critical to helping the taskforce move along and that's the indicate in these urban renewal questions as well. The presumption is that the urban renewal area and the p.g.e. Area is going to be expanded to include it, some unspecified boundaries, the p.d.c. Will be involved. The neighborhoods, the major institutions like Portland state. That's going to have to happen over the next, ideally, six or 24 months and in the process of that happening, those decisions will get made. So it's really -- the answer is more one of we're relying on the process to produce, you know, that decision in the sense that the best information we had was some neighborhood people at the table and so forth, we think this is a good thing, within limits, we're willing to see some of our -- the capacity from that neighborhood go toward this project. We didn't come down with a fixed answer on that.

Fish: So of all the pieces of the financing, to me, this one seems the most vulnerable in the sense that it's a district to be determined in a process that has not been initiated with potential legal

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challenges which have not been played. So the first p.d.c. Would have to convene a process to establish a district, boundaries and then community process about priorities and then some way to create some increment and capacity and as we've learned from the river district experience, we might have to survive a luba appeal or two. And on and on. The \$15 million from the piece of financing on this piece, did the taskforce consider other alternatives to the \$15 million from a to be formed urban renewal district?

Maser: Two things. Partly on that issue -- as city council, you are some of key decision makers in those decisions. In other words, you have significant impact yourselves on what will happen there. And so the taskforce had confidence in your decision making in that regard. In terms of the \$15 million, we looked for every source of money we could come up with. And we couldn't find other sources. I mean, i'm not saying someone he is couldn't find it. We tried. What other things could we consider. I was pleased to see in the proposed reports, one of the things proposed is a ticket surcharge. But other than a contribution from the private parties, we couldn't come up with anything. In principle, some use of urban renewal funds was acceptable, especially with the as for of the p.d.c. And the council and local area, we stayed with that. I should say there's public benefit to these projects too, which can justify some of that.

Fish: When I got a briefing last week from ken rust, the money coming out of the urban renewal on the east side, in the form of zero coupon bonds, where the costs of that increment are not carried by other jurisdictions. There no impact on Multnomah county or other taxing authority because of the kind of urban renewal district it is. On the west side, it's a more traditional urban renewal district where there's some cost. I'd like to shift for a moment to the revenue projection. And I want to make sure that I understand that the revenue projections for major league soccer at p.g.e. And baseball, as I understood it, were based on a pro forma prepared by shortstop l.l.c.; is that correct?

Maser: And then reviewed by the city consultants and we heard a report from the city consultants on that.

Fish: I want to come back to that in a second of there was a present report recently raising the question of why miami, montreal and atlanta passed on major league soccer. What struck me about all three cities is that they are established venues for other professional teams. They each have a professional football and baseball team. In the case of montreal it's cfn and not nfl. Is there anything different about their experience instructive in terms of how we review this proposal? Is there something they learned about this that we need to consider as we evaluate it?

Maser: Well, I guess based on -- and others of the taskforce, you should ask that question as well. Based on what we heard, we heard reasonable argument that is the Portland market could support two significant or major league franchises. There'd be questions about a third. So we had some evidence from credible sources that a second major league franchise could be viable and successful here. The concern is how deep and large is the market and how many of those kinds of entertainment options would be successful from a business sense in this model. Meaning, can the proponent pay the rent and generate the funds into the spectator fund. I haven't followed the details of those other cities well and I know that one of the cities remaining in contention for one of the major league soccer franchises, I think it's st. Louis, is having trouble because they don't have a major sponsor for their proposal. So you have in place, as mayor Adams said, Portland has a major private sponsor. So you have to ask yourself, do you have the private support. That would be something that you need to be concerned about. Otherwise, i'm not sufficiently aware of why those cities pulled out.

Fish: Mayor, if I could ask one more question.

Adams: Sure.

Fish: Helpful to me. Was a market survey done gauging demand for an mls in this region?

Maser: I don't know, that's an excellent question. The taskforce would like to have had more information. You always want more information. Never have all of information you want. We got

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market research data. Sort of like a qualified yes or no, depending on how you frame it. We got a lot of market information that compared the Portland market to comparable and other markets. And we kept asking for more. And what we would have liked to have seen was in the field market research study of demand for soccer and triple-a baseball. We had the history of triple-a baseball. That's helpful. You're projecting on major league soccer. What was persuasive to many of us, we were able to get hard data on how much attendance at soccer games increased in cities that went from a timbers league type of -- to major league soccer. And that was hard data that suggested attendance would triple or quadruple. Which made the projections more credible. That was only one piece. The city didn't have the -- we didn't have the time to put a study like that in the field. And we didn't get one from the proponents.

Adams: And it's one reason why the guarantee we'll talk about in a minute, why the guarantee, why you made that condition on your recommendation.

Leonard: If I -- unless commissioner Fish has another question.

Fish: No, thank you very much.

Leonard: I wanted to illuminate the point you made. A very significant point. The question commissioner Fish had regarding the pro forma, the projected amount of attendees, the fan base, is interesting, but fortunately for our discussion, quite irrelevant, because we entered into an agreement with the owner that guarantees he will make the payments to p.g.e. Park and to the triple-a baseball stadium, where there's one fan or 25,000 fans. Our economic interests are get through the personal guarantee he's made to make those payments and doesn't really change our bottom line at all. So that's a very, very significant part of this agreement that must be considered as we had this -- have this debate today.

Adams: Commissioner Saltzman.

Saltzman: Thank you for your work. The committee took as a basic parameter that a new u.ment a. Was part of the mix so you didn't have to get into the politicking of forming urban renewal.

Maser: We assumed there were processes in place to accomplish that and relied on that.

Saltzman: You talked a lot about the taskforce being very risk -- city being risk adverse with respect to the general fund and didn't get into urban renewal and its impact on county and school district --

Maser: I wouldn't say we got too deeply into that and again, on the presumption that the council itself is one of the key decision makers -- not then 0 one, but sort of within your control to influence what happens there. If you decide to do that we would rely on that.

Saltzman: Thanks.

Adams: Any more questions for steve. Thank you, you did a fantastic job. [applause] the fire marshal, didn't like anyone standing up in the back anywhere in the room. So if you can squeeze together and let folks sit. That includes you down here as well. They don't like us standing. Chair, wheeler, you can stand, but -- [laughter] you can stand, but nobody else. All right, we're now going to get a briefing on exactly what are we considering today. And if I could please have four people come forward. Need to grab another chair. Steve janik --

Leonard: Did you read both of these together? 225 and 226?

Adams: Why don't we do the second one. Thank you. Read the title for 226.

Item 226 read.

Leonard: Before you move on, a matter of procedure, the item 226 is a placeholder, a generically crafted placeholder. I have here the substitute resolution along with the addendum that can be moved and substituted. I would recommend we do that now so we're actually discussing the actual deal.

Adams: I just want a disclaimer to the audience. This is a procedural vote on a substitution of what we're actually considering today for a placeholder that was on the council agenda. The substitution vote does not indicate support or lack of support for the event vote on the substance of the

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resolution. It's been moved. Do I hear a second? Second. Been moved and seconded on the substitution.

Leonard: And this is for discussion purposes only. It doesn't commit --

Fish: [inaudible] a discussion on this?

Leonard: Actually, if we can't discuss it until we adopt it as the item that we're actually discussing.

Fish: I don't mean the discussion on the substance of it. I just want to ask a question before we move an amendment. Is this materially different than what I was given on Monday as a draft?

Leonard: No.

Adams: Materially different, no.

Fish: Are there differences?

Adams: You will be pointed out -- [inaudible]

Leonard: If you -- if you look at the language --

Adams: Talking about this.

Leonard: I understand that. If you look at the language, it reflects what the agreement was between the parties on Monday.

Adams: And we'll walk through it in portion of the presentation in detail. I would like to get it on the floor so we're considering this.

Fritz: I'm confused on what we're voting on.

Leonard: This is a parliamentary procedure. To actually have the discussion, we're pretending to have, we have to adopt this.

Fritz: Thank you.

Leonard: Which doesn't commit anyone to support it when we vote.

Fritz: Thank you.

Adams: All right. Any additional discussion? Anyone want to testify on the amendment? Karla, please call the roll.

Fritz: Aye. **Fish:** Aye. **Saltzman:** Aye. **Leonard:** Aye.

Adams: Aye. [gavel pounded] do we have two of them or just one? Just the one?

Leonard: You have the resolution and then the addendum.

Adams: We only need to amend one thing.

Leonard: Correct.

Adams: Mr. Janik, glad you're here.

Steve Janik, Counsel to the City: Good morning, members of the council. I'm Steve Janik. A lawyer, acting as outside counsel to the city on this transaction in conjunction with working with the city attorney's office. The resolution before you is not a legally binding agreement. Rather, it sets forth the basic terms of a proposed transaction with Mr. Paulson. If this resolution passes, the process that we'll be going through will be to negotiate the definitive documents and we plan to bring those before the council not later than August 1st. Within those documents, there will be numerous contingencies that must be satisfied and it's our hope we'll be able to have those contingencies resolved or not by September 1 and it will not be until you're completely satisfied with all of the contingencies that you have any binding obligations. The process we've seen here is very similar to what we went through when we did the Rose Garden transaction. It started with a citizenry advisory committee. At that time, called the Blue Ribbon Taskforce. And the city advisory committee fiscally evaluated the proposal and set out the concepts and criteria and standards to guide the transaction. We then entered into a memorandum of agreement, nonbinding similar to the resolution before you today. And then ensued unfortunately, months of difficult negotiations that ultimately concluded in the definitive documents that again contained contingent contingencies where the city had to be satisfied before the cities with obligated to proceed. That's the same we'll be doing here. In terms of financing, as you know, the total amount is \$129 million. Which

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includes the \$40 million fee charged by mls for the acquisition of the franchise and team. Mr. Paulson will be paying that \$40 million. That brings us down to \$89 million in construction costs -- \$89 million. For building a new triple-a baseball stadium and renovating p.g.e. The city's obligation is three-fold. First, the city, the deal proposes if the new west side downtown urban renewal area is formed, then of that apparently, about \$500 million worth of bondable value, \$15 million would be allocated to this transaction. Secondly, out of the existing Oregon convention center urban renewal district, where there's bonding capacity of approximately \$26 million. \$18.5 million of that capacity will be used to sell tax increment-backed bonds. Third, we have the spectator facility fund which you heard about in Steve Maser's report. That is a fund that originated out of the Rose Garden transaction, where the city, by contract, charges a user fee of 6% on every ticket sold. And the funds that go into that spectator facility account are to be used namely city-owned spectator facilities. Within that fund today, is a capital reserve of about \$2.5 million, which I'll talk about in a moment. That is required to be used for -- again, its namesake purpose, which is capital improvements to the city's spectator facilities. Now we have Mr. Paulson's facilities. Toward the \$89 million capital cost, he has to write a check for \$12.35 million. And otherwise raise contribute, the remaining \$11.8 million. As to those two dollar amount, the city has no obligation. No contingent obligation, no backup obligation. As you can see because of the three bonding sources we're using, the general fund dollars are not being used. The general fund dollars are not pledged and the city's financial obligation is capped. Now, out of p.g.e. Park, the original deal, where we looked at achieving upside for the city's investment, we learned the lesson that it's difficult to rely upon projections, market estimates or anything else. In this deal, we've gone a different direction. We've looked to achieve the highest degree of certainty that what this transaction, what these teams will contribute to the spectator facility fund will be absolutely assured. What these teams will contribute to the spectator fund will be rent on the new triple-a baseball, rent on the new major league soccer stadium, the user fee on every ticket sold at either of these facilities. And that user fee, Mr. Paulson has agreed to increase from 6% to 7% and agreed to guarantee for 25 years the agreed upon projected amount of rent, which increases over time, the agreed upon projected user fees to come out of both facilities and agreed to do so even if nobody shows up, even if the league folds, it will be an unconditional personal guarantee of Mr. Paulson and his family. What this takes away from the city is the risk of how these businesses operate. And whether they succeed. That was a risk we participated in in p.g.e. Park and it didn't work out. That's one of the most fundamental changes in this transaction and reflects the directive of the city council, the directive of the taskforce, to find a way to make this such that general funds would never be at risk. Some might be familiar with guarantees. Hopefully you've never had to sign any. It means what it says. It's legally enforceable. Unconditional and not difficult to enforce. It's a simple issue: Did you meet your obligation to pay the agreed amount of user fees? If not, you guaranteed it, write a check. In addition to that, the people who will be on this guarantee have very, very substantial net worth, as has been publicly reported. But as in the Rose Garden transaction, we'll be reviewing the financial statements to make sure of the accuracy and depth of that resource. The only other matter I'd like to talk about is cost overruns. As I noted before, the city has \$2.5 million in hand in the capital reserve account. And in negotiating how we split up the risk of cost overruns, we have to recognize two things. Number one, the budget estimates we have now are just that. They're estimates. Number two, these are city-owned facilities and the city will get the benefit of these facilities forever. So consequently, if there is some cost overrun, what we looked at, again, was capping the city's risk. And we've capped the cost overrun at the existing \$2.5 million that we now have. Above that, Mr. Paulson is responsible for all cost overruns beyond that amount. Whatever they might be. The city has no sort of contingent liability on any other portion of the cost overrun amounts. So I think we have crafted a transaction here that protects the general fund as we were directed to do. Alleviates any concern we have on how profitable these businesses

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might be or operate. And we've seized the opportunity to take advantage of an excellent partner, a partner who has made a strong commitment by already buying teams here and has the financial strength to back up these commitments. Now, again as I started, I pointed out this is just the beginning and there will be no legally binding agreement until we come back to you, if this resolution passes months from now with a big stack of documents for you to approve. Within those documents will be a number of important contingencies that the city has to be satisfied with before you're object gifted to proceed. First, the documents themselves. The devil is in the details, and unfortunately, we'll be asking you to look at the detail. Next, you have to approve the plans and specifications. It's not as though -- specifications. It's not like you're going it take a hands off approach. And that goes beyond your normal design review function. These will be city owned. You have to approve the contract itself and the contractor. Again, as I mentioned, we have it review the financial strength behind the guarantees, and you have to decide politically whether you want to form the new downtown west urban renewal area and with respect to the bonds we've mentioned here, you would have to make the determination that they are marketable. We will not be object gifted unless the bonds can -- obligated unless the bonds can be sold. And there has to be proof of the paulson contributions. Those are the most important, I think, of the contingencies that have to be met before we have a binding deal. If you have questions --

Adams: We're going to hear from everybody and then take questions. Kim, can you talk through the zero coupon bond. Why this doesn't raid any county, city, or school district or port on the o.c.c. Side and talk about the net costs of the tax increment on the west side. Potential tax increment and then your overall take on the financial picture.

Ken Rust: For the record, i'm ken rust, the director of the office of management and finance. And the city's chief Administrator officer and the chief financial worrier for the city. There are three risk areas i'm concerned about. Steve does a good job of outlining. Them there's financing risk that would be imposed on the city. And then the construction cost risk. And the -- dismiss the last one first. It's the easiest. We do is \$2.5 million. Very unique and positive for the city and haven't had the best of luck with construction projects and I can imagine a tram project that --

Adams: Amen.

Rust: In terms of business risk, this is an unique transaction in that we have for the p.g.e. Park and the new triple-a baseball stadium venue, a guarantee of the projected revenues the city would receive. This is akin to a take or pay contract that we've used elsewhere for the hydroelectric project, for example, that puts the burden on a third party to deliver us revenues regards of what happens. And so that's an important part of the way we've been looking at this transaction, trying to make sure we can manage the risk. We know there are risks involved and the best projections are simply a set of projections. It's important to note that part of the financial is based on \$31 million of spectator facilities fund bonds. These are bonds backed by the general fund but expected to be paid for from spectator facilities revenues. A finance technique we've used successful for the rose quarter to this point. Because not all of those revenues are from the baseball or soccer-related venue, it's important for the city to realize about \$20 million of the \$31 million of financing represents future revenues to be generated from rose quarter facilities. Primarily the rose garden and we have the risk that those forecasts may not turn out to be as accurate and that's a risk we have to be careful about and manage. As we did when we went into the relationship with the blazers for the rose quarter. That's not covered by the paulson family guarantee. In terms of financing risks, right now we have the spectator facility fund and the convention urban renewal financings require us to issue zero coupon bonds that defer the pain of -- the cash flow present for both the spectator facilities fund and the urban renewal district. That transaction we've done those kind of bonds in past. The right now the credit market conditions are supremely poor. In fact, the worst i've seen in my professional career. So the ability to tap into those markets reliably is a question mark. Obviously, if we can't access the market, we won't be obligated to deliver those funds, but right now

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that's a difficult thing to execute in the current conditions. Hopefully, over time they'll move. With respect to the convention center urban renewal district, that's an option 3 district and the revenues for that are capped. We have a fixed divide -- revenues do not grow for that urban renewal district regardless of how much additional increment may be created and each dollars created is released back to the overlapping tax jurisdictions as if it didn't exist. So the county, the city, all overlapping, today reap the benefit post measure 47/50 to treat it as an option 3 district. For purposes of going forward, there's no impact on the county by the city that the city makes to use the tax increment from the convention center urban renewal. And -- projects slated to be developed because it's utilizing a zero bond structure and so those are important things to note with the convention centerpiece of the financing plan. The last piece is the -- probably one of the most difficult for us to get our hands around. And that's the to be formed district. The city in order to feel comfort it can commit the \$15 million which would have to be done with the short term line of credit borrowing, generated in the district after its formation, we have to have some certainty that district will be formed and know what the terms and conditions will be so we're comfortable assuming that financial risk. That's something that the council will have to watch and determining how it wants to approach that financing risk. We've had very good success doing those things. A good example is the interstate urban renewal district. Made a commitment of \$30 million match for the light rail. Before the district was formed, we did a plan that it's paid off within five years. And we were successful within the time frame we expected. That's the thing we have to do here, but the fact that the district has not yet been formed does pose a unique risk. Those are the things I worry about. There's work to be done. We're at the start of making these things happen but our success depends on a lot of other factors having to be executed after today's meeting.

Adams: David, can you talk about exhibit a. The community events veterans memorial good neighbor agreement, sdc, sustainability and available -- sort of the non-financial aspects of the proposed agreement?

David Logsdon, Spectator Facilities Manager: Certainly. For the record, david, spectator facilities manager. Some of these elements address some of the broader community benefits part of this transaction. The -- merritt paulson established a foundation when he first came to Portland and acquired the current businesses in p.g.e. Park. He has made investments in youth sports and would continue to do so and increase his contribution to youth sports programs and facilities under this new arrangement with his foundation. He's also agreed to continue the practice that exists currently at p.g.e. Park of having the facility available for community events, and for activities of local high school athletic program, in particular, p.g.e. Park now, he has a close relationship with lincoln and they do a lot of practicing at p.g.e. Park currently. Those kinds of activities would be emphasized and continue at both facilities. The -- ultimately, a development at the rose quarter could impact the existing veteran's memorial. We see that as a very critical piece of any development project in the quarter. And would work diligently along with the paulson interests and veterans communities to design and locate an appropriate memorial that would continue the theme of a veteran's memorial within the rose quarter. Good neighbor agreements are a part of these large facility developments of the city. There's an existing good neighbor agreement at p.g.e. Park that would need to be opened up and modified with the transition to major league soccer and we would look for a similar structure in the siting of the new baseball facility. There's an emphasis on sustainability within the project, both in terms of the construction activities and in terms of operations. I think we found that merritt paulson has a strong environmental interest and well motivated to implement both in terms of construction phase and the operations of his businesses and facilities to have a strong emphasis on environmentally sustainable practices. So I think that's covers it.

Adams: Thank you, Lew, do you want to talk about any issues that have not been aired out in view of tax increment, including the discussions we've had around the table that we go through the

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process. We have agreements with the school district for consultation; agreements with the county for consultation and this does not create a tax increment district.

Lew Bowers, Manager, Central City Division of Portland Development Commission: As commissioner fish was getting into, if you want to proceed with this I assume what you would want to do is either recommend or direct to the next stage, a public process which would be a discussion of urban renewal area. And this project would be one that could be considered. We anticipate that would probably be a six- to nine-month conversation. The areas you've directed us to look at include the conway area, goose hollow area, the area around Portland state university, and the downtown retail corps.

Adams: And potentially the lincoln high school area?

Bowers: That would be part of goose hollow. It would come back to you as a proposal. It is not unprecedented for you to direct that certain projects would be included. In terms of the o.c.c., this money is not currently in the o.c.c. Budget. It would mean amending. The money would not be available then to the district except for the potential placement for the bonds.

Adams: Now let's open it up to questions. Commissioner Saltzman?

Saltzman: How do you have a good faith discussion with the school district and the county about whether to create a new e.r.a -- u.r.a., urban renewal area?

Bowers: My understanding is that you have committed that the county and school district will be part of those discussions, so the process is going forward. They would be at the table to have those discussions.

Saltzman: What if they don't support the idea? We've sort of jumped ahead of them then, haven't we?

Bowers: I believe the financing commitment is contingent on the approval of a new urban renewal area.

Adams: That's also sort of a city council matter. We would come to the city council to initiate the process and see what that process would look like, but it is not uncommon for this council to have sort of a desire, including the potential for projects, having been involved with the interstate urban renewal district. The council did so with some expectations, but also we put players at the table, as we did here, that would be opposed to the very creation of the district itself, and that kind of discussion is important to have.

Saltzman: I guess I would point out these decisions aren't strictly the council's anymore. We've had litigation, and we do have some other people at the table. Salem is looking closely at what to do about urban the ban -- urban renew wham -- renewal areas statewide. When are the zero bonds for the urban renewal portions to be sold? Is there a time line within the agreement?

Rust: The current agreement, as I understand now, requires us to basically have our financing commitments pretty much locked in by september one of this year if I read it correctly. We would have to begin the work very soon. If that doesn't work there's a process to change or amend the schedule, recognizing that, if we're making our best efforts, it may simply take some more time. To be able to hit a certain schedule for opening the soccer facility, assuming that the franchise is awarded to merritt's group --

Saltzman: The ideal schedule is by september 1 to have -- the bonds would be marketed? Issued?

Rust: Well, I guess -- and steve can discuss this as well. If we have an obligation to -- the ideal thing would be for us to have the bonds sold and closed and in our hands prior to any date that requires us to deliver those funds so we know we can honor our obligation.

Saltzman: Was that prior to september 1st? Prior to or on september 1st so we would know we could deliver on that particular contract element if that was what we were obligated to do. Or we will mutually agree that it will take more time and reset that schedule.

Saltzman: What if we issue the zero coupon bonds, they're issued, sold, and we're not clear on -- we're still having our process about whether to create a new urban renewal area and so there for --

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and maybe litigation or legislation may impede that process and we can't deliver on the specified schedule for the 15 million from the new to be formed urban renewal area. Is that a risk that we would have bonds issued?

Janik: No, Commissioner. The definitive documents will define that. Either the city has secured all of its three funding sources, or we don't proceed. If we find ourselves in a circumstance where, let's say, we've determined by September 1 that the o.c.c. T.i.f. Bonds are saleable; that the spectator facility bonds have been sold or there is a contract for their sale, but the new urban renewal area has not been formed, then we will not be obligated to proceed. We'll have to sit down with Mr. Paulson and say, we've got to change plans, we've got to delay. Instead of opening the facility in 2011, it may slide to 2012, and that's the reality it.

Saltzman: Any litigation that would be aimed at creating a new urban renewal area in SW Portland isn't clearing urban blight?

Janik: That's right.

Janik: So the city would never be caught in a situation where a portion of your funds have been committed. You've sold bonds, but then the other piece isn't there. It all has to come together completely secure before the city is obligated to proceed.

Rust: And we would not want to issue bonds if that was the case, because trying to unwind that after the fact, if we were stalled kind of midway through, would be extremely difficult and expensive, and I would not advise that to the council.

Adams: Just a clarifying question on the o.c.c., part of your testimony was that, given the nature of the kind of district, that accessing that available debt would remain unaccessed and the value of which would expire, is it fair to say that, if we get more development going there and get more value added in terms of development going in o.c.c. And the city, the county, and school districts and the port will then get more property taxes because they get the money off of that? Is there an upside for what we're -- potential upside for what we're proposing at o.c.c.?

Rust: Yes. In fact it's all upside. Any additional dollar of new increment is created, all of it is released to the overlapping jurisdictions as if that urban renewal district did not exist. That's the way the option 3 district in the decision we made allows for governments to share; and a tremendous amount of increment assessed value has to be released from the city's option 3 district since that decision's made.

Adams: So the more development, the more we can get the rose quarter going and we're in negotiations with the blazers right now on a framework agreement that will be coming forward to council in the next couple months; issues of a headquarters hotel that we're looking at as a possibility; the schlesingers have a property development proposal in the district as well, that's all upside.

Rust: As long as it's taxable development.

Adams: Thank you. Under law, if we were to create a new urban renewal district on the west side and it would have 30% set aside for affordable housing, which these neighborhoods have asked for more, what kind of tax increment district would it be?

Rust: My understanding is it will be the first district formed under the most restrictive set of tax increment rules, different than the ones we currently have. By that, I believe the way the new districts work -- and maybe Lew can correct me if I'm wrong -- is that when we start the consolidated tax rate that's used to produce the tax revenues against the increment assessed value, we'll include special levies that exist at the time of formation. As they wear away or as new levies are created, they are not included in the consolidated tax rate. And also the consolidated tax rate does not include the amount of taxes associated with voter-approved general obligation bond levies, so that piece is stripped away as well. The sum of the consolidated taxes that are part of the rate that produces the revenues is less and will stay less than the other districts that we currently operate.

Adams: Other questions? Commissioner Fritz?

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Fritz: I just wanted to comment to everybody that's waiting to testify, i've been in your position many times times. And the reason it's important for you to stay if you can is that we're still getting some of this information for the first time, and so we want you to be informed on what's on the table. I do appreciate you all being here and waiting. Mr. Janik, you are working for the city in this instance?

Janik: Correct.

Fritz: In the task force report the cost of the baseball stadium in the rose quarter was 87 million and now is 89 million. Can you tell me why that difference?

Janik: I can't tell you precisely. We were observers watching the price estimates come in from turner construction, and those estimates we were told are based upon turner construction, who specializes in stadiums and did the work at p.g.e. Park as well as having built the seahawks stadium, so I do not know precisely what caused the 2 or \$3 million increase.

Fritz: And then there's the \$2.5 million overrun that the city is guaranteeing in addition to that?

Janik: That's correct. If there is an overrun beyond the now \$89 million estimate, the first 2.5 million would be the cities.

Fritz: Is there a clause that we would consider an exemption from public bidding by april to expedite the work? So have we decided that's the construction company we're using?

Janik: No. What we're talking about is the bidding exemption would come before the council for you to consider without any prejudgment as to whether or not you would exempt from competitive bidding the construction contract that would be left in the future by mr. Paulson's organization. And that's probably going to be a design/build contract, which means the design work, which is going to be starting soon on the current schedule, would be wrapped into that. So in order to have the same contractor do the design and the ultimate construction work, there would have to be fairly soon an exemption from public bidding or else there would have to be the public bidding of that contract. If you choose not to exempt it, there would have to be public bidding. There are grounds for granting an exemption that are in the statute, and it will be up to you to decide whether those grounds have been met.

Fritz: And then another question on the outline of the contract. It says that system development charges, credits for demolition of the memorial coliseum will be applied. After such credits system development charges are charged on the stadium and triple a., the city will be responsible for such s.d.c.s. Wouldn't we be responsible also for the s.d.c.s done on the memorial coliseum demolition?

Janik: I don't believe there are any s.d.c.s on the construction itself. The memorial coliseum being knocked down, you're eliminating the transportation impact from 12,900 seats. If you replace that with only 9000 seats, the net impact on transportation should be positive, not negative. So the idea is that those unused credits would be applied to the increase in the number of seats over at p.g.e. Park. But right now there is really work to be done in the detail on how the s.d.c.s work. There is currently not an s.d.c. Methodology that applies to a new public stadium.

Fritz: Well, i'm concerned about that. It sounds like what you just said is there are going to be fewer people going to the rose quarter stadium than currently to the coliseum.

Janik: There will be fewer seats, because it will be taking 12,900 seat facility and replacing it with a 9000 seat facility.

Fritz: Ok. I have some questions on the zero coupon bonds? What would be the interest rate? And when would they be paid off?

Rust: I don't know if we have a really good bead on the interest rate. My understanding is that they would be taxable municipal bonds so wouldn't be exempt from federal income tax. Actually then might be exempt from state income tax but that probably won't make a big difference in interest rate. Credit markets are pretty crummy right now. It might be a very expensive piece of taxable finance. If we saw rates in the 8 or 9% range, that would not surprise me whatsoever. In terms of terms for the bonds, the maximum term we've done is 20 years and I don't think we can

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extend the term any longer than that because of the peculiar constraints we have on tax increment financing. That may be a little different on the spectator side since we have zero-coupon bonds there as well. The most that we would be going out on the spectator facility site would be 25 years.

Fritz: So they would expire sometime in the 2020 period. How would we pay off the balloon payments at the end with the interest?

Rust: We're looking at the projection of revenues. Let's take, for example, spectator facilities. When the revenues -- and those revenues are projected to grow over time. When the current bonds fall away, which is 2017, the rose quarter bonds are expired or matured rather. The zero coupon bonds, as they mature, are scheduled to increase at a rate that's consistent with our projection of revenues, so they will match up that cash flow over time.

Fritz: The use of the spectator funds, the money that is paid into the spectator fund, could that only be used in the spectator facilities or could it come into the general fund?

Rust: I believe as long as bonds are outstanding it's limited to the spectator facilities.

Fritz: Once they're not?

Rust: It's possible, but that would be some time down the road.

Fritz: If we didn't borrow more than the current bonds on the rose quarter, it would expire when?

Rust: Right now 2017 is when the current set of bonds are scheduled to expire. We also back stop the p.g.e. Park bonds with spectator facilities funds revenue, so we would be careful about making sure those bonds are paid off also. I think they mature in 2023, 2024.

Fritz: You mentioned that the borrowing for the \$15 million in the new urban renewal district hadn't been create yet -- created yet, would be backed by the general fund?

Rust: Correct.

Fritz: Do we have to have general funds set aside for it?

Rust: Generally the answer on that is no. When we're fronting for an urban renewal district --and we do this quite a bit, it's not unusual-- is, in advance of the increment arriving, we actually do a general fund back borrowing, give those proceeds to p.d.c., and interest on that line of credit is also paid through the line of credit facility, so we actually have an arrangement with the bank that we can withdraw when payments are due. When the increment grows to a certain level then we take out the line of credit borrowing with a long-term tax increment financing. So the structure is designed, while backed by the general fund to not have a general fund financial resource claim during the time that it's outstanding.

Fritz: I have one question for Lew. For the affordable housing, 30% set aside for the convention center district, have we already satisfied that and would the 18 million that's going to be added in borrowing -- would we have to have another portion of that for more affordable housing?

Bowers: The current agreement in the occ is that there would be 26% affordable housing set aside. With an increase, there would be an additional affordable housing requirement.

Fritz: Was that taken into account when setting the amount that would need to be borrowed for the zero coupon bonds?

Adams: We've contemplated between commissioner Leonard and myself it would be about a 4.8 requirement, and that we would make up for that on the west side in the creation of the new urban renewal district.

Fritz: Thank you.

Adams: I had a question. I've been looking for that number on the spectator fund bonds. What percentage do you estimate of the \$31 million -- how much of that is going to be from arena facilities and how much from anticipated a.a.a.?

Rust: The rose quarter, of the \$31 million of financing, our estimates i'll round too 21,400,000 is the estimate, but we have a pretty precise objection to that.

Adams: For the arena?

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Rust: That would be backed by rose quarter revenues.

Adams: Basically \$21 million would be coming from the blazers.

Rust: When the dust would settle on this deal the city would have about \$28.5 million outstanding on the existing pge park; and then \$31 million of additional borrowing for these new projects. About 40% of that would be from the rose quarter activity, paid for, not part of the guarantee; about 40% guaranteed by triple-a and mls related revenues; and about 20% would come from the agreement we have with the visitor development initiative to contribute money to the debt service payments on the existing pge park bonds.

Adams: So the estimated value of the guarantee that merritt Paulson and his family would have to make, the dollar amount related to the rose quarter and new soccer stadium a pge of the \$31 million source--

Rust: About 9 million for that.

Adams: Ok. And then you talked about the -- so the rest of that is from the anticipated proceeds of continuing blazers and arena obligations.

Janik: Correct.

Adams: And we talked around the table of making sure we have adequate contingencies. Let's say there's an nba lookout for three years.

Rust: We've always been concerned about the rose quarter in terms of the dominant use by the blazers. We have a full year of reserve in the operating fund equivalent to what the Blazers produce because they are 55-65% of the total revenues of the rose garden. In fact we had to use that one year when there was a lockout when the rose quarter opened. Within a year or so, there was a lockout that affected revenues. We're very mindful of that experience and do have money set aside for that. We've gone through kind of a slow period with the trail blazer as their fortunes sort of turned south and now seem to be headed back up. We have some reserves set aside for that that are designed to protect the city's general fund.

Adams: Any other questions from council?

Fish: I have a few, and I had not seen the revised contract until this morning, so i'll try to operate within the ground rules reviewing approach posed contract for a 128 million-dollar deal in the 3 hours that have been set aside for council to do this. Steve, you've describe a process where we're being asked to sign off on a document which has about six or seven major contingencies in them. If not satisfied, we'll have to pull out of the deal.

Janik: Correct.

Fish: As a council, we're used to voting on contracts to do something. What is this called? What is this deal that we are being asked to vote on today?

Janik: It's not an agreement. It's an outline of business terms. This is exactly what happened in the case of the rose garden.

Fish: So we're being asked to give the green light to what is in effect a further negotiation?

Janik: Right. You're being asked to approve a framework deal structure that contains within it will contingencies so the parties can move forward to negotiate the definitive documents and so that mr. Paulson can go to major league soccer and say that, if you award me a franchise, here are the parameters. Not a binding situation but the parameters of an agreement with the city for the facilities.

Fish: So armed with this -- and you've artfully describe a huge number of optouts for us if certain things don't happen.

Janik: Right.

Fish: Armed with this, mr. Paulson goes to m.l.s. Tomorrow, and they decide as of monday to award a franchise, and then the city council, by september 1, learns that the financing doesn't pencil out and pulls the plug on the deal. What happens then?

Janik: Then there won't be a deal.

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Fish: What happens to the franchise?

Janik: That's for mr. Paulson and the m.l.s. to decide.

Leonard: All we're doing here is authorizing merritt to make a proposal to major league soccer. It's not indicating our intentions to try to enter into an agreement. At any point that we decide we're not satisfied with any of the conditions, we can pull out.

Fish: I'm trying to figure out what this is. But nonetheless we're being asked to make a judgment about some terms, some of which i've not seen before, so I have a few questions i'd like to ask to get answers. I understand, Karla, there are 44 people waiting to testify?

Adams: We're going to be here a while.

Fish: What does a personal guarantee mean?

Janik: It's a legal document by which the person who signs it guarantees somebody else's performance or payment obligation, and therefore it becomes a personal obligation.

Fish: I assume we've looked at their net worth statement.

Janik: Correct.

Fish: I'm familiar, in a construction context, there's a performance bond which is obtained to make sure, if there's a breach, you get your money. How do you collect on a personal guarantee?

Janik: It's easy. You file a lawsuit.

Fish: Ok.

Janik: I mean, in your case, in the construction world, there are two types of bonds. There are payment bonds and performance bonds. Performance means the bonding company will complete the job. Payment bond means they will pay any subcontractors that didn't get paid. And it's very difficult sometimes to collect from a bonding company. In the case of a personal guarantee, you have an individual who has pledged all of their net worth, all of their assets, and all you have to do to collect on a personal guarantee is to file a lawsuit, and the issue is was the guaranteed payment made? If not, that's the end of the subject. With a judgment, you would have a judgment against all of their real and personal property and assets, where are located, and the judgment has a 10-year duration have can be renewed periodically until it's satisfied.

Fish: And i'm guessing that, in a lawsuit, mr. Paulson could say that he's not on the hook because the city might have breached one of its obligations.

Janik: No. We're not going to accept a conditional guarantee like that.

Fish: So it would be a guarantee where he waives any defenses?

Janik: He would waive any defenses to the guarantee. If he felt that we had somehow breached our obligation, he'd be able to separately pursue that under the legal structure that we would put in place. But remember the guarantee doesn't go into effect until the facilities are all built, and I don't think, on an ongoing basis, after the facilities are built the city's going to have any responsibilities other than the operating agreement.

Fish: Under the proposed bill, who pays for the demolition of the memorial coliseum?

Janik: That demolition is included in the estimated cost of 9 million.

Fish: We have about \$5 million in our contingency in that spectator's fund?

Logsdon: Well, there's a total of about \$6.5 million, 2.5 which would be the capitol reserve account and about \$4 million which is our operating reserve.

Fish: We're contemplating taking 2.5 million and applying it potentially to a cost overrun pool?

Rust: If necessary.

Fish: If you would that be the extent of our exposure under that fund?

Rust: Yes.

Fish: There's a proposal about monitoring implementation. Is that something that was negotiated, discussed across the table or is that something that, commissioner Leonard, you have added as a requirement?

Leonard: Yes.

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Adams: Under the arena agreement, the city presents their representatives and the other side also. Representation would be approved by city council.

Janik: That's what happened in the rose garden. The problem is, as we move through the next few months, we're going to need guidance and direction as we develop these detailed documents, and it would be hard, every time we needed guidance and direction, to show up in front of the city council and to discuss that and reveal our position to the other side that we're negotiating with. What occurred in the rose garden was the city council designated one or two council members to kind of serve as a sounding board to help us as we worked through these issues, and that's what's contemplated here: Representatives from the council, p.d.c. So that we can get direction and guidance.

Fish: The mayor and I are strong supporters of the 2% to the arts program. There's a provision that says the 2% for arts may be used to pay for this memorial.

Janik: The other side wanted to make it clear that the memorial to the veterans that they would design and build would be a suitable use of the 2% for arts coming from this facility, and that would be because it will have artistic elements of design, and it will be a public sort of art display in effect.

Fish: So the 2% is not going to be taken out for art at the site. It is going to be put into the pro forma?

Janik: No. It will be the 2% that is in the pro forma to pay for art can be used in part or in whole to pay part of the cost of the memorial that is going to be designed as a memorial to the veterans.

Fish: And who ultimately making the decision on the question of how the 2% is spent?

Janik: Well, you make the ultimate decision on the design of the veterans memorial.

Fish: Are there any restrictions on our ability to demolish memorial coliseum currently?

Janik: No.

Fish: We have no agreement with any party that limits our ability to demolish the coliseum?

Janik: We have agreements with the trail blazer, but those agreements don't limit our ability to demolish memorial coliseum.

Fish: Could I follow-up on what commissioner Fritz raised about the s.d.c.s? We have parks, water, b.d.s., pdot that we regularly deal with. Does the city have any responsibility for s.d.c.s in this project at the memorial coliseum?

Janik: Well, the intent this is that the city would find a way that the city would be responsible for any net s.d.c.s that are due.

Fish: What does that mean? What would be an example of a net s.d.c. Due on this project?

Janik: The s.d.c. Ordinances that now exist don't deal with s.d.c.s for a publicly owned arena, no way to calculate it or anything. So this is a work in process. What is represented here is a negotiated point, which is that if you knock down a facility and there by diminish its transportation impact, those are credits that could be applied to a new facility that you've built, and all that has yet to be worked out, commissioner. This is just a concept.

Fish: In the proposed construction going to the question the bidding rules, design build, and mr. Paulson having the opportunity to select his own contractor, do public rules concerning prevailing wage, construction jobs apply to that project?

Janik: I think they will apply to that project. Again, that is another detail that we have yet to get into at this stage, but that is the intent, yes.

Fish: Has anybody quantified specifically what the economic benefit of this project is? Reasonable parameters to the city of Portland.

Logsdon: I think the best source for that is mr. Paulson had an economic analysis commissioned by a firm at e.r.a., and they produced a report on that. Mr. Paulson or we could get the details on that.

Adams: Do you recall the finding?

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Logsdon: Not off the top of my head I don't.

Fish: Knowing that we're being asked to sort of get engaged, not married, probably changes a little bit how we look at this. We're here and you're there as a reason, although I still don't understand why Ken Rust doesn't have any gray hair in what he covers.

Adams: Made him blush.

Leonard: I'm sure he'll sprout some today.

Fish: I'd like to ask you, Steve, to go back to the p.g.e. Park analogy that you raised at the beginning of your remarks that are set forth in the q. and a. We've been given, because the shadow of p.g.e. Park is sort of haunting this room a little bit as we look at revising the deal with existing debt still there and lessons learned. Could you just succinctly for my benefit explain again what we did with p.g.e. Park?

Janik: In p.g.e. Park, the concern was the city was going to put money in and this group of local investors is going to make a lot of money. So the initial approach was to say we need them to guarantee a certain amount of revenue that would cover our bonds, and they were unwilling to personally guarantee anything. So the only party, quote, guaranteeing it was the entity itself that owned the teams. And in addition to that, we wanted to make sure that, if they succeeded, that the city would share in the upside. So we focused on if revenues are beyond a certain projected level we get a share of the upside on the revenues. If their profits were above a certain level, we got a share of the profits. And so we were far more dependent on the business success than enterprise. And the reason for being more confident on the success of that business enterprise was you had someone very, very experienced who was leading that coming out of the trail blazer organization, and you had a number of local business people. What we found was that the projections they had made of attendance and the projections our own consultants gave us as to attendance were off, and so we didn't realize the money we expected from that. So what we are now focusing on is don't try to participate or control the operating business. Rather look to get a very deep pocketed personal guarantee on the amount you need to service the bonds yourself. And so that's the fundamental difference.

Leonard: If I could expand on this, because this is a point that I initiated the discussion amongst our team around a very significant philosophical difference from prior deals, I am quite aware, as I'm sure you will see here demonstrated today, that there are people lying in the weeds waiting for projects like this to fail. They give no credit for when we succeed. If that deal described was fabulously wealthy but somebody tripped and broke their ankle leaving p.g.e. Park, all you would hear about is the person leaving and breaking their ankle. So for me the significant lesson had to be that we need to concern ourselves even at the expense of making future profits covering our obligations. We said to Merritt we want you to understand the philosophical difference from this deal and the p.g.e. Park deal. We are consciously making a decision. Don't think we're overlooking this aspect. We are consciously making a decision to forego any future revenues that you might realize with the success of your two businesses for the quid pro quo you assuring us a revenue stream, guaranteeing us a revenue stream so that we know our obligations will always be met without having to go to the general funds. Let me make one other point that kind of gets to the other point of those that are just looking for reasons to criticize these deals. The fact of the matter is the general fund never subsidized p.g.e. Park ever. There were those that would have you believe that. The fact of the matter is that the revenue streams that had been created to go into the spectator fund always covered the cost even at the most dire financial times for p.g.e. Park. They never encumbered the general fund. What we've got to do and have succeeded in doing is something I consider to be extraordinary in terms of deals we have constructed in the past for sports teams. The revenue streams are guaranteed, assuring us that we will never put in harm the general fund.

Adams: Just to summarize, the lessons learned at p.g.e. Park have been absolutely infused into this proposed deal.

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Rust: Also I would add that we, the financial architects of the p.g.e. Park deal, never relied on the projections to be able to be successful in order for us to pay debt service on the bonds. We were hopeful, but we planned for failure as well. We had the b.d.i. Revenues that contributed about \$21 million to the project, the spectator facilities fund behind that. We were extremely comfortable that it would never be a problem for the general fund, and that's exactly the kind of thinking structured differently in these transactions that we're trying to duplicate again.

Fish: I have high regard for my colleague and his assessment on that. I guess 1 thing I would throw in the mix is that, on the p.g.e. Park deal, there was a lot of opportunity.

Leonard: There's one today, too. Let me be clear there's a potential lost opportunity today.

Fish: I understand. The current bonds take us out quite a ways, but the flexibility of what we use the revenue for, which can be used for many things --

Leonard: If you were to advise somebody today to get into the stock market, you might say i'd advise you to put the money into a bank account forever. That probably wouldn't serve the person well in the long-term because, as we know, the stock market on the long-term performs much better. For us to get focused on aspects of the p.g.e. Bill without giving credit where credit it due, the things that were done right.

Adams: Commissioner Fish has one more question and then commissioner Saltzman.

Fish: Actually, in framing the question, my intent was to give this is steamed lawyer a softball to explain clearly why this is not p.g.e. Park reduction -- redux. I once upon a time was intimately familiar with some the lessons learned.

*******:** [laughter]

Adams: And then you used them again for the political arena.

Fish: If it was decided there were pieces we didn't like, if we had anywhere from just heartburn to a decision of the council that that should be removed, does that -- is that any different than agreeing to this but saying, between now and september 1st, we have a right to reevaluate all the terms based on new information and we can yank the deal? In other words, are we limited as a council reviewing this in our ability to modify any of the financial terms for this thing to have the effect that it needs apparently for mr. Paulson to get an award of the franchise?

Leonard: Can we remove the \$15 million west side u.r.a. Amount and substitute it for something else if the council approves this today?

Janik: If you want to, yes.

Saltzman: On the personal guarantee, we met yesterday and you told me that the only avenue out of a personal guarantee is bankruptcy.

Janik: Correct.

Adams: One last question. So part of the left on the table at o.c.c. about \$7 million in unused taxable amounts. One of the projects being contemplated that is not currently on the list is the site - - I call it the burgerville site that the schlesinger family of companies is looking to develop. And in order for that to move forward, they want to take or they would like to get \$5 million or so to have this major redevelopment occur over there. Do you know the value that would be put, not the taxable that would show up on the property taxes -- do you know the value their proposed project and how much money the schools and the county and the city and port would get as a result of that?

Bowers: I do not have those numbers. I'd be happy to get back to you with the specifics. I believe the first was about a \$100 million private investment.

Adams: The point I want to make sure, if the project moves forward, if the Portland development commission chooses to make an investment of \$5 million in it and there's \$100 million asset on what are right now underused blocks that the school district, the county, the city, and the port is getting more money that would outweigh potentially -- at least would help with any cost to them for the \$15 million that would go into the p.g.e. Park urban renewal district?

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Fritz: Can I ask a question about that?

Adams: Yes.

Fritz: How would the \$5 million for that project be funded?

Rust: One, you would have to access the same type of bond structure that we've talked about for the rose quarter projects or p.d.c. would have to decide to rearrange the priorities in the budget.

Adams: We can at least give them the same option we're giving merritt which is go out and find a buyer. This is a package, and we are very mindful of the potential impact on the county, the city, the school districts, and the port on \$15 million going to a spectator fund, and I just want to get out there, as a package, o.c.c. operates very differently than a lot of more urban renewal districts, and there's a lot of upside to this deal as well as some potential downside to this deal. If you could give me a rough estimate on that, lou, that would be great. Any other questions from council for this panel? What time is it? Ok. Chair wheeler has a 12:30, but I think it's important that we hear from merritt first and then we'll hear from chair wheeler and the other electeds -- electeds in the room. Welcome to the city council.

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

Adams: Please give us your names and we'll let you make some opening comments, and i'm sure there will be questions from the council.

Merritt Paulson: Merritt paulson, Portland of the Portland beavers and Portland timbers.

Greg Peden: Greg peden representing merritt and his interests.

Don Mazziotti: Don mazziotti represents short stop llc.

Merritt Paulson: I'm pleased to join you on what is a historic day for the people of Portland and Oregon, a day that in time people will remember along with other important decisions we have made to invest in our future and enhance our quality of life. From the beavers at vaughn street park to the buckaroos to rip city and soccer city u.s.a. To other important investments in the arts, parks, public transportation, this agreement paves the way to bring major league soccer to Portland and for even better beavers baseball in Portland. Most important, this plan creates hundreds of jobs, protects taxpayers from risks, and brings even better family-friendly, fan-friendly and community-friendly soccer and baseball to Portland and Oregon. Of the total funding plan, our ownership group has agreed to pay or guarantee a majority. Total costs. We are paying for the new soccer team, guaranteeing bonds and safeguarding against cost overruns. This is an exceptionnally -- exceptionally fair deal for the city and taxpayers. If you are a worker, this creates jobs. If you are a taxpayer, this protects you from risk. If you are a fan, this means even better soccer and baseball. If you are a veteran, this honors your service. If you use city and school athletic fields, this improves them. If you play youth sports or host civic gatherings, then hansas a place to enjoy. This revitalizes an area of the city ripe for renewal and showcases Portland to the nation and the world. I want to thank every member of the city council for their thoughtful approach and open minds. I'd like to especially thank commissioner randy Leonard and mayor sam Adams for their leadership in tough but fair negotiations and support. I want to thank the members of the citizen task force and city staff who reviewed this idea and made it better. I want to thank the people of lents, particularly the little league and neighborhood leaders who early embraced our ideas. I want to thank the fans who have made their opinions known to me and elected officials. I want to thank the citizens Portland and Oregon for their love of the teams. I want to thank you all. As we proceed with turning this dream into a reality, we proceed with turning this dream into an even more exciting reality. I'm happy to take your questions. I'd like to address a couple questions that have come up already from commissioner Fish, if I may. One was in regard to teams that were in contention, expansion markets for m.l.s. Teams that bowed out. Those were not -- the three markets you mentioned were, if I recall, miami, montreal, and atlanta. M.l.s. Is judging expansion markets with three criteria: Quality of the market for soccer, quality of the ownership group, and facility. Atlanta bowed out because they couldn't address the facility issue. They'd have to construct a new facility.

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Given the time lines, they weren't able to do so. They're still very interested. Miami was ruled out by m.l.s. Because of the quality of that market. M.l.s. Teams existed in miami before and was removed. South florida is an exceptionally difficult market for professional sports at every level that currently exists there. The nba teams, the m.l.b. Teams, and even will nfl teams all have had a bit of wind in their faces, so there's some real serious concerns about that market. This was not the owners backing out in those two circumstances. Montreal is a different circumstance. They're quibbling over the price of the team. Again, they still are interested. So that's one question. You also raised a question about economic impact. Don, please correct me if i'm wrong -- I should be able to do this in my sleep right now, but the one-time construction impact of this deal will create over 600 jobs and have an economic impact are over 150 million to the city. The ongoing impact of this project over time on an annual basis will have a \$30 million annual economic impact and will create over -- what is it? 150 jobs?

Mazziotti: That's right. Yeah. Mm-hmm.

Adams: Questions from council?

Fish: Are we hearing from the other gentlemen?

Peden: No. Only if you have questions.

Fish: They're there for protection.

Paulson: They are my secret service.

Adams: I'm frightened.

Fish: So I have a few questions. I'm going to call you merritt even though we don't know each other that well. We'll keep it informal if that's ok.

Paulson: As long as I can call you nick.

Fish: You may be calling me worst things. I'll take nick while we can.

*****: [laughter]

Fish: It may not be any of our business, but this is a public/private relationship. What is the likelihood that, in your deal with m.l.s., you'll pay less than 40 million for the franchise?

Paulson: The m.l.s. Has been very -- toed a very hard line about the \$40 million price of the team. I can't commit to you at the end of the day that will be the final purchase price but can say it'll be right around there. My understanding is that it's a 40 million-dollar deal at this point in time.

Fish: So i'm asking a question that is not a rhetorical question. You're a business person. I'm not. All of the assumptions -- assumptions assume a \$40 million contribution by you into the deal and then there's matching finances. If you are able to secure a deal with m.l.s. Where you pay less than \$40 million, is that money at a savings available to help finance the deal?

*****: In the balance, i'm out over the skis in a pretty big way on this right now. Again, i'd be willing to look at alternative plans down the road, but that's not something I would commit to, no.

Fish: You and I share a passion, and that is we're both passionate about soccer. My passion is tilted a little bit towards youth soccer partly because I want to make sure that young people in our community have the same opportunities that we're contemplating giving to a professional team. Youth soccer has become a huge sport here along with lacrosse and some others and softball and other sports. Just singling out youth soccer, what is the benefit to the youth soccer movement in this city and region bringing major league soccer to Portland?

Paulson: It's a great question, and you and I share the same commitment to youth soccer. Having a pinnacle to aspire to, the highest level of soccer being played in north america in your own city at the m.l.s. Level is a great umbrella from which to grow youth soccer overall. Our plans call for -- we're actually launching a player development league right now. Under 21, all the players are on the team under 21 and come from the area. We'll be launching a soccer c.a.d. In I in future years with all the local soccer clubs, continuing to use our players out in the field and around the community coaching and making player appearances. Having something to aspire to as a tried and

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true mechanism for encouraging and promoting youth soccer -- promoting youth soccer, and the same can be said for the other sports, the nba.

Adams: Please stick around. We might have questions later.

Leonard: I don't think there's any worry about that.

Adams: I want to thank and bring up county chair ted wheeler and Portland public school board member trudy sergeant.

*****: [applause]

Adams: Good afternoon, mr. Chair. Sorry to keep you waiting.

Ted Wheeler, Chair, Multnomah County Board of Commissioners: Thank you, mayor Adams and commissioners. My name is ted wheeler. I'm chairman of the board of county commissioners of Multnomah county. I'm here today to speak on behalf of all five members of the Multnomah county commission. First of all, I think everybody in this room knows I have some very specific concerns about the deal as it's been proposed thus far and as I understand it thus far, and I want to be clear right up front my concern has nothing to do with sock service coordination, and it has nothing to do with baseball. And I also want to make it clear that there's nothing I can say here today that takes away, in any way, from the leadership that mayor Adams and commission Leonard have shown in trying to bring m.l.s. To the city of Portland. I also want to say that this certainly, in no way, takes away from merritt paulson and his strong personal commitment both to the deal as well as his desire to make Portland a better and more livable city. I want you to also know that I value professional sports in the city of Portland. I previously served on the board of directors of the Oregon sports authority, and I know there's a number of people here today that support that organization. It works hard to bring professional sports teams and sporting events to the city Portland and Oregon at large. I understand very clearly the value of professional sports teams around basketball, baseball, and soccer in terms of fostering economic development, job growth, tourism, and fostering a sense of civic pride, which should not be understated as an important value. So i'm not opposed to soccer nor the goal on which mayor Adams and commissioner Leonard are working towards. My concern today centers on the specific manner in which this deal is proposed to be funded, as I understand it at this point, and specifically my concern and that of my fellow commissioners is the use of tax increment financing to support a large portion of this deal. Based on the testimony and some of the answers given, there are still obvious questions that need to be answered with regard to that part of the deal. The inescapable fact of using tax increment funding is that it can create tradeoffs between building a sports stadium and supporting other critical services. The citizens' task force was charged specifically and foremost ensuring that the city's general fund budget would be protected. I was impressed with their presentation. I believe they lived up to that obligation. But they were never asked to provide the same assurances to either Multnomah county or to the school districts which share in the cost of tax increment financing. I think that was a significant oversight, and it needs to be addressed before anybody agrees to any deal. I've been asked a couple of times today already, what business is this of Multnomah county. In short, when the deal started of moving towards tax-increment financing, it became Multnomah county's business. I have an obligation as the chair of that jurisdiction to represent our interests in this discussion. You all know the details of tax-increment financing. You understand how the property valuations are tapped and then excess revenues that are generated by urban develop and economic growth go back into the district for specific projects. The t.i.f. Tool was intended to be used in truly blighted areas to foster economic development where there was not sufficient incentive for private sector enterprises to invest in the absence of those public tax dollars going into the district. In the worst-case scenario, urban renewal and tax increment financing are used in areas that are not truly blighted. In that case, what happened is any incremental values and incremental tax dollars comes into that district, rather than going out to jurisdictions like Multnomah county's so we can provide our services toward the school district are instead redirected towards projects that might or

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might not be funded in the absence of public tax dollars contributions. Right now, it's estimated that a quarter of all tax-increment financing comes from the Multnomah county tax base. In total, that amounts to about \$20 million a year. I want to be clear. Multnomah county probably would have supported the vast majority of those urban-renewal decisions and the investment of that tax-increment financing in those urban-renewal areas. But we have a specific concern right now, and that is that Multnomah county is facing an unprecedented fiscal crisis. We're looking at a \$45 million budget shortfall. On top of that, there's potentially 20 more million dollars in budget cuts that will be as a result of reductions at the state level. So this massive reduction will have an impact on our ability to provide core services to the community, creating a new urban renewal area, particularly one where we don't understand what the boundaries are and don't yet understand what the indebtedness level is going to be could potentially add to our fiscal crisis over the long run. I've spent most of the last eight weeks anguishing over what programs Multnomah county is going to cease to be involved in and what services we are going to eliminate that the community currently enjoys. On top of that, I have to make hard decisions about which and how many of my 4500 employees are going to lose their jobs in the middle of a difficult recession. This morning's newspaper gives you an idea of the kind of tough choices I have to make. The headline article says rehab faces budget acts. It is referring to a program known around the world, our drug court, and it is on the cut list in this budget siphon chemical. In addition we're looking at cuts to public safety, public health cuts, cuts to aging services, libraries, gang prevention, and the list goes on and on. In all of this talk -- bless you, mayor.

Adams: Excuse me. I'm allergic to all those cuts.

Wheeler: I don't want you to lose sight of another influencing factor. Multnomah county and the school districts are among the largest employers in the region. While I have not settled on my final budget decisions, I think it's no secret that it will lead to the loss of hundreds of jobs in Multnomah county. Those are high-skilled, family-wage jobs. Those people pay income taxes. Those people go to ballgames. Those people support restaurants. And so when we're talking about job creation, don't lose sight of the jobs that are already here that, in many cases, are just as important and in many cases might even be better-paying jobs than the ones we're considering bringing in. I want to just end on a personal note. I understand that this is a very difficult decision for all of you. I'm getting the same emails you are. The community is divided over this, and I understand that. I'm asking you not to approve an urban renewal area without understanding what its indebtedness is and its impact on other services provided by both the county and the school districts. Since neither the county nor the school districts have a formal seat at the table as this decision gets made, we're counting on you to represent our interests at that table, and I believe that you will do no less. And I appreciate your time. Thank you.

Adams: If I could turn it, would you stay for a few questions?

Wheeler: Yes. Of course. Yes, mayor.

Adams: Could we also just get everyone -- is there another member of the school board here besides Ruth?

*******:** Ruth is upstairs, but I'm going to speak.

Adams: Thank you for being here.

Trudy Sargent: It's been an interesting discussion. Do you want me to make my comments now?

Adams: And that way you can choose to stay or go.

Trudy Sargent, Board of Education: I'm Trudy Sergeant, and I'm here to talk about urban renewal. The board of education isn't concerned with that issue, but we are -- we really share Chair Wheeler's concerns about urban renewal. We have a major stake in the city's urban renewal discussion. We support it as a mechanism for increasing economic vitality and employments in all parts of our city. We want to be a partner of the city as it works toward a strong and healthy future. Recently our district and the Portland development commission signed an intergovernmental agreement that laid

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out very specific ways that we're engaging in urban renewal planning and the impact and opportunities that it brings. I want to take a moment to talk about tax-increment financing and how it affects our schools. Usually schools can south on a gradual increase in property tax revenues. The 3% increase in taxable assessed values set out under measure 50 and the property tax increases due to new construction and redevelopment, under current law, our tax collections in urban renewal areas of frozen, so our schools forego any increase in tax revenues as property values increase. There are 10 urban renewal areas in our city partially or entirely in Portland's public school district. Some were formed under current law. Others are older, with the oldest dating back to 1974 and 1985. According to the Portland development commission's calculations for 2007, 2008, Portland public schools did not collect \$5 million in property taxes that would have directly supported our local schools through the gap levy and our local options. The state school fund didn't collect \$15 million in taxes. So tax-increment financing has a direct and significant impact on our general fund, and I know you all are aware of the serious financial straits that Oregon schools are in, and you know that Portland public schools face cuts in staff and sacrifice across our operations. So urban renewal impacts our budget, and affects our schools, our teachers, and our students. That said, Portland public schools has and will support urban renewal funding when it's clear that the initial public investment will be a catalyst for private capital investment. When sound planning process has occurred, to maximize opportunities. We support projects that will bring long-term family wage jobs to our city. It would show the promise of bringing more families into the heart of the city. We support urban renewal within the context of the city's established urban renewal planning process. We're represents of log government like the school districts and the county, residents and businesses in the affected area coming together to develop a thought-out plan for revitalization in blighted areas. That means we need to be involved in an open and transparent discussion about creating the urban renewal area, it's boundaries, indebtedness, and setting priorities for the project to be undertaken. The current commitment before you to designate urban renewal funds to renovate a stadium in a location that has not yet even been declared an urban renewal area doesn't meet the standards we hold for our support and short shifts the planning process. It's clear from the discussion that wife heard today that there was an extensive process engaged in by the city. They had a task force and talked to a lot of people. But the school district and county were never involved in those discussions, and I think that was one of the critical missing pieces in the process. The process before you will cost millions to our schools and more to schools statewide. At this point, we don't see the return on investment that can make up for the sacrifice of our schools, so we can't support you moving forward in this matter and want you to consider this in the context of the broader urban renewal discussions. When making decisions that resources will have a multigenerational impact on our city and on multiple taxes jurisdictions, we believe it's critical that we have the chance to engage in real and open dialogue about the impacts to us and about the opportunities. So thank you.

Adams: Is this to both of your requests? We absolutely will fulfill our agreements with the school districts in determines of a on pen and transparent -- open and transparent process. Both of your jurisdictions will have a seat at the table and be part of the process. This does not create an urban renewal district. This sets forth, as you heard clarified between the questions between commissioner Fish and staff -- this sets forward some concepts that will shape future discussions around coming to definitive agreement such as the potential for funding a piece of it, being funded by a new urban renewal district. But that is not a foregone conclusion. The the merritt knows that. We will fulfill our agreements for you being involved, but helping to make those decisions you just talked about.

Leonard: I want to make just some general observations, and then I have some more specific questions of chair wheeler. I want to first acknowledge that there is some irony involved in me, of all people, defending urban renewal districts and, by extension, the p.d.c. I've been here six years

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now, and that's not necessarily my pattern since i've arrived here, but I do need to say that I think there is a lot misunderstanding in the public about how urban renewal districts work and what appeared from your comments that that may extend to you as well. The part that has been frustrating to me as I read critics who are elected officials of urban renewal areas is that, when an urban renewal area is drawn -- and let's take, for example, the pearl district. The pearl district, when the urban renewal district was drawn, was, to be polite, a very challenged area. I worked there in 1972 at the blitz wine hard factory as a student at Portland state. We went in groups because it was a dangerous place. It was virtually contributing nothing to the city's tax base. To today then say that the taxes generated in the pearl district amount to part of what i'm assuming, chair wheeler, you've described as this \$20 million that you will forego in tax revenue is misleading. Those revenues would not be available were it not for the work done in those urban renewal areas. But even more specifically, there are urban renewal districts that exist currently, four to be exact, that actually do pay back to jurisdictions, the school district, and to Multnomah county. I'll just pick one for an example, because it's probably one of the most stark examples. The airport way urban renewal district, if people will recall, the area that is now the urban renewal district district where iraq exists and other like businesses, there was literally nothing there. There was contaminated property there. It in fact had a tax base when the urban renewal district was drawn \$2.7 million. Today it is true that \$2.5 million has gone to p.d.c. To do infrastructure work, but \$16 million in increased value has gone to Multnomah county and Portland public schools as added revenue as in the case of three other school districts. So I would say that I think that obviously this is an important dialogue that we had, but I think we need to deal with the facts, because I think that actually, in many cases, we have improved. In fact I would argue that the revenues you receive now are greater than what they otherwise would have been had we not had any urban renewal areas at all. Chair wheeler -- and I hope i've demonstrated in our working together the past few years that I don't just think we should be partners. I have been a partner in very real ways. For instance, we do insist, as a council, that 30% of urban renewal area dollars be spent on affordable housing which, strictly speaking, is something that I would think at least the county has a lot of interest in in providing housing to people who might otherwise be homeless or for a variety of reasons can't afford good housing. We have dedicated to you a promise of \$9 million for the county to build a courthouse out of an urban renewal area downtown at your request. We've given \$35 million from the pearl district to the county to support your services. We have promised 2 million from the central southeast side for the Portland detox center renovation. We have cobbled together in the area around the ramada hotel on the other side of the river for, again, drug treatment, housing, and issues you feel strongly about and I agree with you on, mental health housing, \$14 million of p.d.c. Urban renewal dollars that strictly speaking are dollars that, under resolution a, could be argued the county should be responsible for. Since i've been on the council understanding the economic plight the county is suffering, we've given funds to the Multnomah county jails, \$2 million to help the county in providing alcohol and drug treatment for those that you don't have the resources to help fund. You've asked us -- and we are considering -- giving you say million dollars a year to bond, to build, to help pay for the rebuilding of the sellwood bridge. And last but not least, you and I are working together to develop essentially what is a plan to tax Portlanders to give to the county to provide a minimum level of animal control services. So i'm disturbed when I think you certainly have the right to tang the position you're taking. I think you certainly have the responsibility to point out, when we are making decisions, that they could adversely affect you, but I would respectfully say that's not the case here, and I think we've demonstrated -- millions of dollars we've given to the school from the general fund since i've known council, and vera katz is in the back of the room, her leadership even more, I think we've proven ourselves to be more an reliable partner but one that is responsible and cares very deeply, and we

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put our money where our mouth is. To the tune much greater dollars than what these urban renewal areas would have generated for you.

Wheeler: May I respond to that, mayor?

Adams: Yes, chair.

Wheeler: Thank you, commissioner Leonard, for reminding us that there are many good projects that we work on together, many of which are funded through urban renewal. And I think I have a middle ground. You and I often have these back and forths, and I appreciate it and, frankly, I enjoy it and it's always good dialogue. My recommendation would be this. You started this conversation off by saying we were picking a fight, and I presume that was intended, as you mentioned, the county to meet. I would suggest we work on a broader unified vision. It's not the county versus the city. The people sitting in the back of this room don't really give a damn where the tax dollars come from, because they all come from the same pocket, and they're asking us for the same services. What I would suggest is, rather than just throwing out an idea on a Monday and letting us know what the details are 20 minutes before you vote on it that you bring us to the table so we can weigh the priorities together and talk about what you want, what Trudy wants, and we can talk about human services. I have a vision that includes tourism, urban development, economic development, job creation. There's a role for professional sports but also a role for making sure older adults are able to live in their homes independently and safely, there is a role that we as a community can provide the services that the most chronically and severely mentally ill can rely on. It's very important that people with either mental or physical disabilities have the services that they're entitled to. It's important that we have a safe community. And I'm not sitting here with my handout. I'm saying here is an example of where we should be working together to prioritize mutually, and we're not. I didn't even though what you guys were voting on today, and it's obvious from some of the questions being asked by the commissioners they weren't clear on what's being voted on today either. I've heard lawyers, consultants, planners from the city of Portland all standing up and saying there's no risk to Multnomah county. Well, with all due respect, I'm new in the job, but I wasn't born yesterday. I'd like to have my lawyers and my consultants and ply manners -- planners take a look at this. As per usual, commissioner, I respectfully disagree with you.

Leonard: You disagree with the amount of money we've given you?

Wheeler: No, I do not disagree with that. I do not.

*****: [applause]

Wheeler: I do not. But I also just want to say it's not your money.

Leonard: It's not your money either.

Wheeler: It is not. It's the money that belongs to the taxpayers.

Leonard: That changes future discussions.

Wheeler: Our constituents are one and the same. They don't care whether you're wearing a city hat, I'm wearing a county hat. They expect us to deliver certain services. As long as we are not communicating, as long as we have things dumped on our laps a few minutes before you guys vote on them and it's a closed and nontransparent process, we are not serving the best interests of the taxpayers of this jurisdiction. Whether they call them county taxpayers or city taxpayers, and that's just respectfully my opinion.

Leonard: I just need to clarify a couple remarks.

Wheeler: Sure.

Leonard: Let me make it real clear that because those were great remarks, if you're running for office, but once we're elected to office, I think it's responsible for us to know what the facts are. And the facts are we take resources that are otherwise dedicated to parks -- and I don't know if you've heard about this, but we have parks that need a lot of work.

Wheeler: Absolutely.

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Leonard: We take resources that are dedicated for firefighters. We've decided not to open a fire station because we haven't got the general fund dollars to do that. We take resources that would otherwise be dedicated to hire police officers -- and we need more police officers, and we're challenged for that -- and we've given the money to you and to the school districts. To argue that somehow we're obligated to give you that because it's taxpayer dollars --

Wheeler: I have not argued that.

Leonard: I listened to you. It feels a little disingenuous. If I were to get up in the morning and issue a press release every time you made a for instance -- for instance, giving \$6 million to fairview, troutdale, and gresham to subsidize their general funds because they don't do the business license fee that we do -- feels a little hard to understand as well. You make some discussions at the county that you're free to make, but I think you can't have it both ways. You can't come in here and represent yourself as being self righteous about decisions we're making and then turn around and expect us to be the partners we've been.

Wheeler: Commissioner Fish, I'll end the conversation here. The east county taxing issue is entirely different, and you know that is based on an historical agreement where they gave up their right to charge business interest tax, and that was a mutually agreed upon fair decision at the time which we chose to uphold. We live up to our obligations in Multnomah county. I believe there should be a deeper dialogue where we are communicating and we are sharing.

Adams: Chair wheeler, you and I have been having conversations about how our institutions can help each other.

Wheeler: You bet. I appreciate that.

Adams: I hope in the weeks ahead that, as we move concentric circles of those in addition specially you and I discussions that we'll be able to move in concentric circles to involve our colleagues with that and our other jurisdictions that share the responsibility for providing public services here in Portland. I do want to add my sort of thoughts on this issue, and I want to say as a preface that we enjoy great relations with the county, enjoy the partnerships that my office has with you, and I feel the same about the school districts. I do think that some of the language, though -- and not you and not you, but I do think some of the language of urban renewal has been very inflammatory and has been misleading. I guess I've been around too long, and I know the original plans for south waterfront and the original plans for what is now called the pearl district. I know how underwhelming they were. That kind of redevelopment wouldn't happen. We're looking at the west side. We've been looking at the west side. There are dozens and dozens are lots that are simply parking lots. You're not getting tax increases from that. We're not getting tax increases from that. I look forward to working with you on figuring out what is our mutual interests. There is a school being able to unlock the potential or possibilities of school sites. You don't have the resources for increasing k-12 resources. You don't have the resources to do that, but we may be able to come up with more to go towards that. If the emerging university master plan doesn't have resources to implement it, they're going to be stuck where they are. I also think that, over time. Previous councils have established urban renewal districts out in some of the poorest parts of the city. Lents and gateway, even parts of north Portland. A lot of that money has been used to upgrade infrastructure that was that part of the city or, at the time, unincorporated area, because it is that sort of county-level services. We've used money to sort of backfill the infrastructure needs that were not required of development when it was in the unincorporated area. There's a lot of angst about this. From our point of view, this was about comes up with funding options for providing this new benefit to the community. It doesn't lock the council into actually going on to create an urban renewal district then. The reason is doesn't is out respect for the conversations that we need to have with both of you and a whole host of other stakeholders as well. So I just wanted to make sure you knew that and that the discussion whether or not we proceed with an urban renewal needs to include

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you and be done in a way that benefits you as well. I really appreciate you being here today. Is there anyone else on council that would like to say something?

Fish: One of my favorite sports metaphors is the line about I went to the fights and a hockey game broke out. And I appreciate the world class sort of scrum about two people I respect and consider colleagues. We're going to have a discussion and debate about urban renewal for a long time, and mercifully I wasn't here during most of those old fights, and so i'm actually looking forward to the question of how we create new urban renewal districts, because I actually think that you're both right, and wherefore me the line is not looking backwards and debates whether the pearl district enriched the whole community. Certainly it did. The question for us is how we fund future urban renewal districts. We have an agreement that's been struck between p.d.c. And the school district saying that they will collaborate and confer. Well, I guess my daughter and I collaborate and confer, but I get the final say, and this sounds like a procedural concession, not a substantive concession. We're at the table, talking about it, gauging impact, and that's already been agreed to. There's no one here that disagrees with that. The question is how we enforce that. What does it mean to confer and collaborate. One of the portions of the urban renewal district funding on the west side that gives me a little heartburn frankly, even before I got 5000 emails from children, was that it is a 2b established district with no process that's preceded it, that it has to have money taken out at the front end in a way that's pretty edgy. And that the increment is achieved by taking the first one of the new major high rises coming up downtown, which will hopefully be online in time for the new memorial building which will be drawn into the district and incremented to fund the increment. Now, whether you support this deal or not, that is a different financing model than any other piece. If mr. Moyer builds this building and stoel rives goes into that building, we are diverting money that would otherwise go to other purposes. Whether in the great scheme of things that money being diverted and the money that we are investing in county projects ends up being a good deal for the county and city, I can't judge that here. Your job is to say it's always lacking. Our job is to say this reminds you of the significant investments we're make, and then we come to some sort of detente on that. The zero bonds, no negative impact of diverting resources from any jurisdictional partner on the east side, that gives me some comfort level. On the west side, this urban renewal district manifestly diverts money from other jurisdictions, possibly for a good purpose, that we can have a debate about it. And the question is how do we have that discussion. I think that discussion occurs by having representatives of the school district and the county at the table, which I believe is what we've already committed to.

Adams: Absolutely.

Fish: So just so people are clear, to me, the weakest part of the financing in terms of the notion that the premise of this whole package is we are not putting general fund dollars at risk, and for me the weakest part of this, if you really look at it closely, is the creation of an urban renewal district for the purpose of the 15 million. That just is what it is. In terms of the longer relationship, i'm going to say I agree with randy that a lot of the things we do benefit the county, but I also understand that, in a relationship, we ought to be sitting down and talking about how we're going to do this together, which is why, when we do our budgeting around housing later this week, i'm going to suggest that, whatever pot of money the county comes up with, our safety net or whatever we come up with, that we go back and sit down with the county and figure out in a triage way how we spend those dollars, because frankly. I think it is appropriate for us to sit down and figure out how to use the scarce dollars.

Adams: Chair wheeler and I have committed as part of and in addition to everything else we do as part of our proposed budgets that we will bring in folks like you and others to talk about how we can have that coordination.

Saltzman: I want to thank you both for being here.

Wheeler: It's been a real pleasure.

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Saltzman: Just quickly, restate the County's general fund deficit looks to be 35 million?

Wheeler: \$45 million. Plus potentially \$20 million in state reductions.

Saltzman: And the school district?

Sargent: That's kind of a moving target at this point. We think it's at least \$14 million in general fund this year that we're short.

Saltzman: And if I just understand in an over-arching message here I was talking about earlier today is you want the real and open dialogue but somehow coming to the table when we may make a decision today says we've already committed the \$15 million to be determined, to be discussed urban renewal area—isn't resonating.

Sargent: That's the rub. We're not opposed to urban renewal. We recognize the great benefits over time to the city. But we want to be involved in the discussion of why this urban renewal area was in it. We look at the cost and benefits and have an opportunity to contribute our view to that.

Wheeler: If I can add to the flavor of that question. Commissioner Fish is right and striking the right balance to the agreements we already have in place around collaboratively working together and consent and this doesn't feel like what we intended. And timing has to be a part of this too. We're here at the table too late. Because now we're in a debate about details we should have had an opportunity to comment on weeks ago.

Adams: Commissioner Leonard.

Leonard: Just to that last point. Ted, you've been here all morning. This is not a commitment to form an urban renewal area. We have that other process to go through before that happens, which you will be a part of. But I think that part of what bothers me about the discussion, at least from the county. The part that bothers me from the county. I'm more sympathetic from the -- sympathetic from the school district, because they depend on us from the property tax, but from the county when we have a discussion about this new urban renewal area that commissioner Fish was references, what has to be included in the business income tax. That you realize as a result of a new activity. If we have 20,000 people come into a timbers game and the businesses -- they attend businesses and shops and that generates county income and I need that to be acknowledged so it doesn't feel like you're trying to win an argument but trying to come to a thoughtful place where we can figure this out together. My problem up to now feels as though from the county's point of view, this hasn't been a thoughtful argument on your part. When I read in the paper that children will go out health insurance, it feels irresponsible.

Wheeler: I didn't say that.

Leonard: I know you didn't, but your colleague at the county did.

Wheeler: I'm not that colleague. I'm me.

Leonard: You signed a letter that we got.

Adams: Ok.

Leonard: It feels like we're not having a genuine discussion.

Wheeler: We're not.

Adams: I want to thank you for spending time and waiting and being part of this robust discussion. We look forward to more robust discussion.

Wheeler: Always a pleasure, gentlemen.

Adams: Can we have Keith and Mike and Tony and then open to public testimony. Welcome, gentlemen. Thanks for being here. You just need to give us your first and last name and you'll have three minutes-ish. [laughter]

*****: Do you want to go ahead?

*****: No, you do first.

Keith Tomajan: My name is Keith Thomajan, a member of the soccer and baseball taskforce. Mayor Adams and commissioner, thank you for the opportunity to share my thoughts with you

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today. Commissioner Fish, let me say if I had known that folks watch this on tv, I would have shaved.

Fish: You've been here so long that you grew a beard. [laughter]

Tomajan: as a member of the mls baseball taskforce i'm a proponent of bringing major league soccer to Portland. I've been impressed by the mayor's tenacity and to enrich civic sports and i've paid close attention to the metrics for major league soccer and when they were presented, they were impressive. I feel that mls has developed a solid equation for the success both for the overall league and individual teams. Certainly, this project is not without risk. But neither for that matter, was any of our commutes here today. By that measure, we would have all stayed home. We didn't because we are daily, willing to accept strategic risks as a price for living, innovating and moving forward. It can be said that the symbolic perspective of this investment at a time when the city and state are staring down the barrel of shortfalls is problematic at best. While this is real, I take a long view on community investments, such as this and believe that over a 20-year window, we'll be pleased to have mls to augment our strong sports with the blazers, winterhawks and beavers. Mayor Adams have squared the circle and negotiate a deal for the city that holds the general fund harmless and protects us from the pitfalls we've endured from the Portland entertainment legacy. I encourage you to take the long view on this proposal and vote yes. Before I cede the microphone, I would like to share my thoughts as chair of the Portland parks board about the siting of the baseball attempt. In the nones are correct, lents park is no longer in consideration for the home of the new ballpark. I'm concerned by the precedent we've created by considering public park land for this private venture. There's a long and unfortunate history of american cities cannibalizing their public lands for what at the time seem to be worthy reasons. This approach, however, is simply not sustainable for our parks or community. As a city, we'll face significant population growth in the next 20 years and while our parks system is now seen as among the finest in the world, it will be pushed to accommodate the legions of enough families and citizens in the decades to come. As such, I believe we must almost exclusively take a protective stance in regard to these precious lands. If we allow them to be seen as free or vacant for future venture, whether innovative or compelling or not, we will jeopardize a parks system that has been carefully constructed over more than a century. It's a honor to play a role in the city's consideration and I thank you for that opportunity and the hard work you do.

Adams: Thank you, keith.

Mike Houck: My name is mike. I served on the taskforce as well. And I have to say I actually went into the last meeting prepared to vote no as a member of that taskforce. However, after the committee addressed virtually every issue I brought up that I had concerns about, not the least of which were the issues that keith referred to, I felt comfortable with those conditions voting yes. So it was an unanimous vote. I actually was the lone dissenter when they did the straw polls earlier. By the way, I was a jock long before I was a birder and a park advocate. I went to college on a track scholarship. I a lot of people made the assumption incorrectly that I would be opposed to this from the get-go. With the conditions, I felt comfortable at the end of that meeting voting yes. I did however, want to point out there are significant issues. Keith touched on one. You know, the attitude that park land is out there and it's vacant and we need to put things in them. I actually gave you an illustration of what central park would look like today if every use of that park had been put to over the last 150 years. This is a basic public policy issue that goes beyond mls. Goes beyond the stadium. We've been here for three hours and all i'm going to do in closing is point out there's other points I raised with doing a true cost analysis, comparing the coliseum site with lents which apparently is not on the table now. I would ask you read that information and apply it as awe make your decision. Thank you.

Adams: Thank you, mike.

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Tony Stacy: My name is tony stacy, I also served on the mls taskforce and a veteran and a buildings guy in opening and refitting sports venues. I have four points I with like to point out. Number one, jobs created allows workers to obtain a plan b insurance program. Which was started in and has become in providing insurance at a minimal cost to workers that could not afford insurance. This is called stimulus. It opens up the opportunity to reopen plans for a headquarters hotel bringing more revenue to Portland and Multnomah county and outlying regions. This is stimulus. This is not just for Portland, but the state of Oregon. Demographics show awe huge revenue stream from products and support businesses. There's 10,000-plus children playing this sport across the state and there's a mls works program for youth and others in this sport. From these groups, there are parents, siblings, grandparents, uncles and aunts, this is called stimulus. Four, areas greatly stimulated will include women-owned businesses and minority-owned businesses and these reach out to all the sectors to include two of the fastest growing groups, hispanic and eastern european communities. This is called stimulus. As a veteran, we have contacted Oregonian military personnel stationed abroad. We were contacted through the d.o.d. And asked their opinion of what they felt the memorial coliseum would be as a site. Out of 400, 100% came back to establish a new memorial to honor the past but the returning veterans coming home. This will help include these veterans as they do return home. Thank you.

Adams: Thank you all very much for your service. Karla -- [applause] please people have been waiting. Five-minute break? Do you want a break?

Fritz: I'm torn because we're asking if we want a break and I don't want to miss any of the testimony but I want to take a break.

Adams: You want it take a break.

Leonard: Do you want a five-minute break? Five minutes for everybody?

Adams: Ok. So --

Fritz: I'm a nurse.

Adams: -- council might cycle out individually and miss individual testimony. Because there are certain human needs. So actually, i'm going to -- we'll take a -- I apologize, but it's been a long -- we're all going to take a five-minute break and be here at 16 past getting to go.

Fritz: No.

Adams: Sorry, 47 past ready to go again. So take a break. We're in recess for five minutes. [gavel pounded]

Meeting recessed at 12:43 p.m. and reconvened at 12:52 p.m.

Adams: Will you please end your conversations and please take a seat. We'll get back to taking testimony. Thank you for allowing us to have a bathroom break. And your patience in sitting through this hearing. Karla, please read the names of the next three public testifiers.

Adams: David and two mikes. Three minutes each? No? [inaudible] we're going to start out with three minutes and we're going to start out with three minutes but council is most impacted by short concise testimony. [laughter] so we might nod off if you take the full three minutes. Just kidding. Welcome. Please give us your first and last name and you have up to three minutes.

David Villalpando: My name is dave. I work for [inaudible] Portland. The most influential hispanic tv station in the northwest and i'm involved with many latino organizations such as the ones that have agreements with the city of Portland and the city of guadalajara. And I appreciate the opportunity to be here. And ask you guys and thank you for the efforts to bring it football, as we call it in latin america, all around the world. This is more than a sport, it's bigger than religion for a lot of us. Helps our kids to be healthy and stay away from bad things, but especially want it share a couple thoughts. I feel like even we love football and baseball and my kids play that because they're proud americans and proud mexicans and I believe the forecast soccer, it's one of the most inclusive and diverse sports which for us in Portland will bring the opportunity to be able to invite people from mexico and latin america here in Portland and around Portland, we are over

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400,000 latinos. We like soccer a lot. And one of the biggest examples, I think the biggest attendance for p.g.e. Park was when we had games between mexican teams and even games with the timbers. Bringing a mls team here will give the opportunity for international games. I know that some professional mexican teams are based here and as much as we respect the timbers and they're doing a great job, they're not on the level where we can have bigger events. Last year, over seattle qwest park, they had over 60,000 people in an exhibition game. So for the city of Portland, it's going to bring a lot of opportunities to bring a lot of people from all around. And make this a successful in many, many different areas. So we totally support and I speak for latino, that we believe it's going to be a successful project and I was amazed at the bright minds with a lot of difference and common ground and I know you can figure out a way to bring professional football to the city of Portland and make this a greater place to be. Thank you.

Adams: Thank you, david. Appreciate it. Mike?

Mike Rosen: Thank you. I want it start out -- mike rosen. I live in the city of Portland a want to start out with a disclaimer. I'm an employee of the city but here today on a vacation. I volunteer in my other life for stand for children. It's a grassroots organization that represents thousands of Oregonians that advocate in support of public education and children's issue. Sorry, this is new. I want it start out saying thank you to sam and commissioner Leonard for working so hard to provide the best deal for the city of Portland for major league soccer. I also want to say thank you to the paulson family for realizing their dream to bring major league soccer to Portland. My son is a sophomore for cleveland high school and plays for the warrior team and plays for Portland city united. I'm in favor of major league soccer and as I left home this morning, he bounced a soccer ball off the top of my head. I've been a public education advocate for 10 years and yet I have friends who have been doing this for 20 years and continue to support the issue in the hopes of securing stable funding for their grandchildren. The funding situation for schools as you all know and other essential community services is so dire that I now look for every opportunity, every penny to secure education funding. Last week, I asked commissioner Leonard what the city council could do to keep schools in Portland open and he responded, there was nothing to do except hope for a long-term solution, at the state level. Yet the city can refuse to commit u.r.a. Dollars, in this case, \$15 million to protect the paulson's investment. Last year, Portland public schools lost \$5 million to existing u.r.a.'s, that equals five school days or a year's salary for more than 50 school teachers. Our city schools and county, the service they provide cannot sustain any further losses in funding. I want it end on a more personal note. This is a photo of my daughter, emma and I at a president's rally in support of public education. This was taken four years ago, she attended her third really. Rally a few weeks ago. The sign she made says every penny counts. In this case, we're talking about \$1.5 billion -- penny, she was right on then and very right now. So commissioners, Fritz, Fish and Saltzman, please vote no on this deal and mayor Adams and commissioner Leonard, with all due respect, please reconsider the wisdom of your proposal.

Adams: Thanks, mike.

Drew Mahalic: I'm drew, c.e.o. Of the Oregon sports authority. I carry a message from randy miller who wanted to be here to support the proposal but he's in Washington d.c. Attempting to get more transportation funds from the federal stimulus package. I was a member of the mls taskforce. I was delighted but not surprised to see a 18-0 consensus in favor of the proposal. The Oregon sports authority has been deeply involved in efforts to attract a second major pro franchise to Portland. This represents the closest we've come to achieving the goal. For the first time, we have a capable and -- to secure a team and a leg that clearly wants to be in Portland. I have no doubt that a modified p.g.e. Park in the heart of our city will be packed with passionate soccer games and other international exhibitions. The opportunity before us is extraordinary. The commitment is unprecedented. I'm not aware of any public-private partnership with the private partner has taken such remarkable steps to ensure the city's interests are protected. It's hard to imagine a proposal to

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bring a pro sports to Portland, and if our city chooses to reject this opportunity, it would send a stating message that new pro teams are not welcome in Portland. And other than, if we choose to embrace this chance, to join the top ranks of the world's most popular sports it will send a clear message around the nation and world that Portland is a city focused on problem. A message that will reverberate loudly for many years to come. [applause]

Adams: Thank you very much.

Fritz: I have a comment for many of you. I've been to many of those presidents rallies and my sons and choose to watch [inaudible] because the coverage is great. Do you think this proposal for a minor league baseball stadium would diminish the likelihood of getting a major league team?

Mahalic: Not at all, commissioner Fritz. If we can show triple-a team shows we are a vibrant city as I know we are for baseball, I think it will allow major league baseball to take notice of Portland and be on the radar screen if there's an expansion sometime in the future or a team looking to relocate. I see it as positive.

Fritz: This proposed stadium is not -- big enough?

Mahalic: That's correct.

Fritz: We'd need to find another site for a major league.

Mahalic: That's my understanding.

Fish: I have a question. [inaudible] world class college sports. We have youth soccer -- sports that are need of nurturing and support which I hope to give them as a parks commissioner and we have a reputation for being a sustainable city and we have great amenities as a state. Do you believe that if we turn this opportunity down it confines us to nowheresville u.s.a.?

Mahalic: I think it would be devastating. People will be scratching their heads wondering why on earth Portland wasn't ready to embrace this opportunity given the protection that's been assembled. And you had one question earlier. The city of denver was the same size Portland is today when it got its fourth major sports franchise and they're now going to be five. Portland is clearly capable of a second pro franchise, probably is large enough to support three. But right now, we're the largest market in the country with only one.

Adams: Thank you, gentlemen. Appreciate it. Karla, next three.

Adams: Harley, kay and --

*******:** I'm ray.

Adams: Ray? Not kay? Just checking. I want to thank you for your patience in sitting through so far. All you have to give us is your first and last name and you have three minutes.

Ray Rutch: I'm ray, the president of the u.s. Ranger museum foundation but more importantly, here today as a vietnam veteran. I'm here to support bringing mls to Portland. It will significantly change the landscape of this city, I think in a very important and positive manner. I'm also here to support the veterans memorial. With regard to the veteran's memorial coliseum and a lot of people are just calling it the coliseum, it's the veterans' memorial coliseum. Structures are finite. Memorials are infinite. This memorial needs to be preserved. Realize that the memorial at the coliseum is primarily for world war ii and careen war veterans. This -- korean and war. It will create a new memorial-to-as a memorial for all veterans and two to create a new baseball facility. As an aside with what was said, I grew up in western pennsylvania, I was a pittsburgh pirates fan. Still am. I used to read in the paper almost daily what was going on in Portland because I wanted to see what players would come up to the majors. So what happens in Portland does matter in the rest of the world. It will also -- approving this proposal will also create -- bring a revitalized vitality to the rose quarter and recreate infrastructure that's been deteriorating in that area. And also create jobs. I ask you to support this proposal to bring mls to Portland and as an adjunct to that, I would ask you to preserve and expand the memorial in a new and sacred venue for all veterans. Thank you very much.

Adams: Thank you, ray. [applause]

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Harley Wedel: I'm harley, I represent a number of different veterans' organizations. I normally when i'm setting in one of these chairs, i'm up here just pounding on the fact that we have to keep the memorial coliseum. This time around, i'm talking a little differently for the pure and simple reason that the memorial coliseum was dedicated and the veterans were told that they would have use of the building. They have yet to have free use of the building. Easy granted use of the building. It is set aside for any number of things, but the veterans are not included. The real thing that veterans need is they need a memorial that they can attend any time they wish. Any time they want to go and pay homage to the people who have gone before, the comrades that they had and lost, we don't have it. We need one. We don't -- we'll never get it at the memorial coliseum or anything that comes in its place. The memorial coliseum is the memorial, not the walls. And so consequently if we were to decommission the memorial, and commission a new one at the same time, we would be in a position where we could handle this in very good fashion. All of the veterans i've talked to, once the entire program is explained to them, they are very enthusiastic. For the pure and simple reason they know that the memorial coliseum has not been available to them. They have felt that for years. And consequently, we would like to go ahead and appeal to the council to at least give us some time to talk about this. If this were done, the veterans would quietly leave the memorial coliseum and establish elsewhere. If it is not done, I know that the veterans will be very, very. Against this entire program. Thank you very much for your time.

Adams: I also want to thank you, harley and ray and tony for all your work in organizing local veterans and bringing veterans together from the various conflicts and all the support you give. And your willingness to have this conversation. We're grateful.

Fritz: Thank you for your service to our country.

Eliana Machuca: My name is eliana, a staff member of the Portland jobs for coalition. Made up of 85 member organizations fighting for worker rights. When this issue came to our attention at our last executive board meeting we knew we didn't have a lot of time but did discuss what our response would be. While we weren't able to come to a complete consensus about whether or not we would support or oppose it, we did share a common certain in this economic times, what guarantee do we have if this plan goes through that all of the workers will earn a fair wage. We want to know what kind of jobs they are and who is going to pay for that wage. When I was first hired, the first time I spoke at city council was to bring to the attention that the concession workers at p.g.e. Were entitled to \$10.28 a hour for the fair wage and many of them were still earning minimum wage. The city did rectify the problem. But it was through a city subsidy. It was our belief and shared by the councilmembers that the workers should get that fair wage but if the future, the city should not be subsidizing that wage and it's the actually the responsibility of the employer, the private partner it pay that fair wage. And if the future, we would make sure that that got negotiated up front. And here's where we are, we're feeling we're the future and want it make sure we're recommending that all of the construction be in compliance with the full living wage laws that -- the living wage -- or, fair wage includes those who work for the city but also the subcontractors, those that are left out and also that the city's fair wage policy shift from being a subsidy to being something that the employer takes that responsibility. And so what we also -- I wanted to say, a couple people who wanted to testify had to leave, but we feel in the long run, we do need to look at the fair wage ordinance and needs to be revised and up dated and extend to all city workers and city-funded projects. We'll look to leadership from city council to reevaluate what that fair wage is and who should be getting access to it. But also as we look at these economic times we want to make sure we have good jobs and another place we want to focus on is the fact that workers should be able to organize and we do know on the state level, they're making strides to ensure that happens but until then, we need to leverage what we do have to make sure people have the minimum. We're looking to -- looking forward to working with you.

Adams: Thank you very much.

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Fritz: I have a question. About the justice for janitors campaign. were you involved in that at all?

Machuca: Peripherally. We understand it did come to the city council but for other reasons with our partner, never quite made it. So we're just -- we're looking at trying to look at all of those. But i'm not exactly sure what happened and why they didn't move forward.

Fritz: Mayor Adams is telling me he [inaudible]

Adams: Thank you, the next three. [applause]

Adams: What was the last one? Abram? Welcome, thanks for your patience. Give us your first and last name and you have three minutes.

Shelly Lorenzen: Thank you, mayor. Shelley. I'm testifying on behalf of the league of women voters of Portland. The league would like to clarify issues discussed today and also pose a few questions to council. As you know, and a think it's important that everyone in this room and in the city understand that urban renewal is an extraordinary financing mechanism because with a stroke of a pen, the city council can reach out and take pieces of the property tax pie that actually belonged to our public schools, our county and city services fund and divert them to particular capital projects in a specific part of town. To say there's -- there's been some discussion today and I want to be sure we're clear. There's discussion that the general fund will not be impacted and this is simply wrong. And I totally agree with ken rust's description of how the urban renewal financing works, but I think we need to be sure everyone is clear about the distinction between impacting the general fund from a liability perspective versus impacting from an income perspective. These dollars, if we're -- if -- on -- these dollars ordinarily would flow to the three different taxing jurisdictions plus others. The schools, the county and the city. To the extent that you dedicate them to the remodel of p.g.e. Park or to a new stadium in the rose quarter, those dollars will not come into the general fund. Under this proposal, the city would divert at least \$33 million in property tax revenues from schools, county and city services to convert a recently remodeled sports stadium to a soccer only facility and a new stadium in the rose quarter. Commissioner Fish, you've raised this issue about there being no impact in the rose quarter area, but while mr. Rust is correct that there is a cap on the tif that can be collected, the tif that is collected would -- to the city and county and general fund. Or those monies could be spent on other projects. So it's not that there's no impact. It's just a limitation. So finally, I just would like to say that I guess running out of time very quickly, you use the analogy of wanting to go -- you know, we're getting engaged, not married. I think it's important -- I wouldn't want somebody half-heartedly proposing to me on the theory I can jilt her at the alter. Bringing mls to Portland is exciting but should not come at the expense of city, county and schools services.

Adams: Thank you for your testimony.

Jeremy Wright: I'm jeremy, representing mls and p.d. Does. Which is a grassroots -- and a proud timber's army member. I would like to start with remarks from somebody who is a lot more eloquent than I am. President obama stood before the joint session of congress. I reject the view that our problems will take care of themselves. That government has no role in laying a role for our common prosperity. History reminds us that every moment of economic upheaval, this nation has responded. In case, government doesn't supplant private enterprise, it catalyzed it. It created condition conditions for new businesses to adapt and thrive. I split that's a challenge you have before you today. Will you be a catalyst with an excellent private partner in merritt paulson. To create jobs and revitalize important areas of our community. We're asking to be a catalyst in investing in our community. Investing in things that make Portland so unique that don't necessarily show up on a spreadsheet. You see a lot of people out there wearing green and white folks. Almost a hundred people came today. They're proud members of the timbers army. But throughout the process i've heard people say we know that timbers army supports this, but what about regular folks. I would like to ask everyone to take off your green and white scarfs right now. What do you see now?

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*****: [inaudible]

Wright: What I see and I actually polled these professions before we spoke. Is doctors and veteran, active servicemen, beer truck deliverymen. Students young and old. Cabbies, writers, musicians and brewers and, yes, a lumberjack. We have kids in Portland schools, some are here today. Most importantly, we're Portlanders. We would not be here in numbers today if we thought it would be bad for our children or our most vulnerable in society. But because we know this is a proposal that is the right time, the right deal at the right time with the right owner. We know opportunities don't come along like this very often. Heck, teams like the timber's army didn't come along very often. Within a believe in this owner and proposal and hope you share that commitment. I urge you to vote yes on this proposal.

Adams: Thank you, jeremy. [applause] abram.

Abram Goldman-Armstrong: I think I'll start by putting my starve back on. My name is abraham armstrong. Mr. Mayor, commissioners, i'm here to tell you why Portland deserves a major league soccer team. This isn't the first time i've addressed a board of elected officials. I grew up in a small town in rural Oregon where we didn't have a high school soccer team. As a freshman, I banded together with others and our parents and formed a club team. We organized the team, we organized all of the matches against other schools, we bought uniforms and built goal posts. And played as a club team for a year. At the end of that year, we stood before a very conservative, antisoccer school board and asked them to approve soccer as an official school sport. We shoed that we could manage a club team and that we had a love and passion for the game that was going to be sustained. And this conservative school board put aside their fears and voted yes for soccer. Of since that day, i'm proud to say that yamhill carlton high school has boys and girls soccer and excellent players come out of the school. I stand before you today, asking you to do the same thing. Merritt paulson has shown he can run that club team. He appreciates us as fans, for our passion, as rowdy as we can be and shares our passion for the city of Portland and the timbers team. And i'm asking you today to help merritt paulson take that club team to the next level.

Adams: Thanks, abraham. [applause]

Adams: Shelley, I want to come back to your comments and we'll have a chance to have ken rust come back after the testimony and ask him follow-up testimony based on what you said.

Fish: The metaphor about what we're using here about dating and getting married. My understanding is we have to make a decision today or tomorrow on whether we enter into a conceptual agreement which then puts the clock -- puts major league soccer on the clock to decide whether we get a franchise. Followed by a more robust negotiation dealing with the various financing pieces. With a lot of opt outs for the city if they can't happen. I think, as it's been explained. With the point you make about not entering this in a half hearted way I think is powerful. Assuming that major league soccer deadline is firm and I have no way of knowing one way or the other, we are in effect being asked to make a leap of faith today from what I can tell. As to whether there's going to be an opportunity down the road to close the deal. One thing i've learned is we have all of the opt outs in the world, but I don't know whether we can make the deal. The question I had for you in light of urban renewal based funding, are you urging us it turn the deal been down or to be mindful of that issue at a later date?

Lorenzen: I was trying to recall, and having a feeling of déjà vu and don't remember the specifics, and perhaps mr. Janik can address them. But when the original p.g.e. deal was done, the city council was asked to sign off on an agreement but not allowed to see it. And I have this sort of déjà vu feeling came over me that you're being asked to make a very significant specific commitment in this letter of intent. Maybe not contractually binding, but if you walk -- if you sign a letter of intent today, and then walk away from this later, I think that does affect your relationships in the sports world and the community and, you know, as a city with whom to do business. I think it's -- I find it

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astounding there have been conversations going on for two years about this and that you're given the final document today and the public has not seen it at all. Yes, I think we would say, I don't know what that mls deadline is, but I think it's -- it's not right that you our city council has been put in that position.

Adams: If I can clarify when you're done.

Lorenzen*: So -- at least I think we would be asking that you pull from that letter of intent, the -- pull from that letter, the urban renewal, the condition that you would look at -- I think you're making a moral, if not contractual commitment, to create an urban renewal district and the buck stops with you. And it's not conditioned on some third party. I would ask you to pull that piece out of the financing. And best case, I think you have an obligation to this community, when you're talking about a deal of this size and enormity, to take your time and read the paper and see if it says what mr. Janik says it says. I haven't read it. I like to read them and have my own legal analysis done. I think you owe that to this community. I think you should explore other financing. I think the biggest beneficiary might be the mac club. Maybe they would be in for a few million dollars. We get to these junctures and as get to these points on these big deals where we saw this in the philtropics deal and we don't know what the fine print says.

Adams: If I can provide clarification and I appreciate your comments. The conversations about soccer in terms of negotiations haven't started until the city council approved the process that included the taskforce. This is a memorandum, a good will agreement, provides shape, intent, there's no question about it. When the definitive documents are completed, unlike p.g.e. Park, they will be a matter of public record. And this is agreed upon by our private partner. So that will be different. But we're not at that stage, there are no --

Lorenzen: Yes, but --

Adams: If I can finish. There are no definitive documents p.g.e. Documents were withheld. That was a mistake. Not this time.

Lorenzen: In the corporate world when you sign a letter of intent, that's a good faith --

Adams: Absolutely. The taskforce work, all of that has been aired out and we use their conditions to shape this document.

Lorenzen: I don't think the urban renewal issue was analyzed by the commission. I heard the --

Adams: [inaudible]

Lorenzen: -- the radio program, mr. Paulson, as well as the chair have conceded they don't grasp the intricacies. It's -- intricacies. It's important that you do that in a thoughtful way.

Wright: As you pointed out the taskforce has been meeting since last year in december. I've been able to attend or watch on video, every one of those. We've had the opportunity to comment on this as it's gone along. The taskforce findings have been available for at least three weeks. So --

Fritz: To me they weren't.

Wright: Well, they were on the website. The taskforce website. I guess my point is I take umbrage when you say this has not been a public process. When i've been viewing and participating all along.

Adams: Thank you very much for your testimony. We need to move along. [applause]

Adams: Karla, how many left?

Moore-Love: Probably about 30.

Adams: Good afternoon, welcome to city council. Thank you for your perseverance. Give us your first and last name. You have three minutes.

Kari Russill: I'm kari russill. Mayor Adams and commissioners, I thank you for the opportunity to speak. My comments are short. I believe the city council has shown diligence in reviewing the details of this proposal. I know mayor Adams and commissioner Leonard had performed a lot of negotiation with mr. Paulson and this investment in improving city assets and bringing major league soccer to Portland is a sound one in my opinion. As a city resident and taxpayer, i'm glad to

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know that you're putting careful thought to how my dollars are spent. I appreciate that. That said, i'm aware there's no zero risk investment. But the plan before you is carefully constructed to insulate taxpayers like myself from much of the exposure that's inherent. Large scale projects like today are the building blocks of a vibrant city like the one we live in. With this investment, you provide two new places for Portland citizens to gather and connect. Mr. Paulson has shown a truly rare vision and with the city's partnership, major league soccer will flourish here and the effects far reaching. The time is right. I believe the investment is sound and I ask that you please vote yes today to bring mls to p.d. Does.

Adams: Thank you, kerri.

Kip Kesgard: I'm kip, I live out in southeast Portland, i'm a proud member of the timber's army. Ear to read a letter from a good friend. Gary, who we had a pleasure to meet three years ago, the letter says, he lives in a small town in the northeast part of england and been a soccer supporter for all of his life. Following his club all over the world to the extent he's visited a total of 22 countries. Including australia, singapore, new zealand and all over europe. He's not missed a single game for 33 years and met world supporters from other countries. He's read on the internet, that our team, are currently considering a move to the mls and I with like to take the opportunity to tell you of an experience he had with 1500 fan that is visited the rose city. They were on a tour taking in three games in seattle, vancouver and ending in Portland. He met great folks in the fir two cities but in Portland, he experienced the hospitality he never saw anywhere else in the world. Booked into the hotel and proceeded in downtown Portland dressed in team colors, they walked around town and the supporters that thanked them for coming and inviting them to a meet later for drinks. They went to the bullpen, close to p.g.e. Park and expecting 10 or more supporters but were met by over 200 of us. They adorned us with team scarfs and then at the end of the evening, arranged a house party. The hospitality, friendship were on a scale they had never experienced. So much so that their fans have taken the Portland timbers as their second team. Friendships have grown so strongly that a group of 32 timbers fans went to visit in england the following year where we had the opportunity to repay their hospitality and gary and his friends have revisited the city, bringing wives and partners. He said your city and fans deserve mls soccer and they're already famed around the world and a mls status will improve. He ends by saying, thank you Portland, you gave us friends. If ever a city deserves it, it's Portland, Oregon. The rose city is a special place -- rose city is a special place. Thank you for your time and in bringing mls to Portland. [applause]

Fritz: I wanted to say thank you for your particularly thoughtful email.

Adams: It reminds me, I thought it was very interesting that the online guardian newspaper had a very robust debate on pro and con should mls come to Portland, Oregon. So -- sir.

Bruce Eaton: Pardon me, I live in north Portland. I want to take us back to the '70s. A couple of you are native Portlanders but those who aren't might be interested. This town of ours put forth a soccer team, the timbers, their logo, an iconic mix of a double ax and chevrons representing the mountains and building off the metropolitan symbol that used to appear at all sporting venues. The timbers endured, a bit cosier but the same place that lightning struck. During that first year, who could have predicted the ride. Soccer bowl '75. A love affair that you see evident today. I want to talk about the players from those teams old and new. Willy anderson, jimmy kelly. Bernie fagan, tony betz. Scott thompson, lee morson, and the late clyde charles. All of those men made Portland their home during their playing days and after. I emphasize this because today soccer itself would not be where it is in this city if they men went home to england, or canada or california. All of them contributed to our local economy and some started small businesses. All of them coached our kids bringing the level of Portland soccer to national prominence. East side united. Wilson united. Oregon episcopal. Warner pacific and two time Portland women's team. Because of these athletes with funny accents and quick wits --

Fritz: [inaudible]

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Eaton: The building themselves are brick and mortar. Concrete and beams, iron and cable. But these men brought with them more. Much more. They brought the human infrastructure of the game of soccer and touched thousands and thousands of lives along the way. Children around adults, children and their parents. The human infrastructure. If you have document, look around these chambers today. The legacy is the human infrastructure of whose to call themselves soccer fans and timbers' fans. This group from every walk of life, every class, every orientation, we are part of a living legacy. We are Portland. As much as any taxpayer can be Portland. As much as any resident can be Portland. We are Portland. We're engaged and involved and all we're asking for is your help.

Adams: Thank you, bruce. [applause]

Adams: Richard, Katherine and Thomas. Welcome to the Portland city council. Thanks for your perseverance. You have three minutes. Start with Richard.

Richard Meneghello: Thank you, Mr. Mayor. Mayor and commissioners, I'm rich a local attorney and a proud member of the Timbers Army as well. I brought a picture of my seven-year-old daughter, Lucy in her Timbers Army regalia. She originally had one of these scarfs but when she first went, she was too short and would trip on them. One of the Timbers' Army members -- where we sit. She couldn't make it. She's in school. So she asked me to read a letter she wrote to you. Dear city commissioners -- I helped her with that word. My name is Lucy, in first grade. I like soccer very much. I played on a team this year and it was a lot of fun. I like to go to games with my mom and dad. I get to yell real loud. And it would be great if Portland gets a MLS team. I think it would be good for the city. And bring much needed revitalization in terms of shovel ready construction jobs. [laughter]

Fritz: You helped her with that.

Meneghello: She's a smart kid. I believe the placement of a -- much needed shot in the arm, especially as part of the larger development project proposed. I was relieved to hear national ownership group guarantees -- and basic city services is a necessary component of the deal. This is a truly unique -- she misspelled unprecedented there.

Fish: She's grounded:

Meneghello: And private resources being offered as investments and justifies the expenditures. I recognize these are troubling times but I don't believe that it's a cause for us to shrink away from this deal. The city should step up and act boldly and that MLS presents such an opportunity. I support the proposal. I will reach voting age in December of 2019. Thank you very much. [applause]

Adams: Brilliant daughter. Katherine.

Catherine Watts: Thank you for allowing me the opportunity to speak today. My name is Catherine. I'm a life long Southeast Portland resident. Mother of a nine-year-old daughter who could not be here. And a taxpayer and proud Timbers member. I feel like I found a new family. People from all walks of life coming together united in a common passion. I was infected from the first match on. And as a taxpayer, homeowner and average citizen, I vote to support bonds and levies that benefit schools and parks and libraries and more. I give my time. But a city is more than just the services and never defined by them despite their importance. Just as important as the opportunity for citizens to escape their daily routines, whether it's the Blazers who defined the team as an one team town. Or the -- I never imagined I would have the need to ask the city council for something but I'm here to approve the proposal that would bring major league soccer to Portland. This will benefit -- to choose themselves with it and work for the city that works. Thanks.

Adams: Thanks, Katherine.

Thomas Harrison: Excuse me. My name is Thomas Harrison. Over the last few weeks there's been a lot of talk about bringing major league soccer to Portland. And there's been a lot of talk about the money to be made with major league soccer and the tourism and events it would bring of but I'm not

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here today to talk about money. I'm here because there's something far greater that people for the most part have not been talking about. For most of us, the timbers are not just the team and to all of us, the timbers army is not just a supporter group. We're a community. All are welcome despite age or race or income or location and one of the greatest qualities of our community is our generosity. We've donated to walks of love and organized a bone marrow drive and volunteered and donated money to habitat for humanity and last season, made no pity scarfs which is the actual scarf i'm referring to. Not just the no pity, but one of the 150 special no pity scarfs that were funded entirely by the timbers -- timbers army and donated to doernbecher children's hospital. This is also not factoring in the money spent by members of the timbers army in an attempt to bring friends and family to matches. I've witnessed members pull money together to buy tickets for other members and even random people of the street. There's a woman who was kind enough to hand knit a stocking. All in the interest of spreading the love. Not just of the team or the community, but a love of Portland. The city of Portland is one of a kind and the timbers army is a shining example of what this city is and what it's about. There's something that draws you in. You can't help but feel comfortable and welcome inside it all and whether we're talking about the city of Portland or the timbers army, you can't but look take a look around and say, this is where I belong. Voting yes is not just a vote to bring another major league to Portland. Or to invest in the city of Portland. Voting yes is also an investment in the timbers community. One that may cease to exist if we pass and the usl goes under. Thank you.

Adams: Thank you, thomas. [applause]

Adams: And michael and ian. Dan, you're first up.

Dan Eager: First off, i'd like to thank you for the opportunity to speak in front of you today. Esteemed commissioners and mayor of this fine city. Stand or sit before you as a Washingtonian, your neighbor to the north and a devout timbers fan, this team, people and city hold a special place in my heart. I consider Portland to be my second home. and I consider the timbers army as my extended family. I've been in many medical procedures over the last years. It is the heart of this city, this team, these family, that have seen me through. It's the common caring of their hearts that keep me -- excuse me. The common caring of their hearts that make me feel home when I come down the road and stand amongst my friends and family and cheer for our pride and joy. The Portland timbers are part of the soul that makes up the city. Now the business facts. I reside two hours from here, make all the matches humanly possible to attend and when I do I generally reside in your area hotels and eat at your restaurants and shop at stores. I spend hard-earned money to spend in your city. I'm not alone. There are many farther away and closer than i. But all travel to Portland, eat, enjoy the city with our kids. The bottom line to this, we bring money to Portland. Let's see. Now, if you will indulge me, envision the exposure of major league soccer. The city will be stepping on the international soccer stage. This will open up the gates to those who love the game and tract those who are fans of major league soccer and the variety of other international makeups that make up this community. Large hispanic community. And if they only purchase one item at the concession, a burger before or after the match, that money would be multiplied by numerous amounts. If they're like me, they will spend a little bit more. This is a financial investment in the city of Portland's future. One that will provide dividends beyond the initiate investment and improve the quality of life for everyone in Portland and even some of us Washingtonians. Thank you.

Adams: Thank you very much. Michael.

Michael Pearson: Commissioners, thank you for giving us the opportunity to come before you today and discuss this opportunity. My name is michael, i'm a northwest resident and I understand that you guys have a tough decision in front of you. I work as a hedge analyst and I understand the economy overall is facing and understand your vote here today will have long term ramifications on more than just two sports team. It's shaping the future of Portland. I can understand some of the

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points the naysayers have. They worry about the costs and the down side risk to the city and county. But i'm sitting here urging you, telling you that you must vote yes. This deal is more than just a pair of stadiums. It's an investment in Portland's future. It's a sign to businesses all over the world that you're serious with working with people that care about this community and will shoulder their share of the burden. It's a sign to Portlanders, both current and future, that you care about the city. I understand there's budget shortfalls and there's questions about the future. But learning from history, standing pat and hoping the storm will pass is simply not an answer. The best way out of a recession is carefully thought out investments in the community by government. That's what is in front of you today. You have a chance to invest in Portland, an investment smart, protective of taxpayers and effective. A once in a lifetime investment that limits risk to taxpayers and providing two sparkling assets to the city. I've never seen one that provides as many community assurances as this one provides. Ensure the Portland beavers have a stadium they can thrive in and show the world you're willing to work with private investors who are willing to make concessions. He's willing to back bonds and cover cost overruns and provide capital and help the community itself. This is not something that comes around every day. Not something you can turn down. Deep down, I know both of these opportunities will be successful and the community will benefit. Please don't turn your back on this chance and on Portland's future.

Adams: Thank you, michael. Ian. [applause]

E'an Todd: Good afternoon, mayor and commissioners. Thank you again for the ability -- the opportunity to speak. Ultimately you were elected to make smart decisions and smart risks with our money to develop our city. Cities that don't invest in infrastructure and development dry up and blow away. If we hadn't made those decisions in the late '60s and mid to late '70s, our downtowns and schools would be in a worse shape. We're looking at a similar situation. With the deal that we have such protection for the taxpayers. There's risk, there's always risk. There's risk coming here. But this insulates in a smart way and -- hedges it. There was a metaphor of the engagement ring. It's an agreement to go shopping to are a ring with an investor who is willing to put his family money on the line in a way that no one else has done for this city. In sports. We already have a stadium. We're getting two stadiums, someone said for the price of one. I think more like a third of a stadium. The synergy of putting another venue during the summer when the blazers aren't playing, increases public safety in what you walk through during the summer and the evening, the rose quarter, it's a wasteland. Nobody goes there. Because there's nothing going on. This creates a reason for people to come from out of state, out of the city, within the city to spend money there. Businesses around the parks will benefit. I've been adjusting this as questions were raised. The youth soccer that commissioner Fish talked about, would not have existed without the mls timbers. That came from the professional franchise. Those clubs that are now huge institutions came with that. They weren't here before. This is an opportunity to do that again on an even bigger level. Lastly, this will raise our international profile. People know in other countries what soccer teams are in this country in a way they will never know a baseball or football team. And lastly, we benefit by having a division one ready stadium. And tv exposure for college sports increases attendance and quality of schools. It's a fact. [applause]

Adams: Thank you all very much. I want to pause for some housekeeping items. How many other others signed up?

Moore-Love: About 15 more.

Adams: Council, if it's ok with you, I want to pull -- we have folks waiting for some regular agenda items. We can pull those off to tomorrow at 2:00 to provide certainty and get them out of here. And poll council for their energy level for budget -- work sessions later this afternoon. Whether you wanted to reschedule those. So are you ok withholding the regular agenda, push it over to tomorrow's meeting?

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Fish: Since you're raising a question of our schedule. Let me add another piece. When I was asked about the timetable for this, I asked whether we could have time following the meeting to review the documents. And I specifically asked if we would put this over a week. I was told it was not possible. I understand it may be possible to put it over to a vote, tomorrow, thursday. That is still my preference since there's things I haven't read as carefully as I would like. Whatever the other mix of this, i'm agnostic.

Adams: Unless objection, we're going to hold over the regular agenda items to tomorrow at 2:00, time certain. And ask to reschedule the budget committee meetings, to bureau, managers and teams weren't waiting and at the end of our testimony today, we'll have a discussion about whether we make a decision today or tomorrow.

Fish: Why postpone --

Saltzman: I'm excused from council business on tomorrow's meeting.

Fritz: [inaudible]

Saltzman: I mean, you can vote.

Adams: Did you want to discuss it further, commissioner Fish?

Fish: No, we can do it later or now. I had made two requests about getting some feedback on the timing for our decision and I actually never -- no one got back to me on either request. But --

Leonard: Which request was that?

Fish: Initially i'd asked if we would have an opportunity to reflect on the testimony and the materials today and vote on this matter next week. I was told there was a deadline from major league soccer. So --

Leonard: I thought I had told you that. I thought we had a discussion and I told you that.

Fish: So I don't -- if we did, then i'm --

Leonard: I may have just thought it and not said it.

Fish: I may have disassociated. It's randy, right?

Leonard: Yeah, it's randy. [laughter]

Fish: I've heard good things about you.

Adams: Do you want to speak to it now?

Leonard: Yeah, I talked -- after you asked me that, I talked to merritt and maybe I dropped the ball and didn't communicate back to you, but he made it clear he needed the decision this week for his application for mls next week.

Fritz: Since we're proposing to spend over \$100 million, I would like to have commissioner Saltzman involved in that vote. I'm prepared to stay as long as it takes today, tonight, and if we need to take a recess to get -- [applause]

Fritz: Just doing my job. If we need to take a recess to get the answers we need, there should be enough answers at this time to be able to make an informed decision. If there aren't, that's part of informed decision that we don't --

Leonard: I'm comfortable that whatever questions one might have, we have the folks here that can answer that.

Adams: So budget work sessions will be rescheduled and regular agenda items on today's docket are shoved to tomorrow at 2:00. Please call the next three testifiers. Thank you, council.

Adams: Have food brought in.

Fritz: We can't eat in front of everyone else.

Adams: I do all the time. Welcome to city council. Please give us your name and you have three minutes.

Irek Wielgosz (spelling?): Good afternoon, city council and mr. Mayor. I'm [inaudible] and a proud timbers army fan and a resident of the king neighborhood. The reason we're here is to ask for your vote yes on this proposal. I came to Portland in 1986 and followed the urban developments that have placed Portland on the u.s. And international map as a sort of innovative and forward-

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looking city. The comparison of this proposal to, yes, somewhat controversial projects in the past come to mind. The year I came here in '86, the first max line was opened. It used federal highway funds to fund a first modern light rail system. A model to all the other cities and a model -- and what has grown to be really a renowned and successful project. The -- 2001, when the red line to airport was built, that really was an innovative private and public funding project that has been extremely successful. 3200 people a day either get on or off the Portland -- at the Portland airport and without that line, I remember when the bus was there. That was not fun. When someone came out of town, country, to visit you and asked to take it back, it was so [inaudible] I pick them up at lloyd center and we're home in five minutes. This -- the red line and cascade station that have come out of that 2001 project has been a success and bringing timbers to the mls will also be a successful I urge you to vote yes.

Chris McGuire: Good afternoon, mr. Mayor and commissioners. Thank you for having me. My name is chris and i'm the head of sports marketing at adidas america. I've lived in Portland for the last 10 years and i'm here to support bringing a mls franchise it Portland. I was fortunate to ask to sit on the taskforce. I was excited with the outcome the taskforce chose but wanted to explain how it can benefit our city from an adidas perspective. It stretches back to the inaugural season in 1996. In september of 2004, we finalized a 10-year partnership with mls to be their products supplier. And we would be especially proud to outfit the Portland franchise in 2011. 2004, as we considered this exclusive contract and the costs associated with it, adidas did research on the league's financial, the ownership groups and the p.m.l.'s. The single entity structure and the salary cap led us to believe it was a safe investment for our company. I'm pleased to let you know that this business has exceeded original projections three fold in the last three years. As a fan and now father, mls has no rival in terms of providing a family atmosphere, and affordable pricing and a team unites all ages, all socioeconomic backgrounds and is engrained in the fabric of the city. Portland is already considered soccer city u.s.a. And this would be making it true for generations to come. By supporting the mls bid, you would bring a team to market in, but providing a self-financing detail and a direct impact on companies and put Portland on the local soccer map. Although adidas will benefit, as -- of the sport, taxpayer and resident of the city, there's not a better choice you can make than saying yes. [inaudible] any information I can provide, I would be happy to do so. Thank you. [applause]

Adams: Good afternoon, sir.

Gil Frey: My name is gil frey. Honorable mayor and council people. I appreciate being here. I guess I would summarize some of my speech to start out with, because mr. Paulson mentioned that the economic impact could be about \$30 million. Maybe to the city. And I would like to suggest that the economic impact of the memorial coliseum could very well be \$100 million. Now, that's a guess at this point. But i've been following the scheduling for the last month, very closely. And I learned what c.f.a. Means. That means cat fanciers association. And they came to the coliseum and it took quite a while to get that information. And I reached someone in probably new jersey or back there, and they gave me the local district and said they had 125 exhibitors. They had 325 people or so with their cats. And they had 1200 people who were spectators. And they were not in the arena, they were in the convention hall. And that's just one event. These people came from alaska and hawaii. It's the northwest convention, you might say, and it's very, very significant. And I have no idea what the total economic impact is on this coliseum, but I would say that it's possible and you and I need to find out, possibly it's \$100 million. Now, I have a written speech. My name is gil fry, I live in milwaukie, Oregon.

Adams: That was just the warmup? [laughter]

Fish: We're ready:

Frey: I grew up in Portland --

Adams: Mr. Fry, we have your six-page speech --

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Fish: The off chance your time runs out and we have the written speech and we'll make sure we read it.

Frey: Thank you very much. You have pictures of the coliseum because one of the soccer fans said he was over to the coliseum and it was abominable. I don't know if he meant the memorial wall or the coliseum. I went over during the wrestling matches and there was a full house on saturday night and I went and took pictures during the day. And each of you received copies of those pictures. And that was one of the reasons why, because this coliseum is very, very effective, efficient and functioning great. I represent 1,012 Portland voters who -- 1,012 voters. They chose that. This is in 1956. And that vote was in november, I was camped out in germany, waiting in a tank to go into budapest is my time up already? [laughter]

Adams: It is. Did --

Frey: To assist the freedom fighters. America elected not to go into budapest and my wife and I returned home. And I also represented about 200,000 homeowners.

Adams: Sir, you're out of time.

Fritz: I have a question.

Adams: Lord, help us.

Fritz: Thank you for serving our country. My understanding you do not share the previous veteran's opinion that --

Frey: I do not share the previous veteran's opinion. And in one of the illustrations you'll find a flag. Posted on the coliseum property. On the memorial property, and harley widdel was instrumental in getting that flag there. He pulled it off and got it done in a week or two.

Fritz: [inaudible]

Frey: I wish we could have like a commandment. Thou shall not touch or coliseum.

Fritz: Thank you.

Adams: Thank you for your testimony. We really appreciate it. Thank all of you. [applause]

Adams: I'm going to, unless there's objection from the city council, i'm going to rescind temporarily, the ban on food and drink in the lower floor. So steve, you're allowed to have the drink you're drinking. But not upstairs for safety reasons. So it's allowed, including those of us on the council dais. Welcome, glad you're here. Give us your first and last name. Go ahead.

Jesse Hart: I wanted to thank you for having us and thank you for dedicating your time. Whether it be all day and night. My name is jesse and recently moved to northeast Portland. Soccer is a cornerstone of my life. Born in Portland, raised in grant's pass and now back in Portland for the career. Hopefully for my dream to come true. Oregon is littered with soccer fans in every city but no professional team to be a part of. There's no doubt that if we move to join major league soccer our dedicated fan base will significantly increase and numbers higher than most mls teams nationwide. I'm thinking past the great success that the teams bring to the next time the united states hosts the world cup. I think how amazing it will be to not only host mls teams, but world class soccer. Please jump on this great opportunity that we may never see again. Please don't think that soccer is only a recreational activity. There are literally billions worldwide that would laugh at that remark. Soccer is continually growing and Portland, Oregon should continue that growth.

Adams: Thanks, jesse.

Joey Webber: My name is joey. I'm going to read a letter that was written to me by mr. Sterile. He could not be here because he had to work. My name is jim, most people know me as timber jim. I have grandchildren, fourth generation timber family members. We're part of a huge family tree. Roots that grow deep and reach across oceans. The branches are as unique as the entire spectrum of light. I had the privilege of serving the Portland timbers as the director of love and celebration.

Fritz: I want to be that.

Webber: Timbers celebrations are legendary. And now there's a magnificent opportunity to grow our tree. Soon people from across the globe will come to climb in our branches, some eventually

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will call the tree their home. I respectfully request that you grant our gardener his request. I respectfully -- sorry -- thank you very much. Timber jim. Like I said, my name is joey, the man I spoke for is a hero of mine, not because he's a Portland icon, but he lives for others and benefiting them. This year, I had the opportunity to work as a game day employee for the Portland timbers, aside of the game days, i've been able to do a lot of things. I've spent money, sorry, time bowling with bubba to raise money for the shiner's children's hospital. And encouraged children to read. I wasn't as nervous as I am in front of you today.

Adams: Joey, you're doing a great job.

Webber: It's different being in front of a thousand fans as opposed to the city council. One of the neatest things i've done in my life --

Adams: Would it help if we started cheering?

Webber: Somebody bring in my chainsaw.

Fish: When you're descending on the rope over my seat with the chainsaw and firing it up. Is there any actual risk to me as a paying customer?

Webber: There's risk just coming here today. [laughter]

Adams: Depends on how you vote today. [applause]

Leonard: You stole the words out of my mouth.

Adams: I stole a little bit of your time. We'll give you more.

Webber: That's fine. One of the greatest things i've ever done is a girl who worked for the Portland timber, asked me to join the players and go to emanuel children's hospital. These players that came out, spent their time to do this, and you could see the life in these children when they have nothing left. They've lost their family, their skin, there were children there with cancer, on their last legs. The players were able to step up when the children didn't speak english. They could speak Spanish. There was one child who could not speak and one of our players actually knew sign language and was able to communicate with them. Bringing major league soccer to Portland, would bring more opportunities to like this. To get out into the community. To encourage children to read and be physically fit and to be able to brighten the day of children who are suffering. I very much so encourage you to vote yes today.

Adams: Thank you, joey. [applause]

Jay Issac: Mayor Adams and Commissioners, I'm JE Issac, senior vice president for the Portland trail blazers and Portland arean management which is the owner of the Rose Garden and your partner managing the coliseum at the rose quarter. We support efforts to bring a mls franchise to Portland and would welcome one if the deal for the city is right. Our affiliates in seattle have supported portland's bid to the mls. We believe merritt Paulson has already been a great benefit to the city. However, like the citizen's task force our support is conditional based on the terms of the agreement. We cannot support terms and conditions that dramatically impact the future viability of the trail blazers. We are concerned that the terms of the deal that is before your today threatens the future of our franchise. We more than anyone understand the challenges that a major league team has in a small market. We continue to experience enormous financial losses and are now facing a deepening recession. We have a new management team. We have made tremendous progress towards a sustainable business model. Future use of the area around the rose garden is critical to achieving that model. And the terms of the proposed agreement with short stop appear to be inconsistent with the model. If in order to attract an mls franchise it is necessary to site a baseball stadium at the rose quarter and to use the vast majority of the rose quarter funding to complete the deal, it appears to us that we will be unable to achieve the city's vision of a vibrant 24-7 mixed use entertainment district at the rose quarter. We, and many others, feel that vision is the highest and best use for the property around the rose garden. And we are concerned that the deal before you may forever commit our neighborhood to being what it is today. A facilities district we're people come to attend large events and leave. Commissioner Fish mentioned the fact that the council has a

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choice about how it spends urban renewal dollars. It also has a choice about how it spends the, the spectator facilities fund. We have talked to several neighbors and business groups and they are excited about the development that we could create. It is a vision that will bring thousands of jobs, add hundreds of millions to the property tax role, and attract additional convention business.

However, if the terms of the deal for m.l.s. strips the rose quarter of most or all of the revenue available for the city's participation in the project, the city will, in effect, be choosing to replace an arena currently hosting concerts, family shows, conventions, conferences, a minor league hockey team, and the cat show with a minor league baseball stadium. Proponents of the deal like to talk about how adding the baseball stadium will be a spur to development of the rose quarter.

Adams: Your time is up, but why don't you continue. I'll give you a chance to get your statement out.

Isaac: Thank you.

Isaac: People talk about the stadium being a spur to development at the rose quarter but history has shown us that sports facilities, alone, cannot create the critical mass necessary for an active 24-7 district. If they could, the development would have followed the building of the rose garden.

Which last year, had more events than any other arena complex in the country. We urge council to reconsider the terms of the deal and work towards an agreement that will not cost the rose quarter a chance to become the active neighborhood it can be. The city's agreement on the rose garden is an excellent model for an m.l.s. Deal that would work. The rose garden was 100% privately financed.

The city did not take any risk or put up any bonds for the arena, itself, and received a 6% user fee and all revenue from the public parking garages, which the city paid for. It is ironic that the city's excess revenue from the rose garden is one of the key funding sources for the baseball stadium that this deal is offering to build from Paulsen and it is a large piece of the financing that is not guaranteed by the Paulsen family. We ask that the city take a week and see if we can work out terms that can bring us an m.l.s. Team to Portland without threatening the future of the major league team that we already have. Thanks for your time and consideration.

Leonard: I would like to ask you a couple questions, Jay. So what, specifically, in the deal you looked at, are you identifying as, as the piece that, that threatens the viability of the Blazers?

Isaac: As I mentioned, Commissioner, developing the properties around the rose garden into an active 24-7 district is part of our plan to try to achieve at least break even for our owner, and the plans that we have looked at now and our understanding of how this deal that's proposed will work, is that, that you will take 100% of all city revenues from the facility district that you have now, you know, from the rose garden that are flowing now, and you will take a substantial chunk of the tiff money from the urban renewal district that we're a part of, and you will build a baseball stadium on, on the Coliseum property, which is one of the, which is the largest development piece that we have. So, our concern is about enough money to create it and property.

Leonard: So to be clear, the Coliseum is owned by the city?

Isaac: Yes, sir.

Leonard: And we have the right to develop it in terms of being a public venue, which is our intentions, and with respect to the U.R.A. And the dollars there, as I think that you heard earlier and maybe I'm, I'm remembering a few conversations that I didn't have, but I thought that we had a conversation where it was explained that the U.R.A. Dollars identified for the A.A.A. Stadium are not in competition with the urban renewal dollars earmarked in the district that you are in for, for the entertainment district development, and lastly, I suppose I'm just a little disturbed at what you are saying because we've been having conversations, and I have seen drawings you produced that shows a A.A.A. Stadium on the Coliseum site, with the entertainment district development, so I'm a little confused about that.

Isaac: Yeah. Let me -- let me clear that up. The, the drawing that you saw required a complete demolition of the Memorial Coliseum and our office building, which will cost 25 to 35 million to

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replace. And the sources that you referred to that would be available to, to achieve our vision, would know even replace the office building. So, that's, that's why we're concerned and, and our apologies if we haven't made that clear.

Fish: I think the point is you showed us a drawing where it would work within the district. Now, it also --

Adams: You said we would have to take 25 million to take down your office building but we haven't decided on we're in the rose garden it would go but I think that shows the co-location of the two facilities is possible, and there are other spots within the rose quarter we've shown that it can fit, as well, so your comments today, um, a number of aspects of your comments today come, come to me as a surprise.

Leonard: But I would want to make clear that, you know, I certainly do, and I think I speak for the whole council, if not the city, that we consider the blazers a valuable partner, seems to be, an understatement, and a large part of the negotiations with merit, again, may be i'm remembering I said this to you, but, but didn't make it as clear as I intend to now, a large part of the negotiations with merit was to make it clear that, that we were going to place the a.a.a. Stadium in the rose quarter in an area that, that best fit with, with your operation and his operation in the city's best interest. And, and I thought that i, I told you that, but, but we would do nothing intentionally to either warm his concern or yours, and in fact, it is my belief that, that the work that we're going to do, if this gets approved from this point on, will create a synergy we're both you do better than you would have individually on your own. With the facilities there.

Isaac: Well, we certainly feel in that if there's enough financial wherewithal and enough property that a baseball stadium can work, but so far, the experts that, that we have asked to look at this are very concerned that, that deciding both what we wanted to build and what, what merit wants to build will require the destruction of newable, not only the coliseum, but either your parking garages, which you own and you are pledging the revenues from towards the p.g.e. Park funding or our office building.

Leonard: I'm committed, as I know mayor Adams is, to working towards all those issues. Is everybody satisfied?

Fritz: I have a question. You mentioned that there was a lot of private investment in the rose garden. Can you tell me how much private investment there was in the rose garden?

Isaac: 267 million.

Fritz: And how much city investment?

Isaac: 30 -- i'm sorry, the 267 was the total number, but all of the rose garden, itself, was paid for privately. There was \$34.5 million of that \$267 million that went to build the two parking garages that the city owns and gets the revenue from, and to refurbish the memorial coliseum.

Leonard: Didn't we donate the property?

Isaac: You ground leased the property, correct.

Fritz: Ground leased the property so you pay --

Isaac: We pay a ground lease.

Fritz: There was what, about 80% private investment? If you look at the counting of the garages and the refurbishment of the coliseum, at least.

Fritz: So, were you involved with the, were the blazers involved in the 2001 rose quarter urban design and development strategy? That was a p.d.c. Project but we were definitely involved in it.

Isaac: I think what you are raising, and what i'm raising for the rest of the council is, within the report, was to consider what's the highest and best use of public property, and this is, although it's not parkland, it's, the space is, is public property, and so i'm really interested to know from you what, what might be the highest and best use, and this, this proposed use is, is suggesting it would be 300 ongoing jobs as a result of the new stadium, at the combined --

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

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Fritz: So tell me a bit more about what you are proposing. Envision for that area.

Isaac: Thank you for that opportunity, commissioner. The vision that we have for, for a live district, this is something that, that has, has been achieved successfully by, by our, our development partner in several communities around the united states, including kansas city. And to give you a sense of the economic impact in kansas city, that, that created 5,000 new full-time equivalencies. That's not 5,000 total full-time jobs, but it adds up to that many hours. Full-time equivalencies. It put over 400 million of property on the tax roll, and that's another distinguishing point. If you are aiding private development, you are adding to the tax rolls. If you are, if you are building public facilities, then you are not putting anything on the tax roll. The economic impact is tremendous. The other thing to consider is the impact on the convention center. We are only a block and a half away from the convention center. The convention center is struggling mightily. Even though people want to come to Portland, it's struggling to get business. When conventionares -- and this has been proven in los angeles, we're there is a live one next to staples and in kansas city we're there's a live district next to the sprint center and their convention center that you add a lot of incremental convention business by putting one of these things in because the conventioners want to come to it.

Fritz: And my understanding correct, that although the ground is city property, the improvement, the private improvements would give us property taxes?

Isaac: That's correct, they would be privately owned. The company knows how to do this. They are willing to invest it, and, invest in this with their own money. They are one of the few companies in this credit market that can self fund its own project.

Fritz: And what has been the process with the city and c.d.c. For discussing your vision?

Isaac: We began the process with the p.d.c., and with the mayor's office back in the summer to start sharing with them, just the concept of what we wanted to do, and we got a lot of head nods that, that people thought it was the right vision. We began a process towards working out a memorandum of understanding with p.d.c., and then, this project, the m.l.s. Baseball project, basically, accelerated our project because the question then was raised, does a baseball stadium fit in? Is that will that work? And, you know, the short answer is, sure, as a usage, it would be great. It would be great to have a baseball stadium, you know, in the rose quarter because, because it would, added in terms of bringing people to, to the, the live district. But, if it's at the expense of the live district, we think that, that it is a mistake because you will be forever committing to what we have now. The coliseum did \$420,000 people last year. Merits own optimistic projections, I think, says 600,000 people at the new baseball stadium. That's not a big game. You are, you are giving up -- in kansas city, without a major league tenant in the sprint center, their live district drew \$8 million people. 25% of them came from farther away than 100 miles.

Fritz: Is that a similar size?

Isaac: That's, that's really the question we're trying to work through, commissioner. That's really the problem here is that, is that, you know, we are still developing our plan, and what element should be included? How many elements can we, can we fit within the properties that the city owns and the property that we own in the riverfront, and it's a question that I can't answer definitively to that.

Adams: And it's also, I think, there is there is an aspirational opportunity to it because expanding the rose garden, the city owns property behind the blanchard building, school district has long been interested in redeveloping that site and getting into is a facility that's more sort of right sized to their needs, so, we're well into the, the discussions and, and I do believe we'll come up with something that works for everybody.

Fish: Can you ask you one last question? I will be telling my grandchildren some day that I lived in Portland the day that rudy fernandez got a cheap foul and the team came together and won a championship. How is he doing? [laughter]

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Isaac: He's great and begging to play tonight, and I think what it's going to be more fun is to tell your grandchildren that you were there the day that Rudy came back and heard that applause.

Fish: Thank you, gentlemen, very much. I hope you are not getting free tickets.

Adams: Next three. Thanks for waiting. Why don't you go ahead.

*******:** All right. Good morning, or, I guess, good afternoon, at this point.

Fish: Can you speak into the mike so we can all hear you?

Julia Hasty: Good morning or good afternoon. I am Julia Hasty, and I have a chemistry degree from Radford University in Georgia, and with a focus on green chemistry and biofuels. I work at Portland-based biodiesel company, and first I would like to commend the commissioners for the leadership, especially in these hard economic times. I speak to you today but my concern is the types of jobs this project will create. More importantly, there are more pressing issues that I feel that the city council should focus on, other than sports. And who are pressing issues are education, road repairs, and green jobs. As a cyclist, I would like to see this money used in saving already existing local jobs or, or that contribute to the tax base so that we can improve our recycling. And fill potholes that endanger me as we are in search of work each day. I would like to see the urban renewal money that would support businesses to find the solutions to sustain and add value to the city, as we are in an era of pressing environmental, social, and economic issues. I would like to see the current schools repaired and, and provide a quality education so that we can train this generation of youth to think in critical, creative, and innovative ways to be the next green workforce. I'm frustrated because I just got laid off after, essentially, been volunteering 50 hours a week for the past three months and heeding the city's call to create a sustainable business to bring a million gallon a year plant online. As I speak to you right now, our first batch of 5,000 gallons of biodiesel is sitting in a tank right now made from vegetable oil from local restaurants, and it's sitting there with no market, and in another week the biodiesel will oxidize to the point that it will no longer pass specks. The sustainable local company that I worked for is on the verge of losing their partnership with one of the Portland's largest wastewater recycler. If this happens Portland's resources of vegetable oil will be loaded onto a tanker and shipped to China. If we don't become the fifth biodiesel in the area to fold by the end of the month. It will create 15 or 20 production ready jobs, and, and long-term green jobs at a salary of \$40k a year with benefits. We would be a resource for local educational institutions for internships, and, and which is much greener and sustainable than managing a soccer team. As a highly educated class, at a risk of Portland, while other sustainable jobs, such as a part-time stadium hot dog stand or short-term construction job are being promoted. I ask you to vote no and start focusing and supporting small businesses who need your help in creating long-term jobs that can support our green city, and that we have something to show for it. I love sports but I think that we should work hard in supporting our local businesses and play later. Thank you.

Leonard: First of all, I very much agree with your sentiments and we use urban renewal dollars for small business startups, and I have a number of small startup companies that only got going and are succeeding, on the bigger point, we very much share a passion about biodiesel. I would like to go into the office and talk to Tony and tell him about the gallons and I would like to see what we can do to, to buy that at a fair price from you to be used. [applause]

*******:** I appreciate it.

Sean Moran: I am Sean Moran, and I'm, actually, here on a job interview today. My qualifications are that I'm a local soccer coach. I'm the president of a local youth soccer club in the Grant Park neighborhood. Also a member of the Northeast United Soccer Club, and I want one of those 300 to 150 jobs that is going to come with major league soccer in this town. Last season, last season we were awarded a \$3,000 grant from the Portland Timbers and Beavers' community fund, and that money was earmarked to go towards fields. Portland public school fields and, and Portland parks and rec field, are in such a bad way. Last season, they gave out 100,000 to local soccer and

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baseball clubs, and that money went back into the community, into the Portland parks and rec field and school fields that, that our kids are twisting their ankles on, and, and, and the [inaudible] neal school was awarded \$10,000, it was, actually, awarded to, to hayward little league, the previous season, and that's one fulfilled now, and teams from all over the area use that, including both my children who go to that school. The children use that field, and, and this season, the Portland timbers and beavers community fund hope to give 150,000 back to the Portland youth soccer and baseball community with major league soccer, you can only guess that it would be substantially more. I want a job with the Portland timbers and Portland beavers, major league soccer, and there is probably thousands and thousands of people in this country that want you to say no today. They are the supporters of the, of the other clubs, the other, the other states, the other cities. They want you to say no because they want -- because of what it can bring to their communities. I didn't write anything down today, but, and I don't want to say for the children, but, you know, it's -- there is a lot, a lot that, that gives back to the community. I brought 400 children to, to, to a game last season we're we were awarded that check, and those kids played on the field in front of 14,000 people, just real quickly, photographed down there, just under 30,000 people to watch a women's soccer game, it was a world cup game, so that's a reality. There is no photo shop on that thing, ok. That's what you will be missing out on if you don't vote. I really appreciate your time, thank you. [applause]

Fish: First I want to acknowledge that I have received a couple thousand -- received a lot of letters but only one hand delivered from my house, which I think was from you. [applause]

Fish: Let's keep the address private, if you don't mind. [laughter] [laughter]

Fish: Second I had a meeting with some grant park people because coach manoli and others believe the state champion boys soccer team should play on a soccer field. And the, the overwhelming majority of emails I received have been, have been urging me not to do that. So, I look forward to working with you to make sure that the kids in grant park have a field that is as nice as the kids at wilson and at lincoln and at cleveland, and in addition, I think that northeast united, northeast united place in fern hill, and fern hill is also not in the greatest condition, and we have not invested in a lot of our fields, and so what I want you to know is regardless of the outcome of the vote I need your help to make sure kids in Portland have the same quality fields that the suburban kids take for granted and also convince people that artificial turf is not a negative that people think that it is. In fact, prevents injuries and allows us to get more use out of the fields and more bang for the buck.

Moran: Thank you, the \$3,000 will be going to fern hill that came from the Portland timbers and beavers' fund.

Fritz: Is it true that major league soccer requires proper grass rather than turf?

Moran: No.

Fritz: Ok. And I just wanted to mention that I received and read hundreds of emails, including from all over the country and all of the ones from all over the country have been saying, do this. The ones that this don't do it, only one from beaverton that didn't have a Portland address.

Moran: You know, we would love to have, we would love to all play on grass, you know. It's the best thing that you cannot repeat, but you cannot practice on, on grass and you cannot have football on grass, you know. It would tear it up. It has to be, you know, a turf.

Fritz: Thank you.

Joseph Esmonde: Good afternoon, I am joseph. I'm a business rep for the international electrical workers, 15937 northeast airport way, Portland, Oregon, 97230. We represent 4,000 union electrician were workers in the Portland area and we are affiliated with, with another 16,000 folks, and our unit workers and the trades with, with the columbia pacific building trades council. We should go on record in support of the, of the major league soccer task forces finding the recommendations, and in the interest of full disclosure, i'm the ex coach of baseball and soccer, so,

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so, and, and so, so we believe that the findings are good. We believe that the financials are straight, and there's enough protection in there that, that the city, at which I live in, won't get, won't get burned. Not only will the projects provide much needed construction jobs for, for our out of work members and but, they also will, will create work for, for the local architects, engineers, and all the suppliers in the, in the area. The money will be re, recirculated into this economy here, so with me, it's a no brainer, and, and the areas we're, we're it will be modeled soccer stadium and new baseball stadium will be built, also, will benefit from the new economic vitality and increased positive activity which, which, of course, was sent out signals across the country and, and around the world, and, and it's, it's all good stuff. We know these are tough times. Hey, in the construction business, we're getting our butts kicked be but we would argue that this is a good time. For leadership to be, to be moving these project forward, and yes, this is a stimulus into our local economy, we therefore, urge the council to vote yes on this proposal so the plans and projects can move forward. I thank you, and I want to add a couple things, right now, in our apprenticeship, we have 31 people who are veterans, and there hasn't been, been a house in Portland area, being done by the habitat for humanity in the past couple years. It has been wire-free by the ibw, and four years ago for the Portland public schools, I spearheaded a group of people to put up three football fields lighting projects. So, the kids over here on the east side could, could have football games at night, and my kids went to public schools here and got a great education.

Leonard: That was at marshall, cleveland, and roosevelt.

Esmonde: Yep.

Leonard: Great job.

Esmonde: Yep.

Adams: Thanks, joe, on everything the union does. [applause] good afternoon, gentlemen, and welcome to the city council am all you have to do, give us your name and you will have three minutes.

*******:** Go for it.

Bill Resnick: Thank you. I'm bill resnick. I like soccer. It keeps the kids moving rather than standing in the outfield or mashing into one another, and, but I don't think the city should be choosing which sports to subsidize, to each its own, and I urge you to let interest pay the full costs of their projects and their sporting interests. First, a brief point on urban renewal. Some urban renewal, a lot of urban renewal stimulates real development, but some, and the parts that are critiqued, redirect the expenditure, the public moneys only redirect the expenditures. You get a lot of money spent in one place, and in fact, jobs developed in that place, but those are moneys that, that would, and jobs that would, that would, that would exist any way, and would, would, and the same economic projects would have, would have gone on, but other places. It ships money from one bowling alley and restaurant to the bowling alleys and restaurants around the stadium that you subsidized, and the economic situation is indisputable. It's easy no commission studies to see that there will be a lot of development around the ballpark. The question is, what's the effect on the region, and the region is just about null. If they are ready to guarantee that no public funds will be used, that they still need bonds for some, some cosmetic purpose, they should put money in an unbreakable trust, enough to cover the cost and overruns. I really didn't want to talk about the economics. I wanted to make another point. I went out canvassing recently. I was canvassing for raising tacks. And the corporate minimum of \$10 that p.g.e. Pays, they could afford more. And also, to raise tacks on people, very high income earners, and in fact, a huge amount of money could be raised for schools in the state. I got a response from some people, which is, they want to build stadiums. They ought to have plenty of money for schools and health care. My sense is that, is that the, the money spent on, on soccer subsidizing soccer, will reinforce the cynicism that so many people feel about government, and this country is sinking right now, it's in deep recession with no, with no end in sight, and today, only very wise and efficient public action, of many kinds,

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obviously, reregulation, but including a large fiscal stimulus, is it bonded and deficit spending, will, we'll restart the economy. But, of course, those expenditures, real investments need public support, and my sense is that an expenditure by this city council, basically, is for the rich and well kelked. That's the ownership, not the fans, is one good way to, of losing the kind of public support that we need and will need for the next several years, and we will public investment. And I think that it really plays into the, the hands of those who insistently say, don't trust government. They waste your tax money and give it to special interests, we've been more intelligently, can spend your money than the government

Adams: I need you to wrap it up.

Resnick: My contribution is to remind you that expenditures and subsidizing stadiums, besides the economic losers will undermine the public support for the very policies needed to, to restore the economic activity in this country.

Adams: Thank you, bill, jerry.

Jerry Powell: You told me not to say that. Commissioners, franklin -- i'm jerry powell, and I chaired the planning committee of goose hollow neighborhood association. Franklin delmore roosevelt said what we have to fear is fear itself, and i'm thinking about that as i'm speaking to you. This hollow has long sought a u.r.a., and specifically when entered around the, the intersection of, of, of southwest morrison street and, and, and 18th. Why there, the center of a sort of, of institutional black hole, in the middle of the neighborhood. And the may remember institution, of course, is p.g.e. Park, which is a public facility be very appropriate for the landlord to spend money on it, and why, why should you spend money on p.g.e. Park? Because it's the center of an area in that has a very high vacancy rate. It has -- specifically, of commercial buildings. It has under used buildings. It has very little public expenditures that's happened in that area in terms of the infrastructure, and it's attracted very little private investment as a result. It's on the west side. It has the unfortunate location of being on the west side of i-405. There's been no public expenditure anywhere near southwest 18th. Now, there's a proposal that sort of is lurking out there for, for the u.r.a., and it seems to be drawing a lot of fire here this afternoon. Well, -- it seems to be drawing a lot of fire here this afternoon. Well, there is a lot of private investment that is likely to happen in an area that's had no private investment before. So, a mile and a half or so to the north of southwest morrison street and 18th. Called conway. And, and I suppose, i'm somewhat speaking out of turn, but, but we talk with our neighbor, our neighborhood to the north, and we participate in each other's planning exercises, and it seems to us the folks that live and work in that area that a u.r.a., along, along the corridor of southwest 18th would create a great deal more economic activity in that area than we could ever possibly entertain without it. Thank you for your time.

Adams: Thanks, appreciate it.

Adams: Is there anyone else signed up to testify? [applause]

Fish: Was.

Adams: Was.

Adams: Anybody else want to testify? Last call? Good afternoon, gentlemen. Oh, here we go. Got a full compliment. Good afternoon. Just your name and give you three minutes.

Brad Perkins: Good afternoon. Good afternoon, mayor and commissioners. What we're talking about here is, is mainly, investments. I heard that comment today but that's what we are doing right here, making a decision on investments for our future and our children. I think that we're, we're very fortunate to have a man like merritt paulson being willing to commit to, to the development of two teams, and i've done a lot of real estate in this community and I find it hard to have the small leases of people being willing to give personal guarantees. And, and he's willing to do is a personal guarantee on this venture, and yet, Portland still maintains ownership of these two stadiums when the new one gets built across the way, and this building piece of, a it, which, which finally, is, is designed appropriately for the type of venue that needs to go there, and that is soccer.

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It's a beautiful piece of art, and, and we're talking about the whole concept, when we talk about the concept of, over at the coliseum, the other, beautiful, better than this location, as far as sidelines to, to the city and having a stadium there that can also be used for outdoor concerts. I appreciate jay isaac's comments about a room for an entertainment facility there by the trail blazers, and if you really think outside the box and we get together and, and talk imth, as a community, you could see that, you can actually build over interstate and connect his property, his, being paul allen's property along the river, that i'm working on right now trying to create a high speed rail station. There's a bill in the state legislature right now that, that is trying to bring together a tarves of four high speed rail in the valley from eugene to vancouver, b.c. Imagine that for a second. A high speed rail station across the street. What kind of infrastructure would that create in that area? A tremendous amount when you have, when you have basketball, baseball, and entertainment district, and major tourism and transportation center right to the heart of, of the whole region, basically. So, think about, think about that, in terms of investment that, that eventually, this city, along with, with the sports venues, and the transportation and tourism dollars it could bring, we're not just talking 300 jobs here. We're talking a tremendous amount more, and maybe we might even have another synergy over there to have, to have a convention hotel bill with private money. Thank you for your time.

*****: Thanks, brad. [applause]

*****: Hello, my name is todd?? and thank you for the opportunity to speak. The one intrinsic quality of baseball is because it's fun, a gentleman a sport and makes us feel young again. We are the doctors, lawyers, students, teachers, housewives, trade men, the faces you pass on the street. Most of all we are united. From all walks of life we come together for this reason. And everyone in this room understands investing money in the timbers. The building of the timbers army has been a grassroots campaign funded by the fans. We paid for t-shirts, and buses to travel and we produced glasses and things at the warehouse. We understand the value of a dollar but understand the dollar of our club, and in the time since i've been a timber as opposed to I have lost a home, family, job, but the one constant lab my club. The joy I get from watching my club take the field is virtually undescrivable. The best that I can articulate is to say that when you have the passion of someone and the countless thousands not present, you carry, you are carried to a state of euphoria. There is no hunger or war or poverty. Only passion radiating from the passion spilling into the city. This is something that we wish to spread.

Adams: Thank you very much. [applause]

Adam Smith: I am adam smith, and I live in northwest Portland, and today is march 11, my birthday, and I would like an m.l.s. Team for my birthday. [applause] [laughter]

Adams: I would like to ask merritt, ken, and steve to come back up and steal the three chairs.

Fritz: Before we close the public testimony I have a letter that I received from the northwest district association, that I would like to enter and get copies of because I think the person who presented earlier had to leave.

Adams: Sure.

Fritz: What is this letter that I received from the northwest district association, asked for help with to establish a public formal process for any new urban renewal district to reinforce the plan, create a master plan, and the remand of a northwest district plan, and commit to a level of transit center, and develop an urban design plan and build parks, green streets and a community center and this is all part of the urban renewal district but I wanted to enter it into the report.

Adams: So steve, ken, merit.

*****: So, I know, commissioner, there are some questions.

Fritz: On the funding am where does the 2.5 million potential cost overrun come from?

Rust: The 2.5 million currently resides in the spectator facilities fund as part of the capital reserve that we have there, so those moneys already are held by the city in that fund.

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Fritz: And isn't the capacity -- I read in one of the reports that the bonding capacity of the spectator fund is \$25 million and we're committing to pay \$31 million in bonds? There are a number of things that the spectator fund can do?

Rust: I don't know which numbers you are looking at but there's been a lot of different work going on and changes in the numbers over the last few weeks. The numbers was smaller to begin with, and after some refinement and looking for changes in in the excise task and other changes. It looks like it was, with the particular margin that we have, I think it covers a 1.25 times annual debt service that we feel comfortable a 31 million figure could be supported based on the projection of revenues we've been working with merit and his group and the projection of revenues of the, for the other rose quarter facilities. There is a -- we believe that could be financed.

Paulson: And I would add we believe it can be expand expanded through tax exempt structures and that will take time to look through but we think it could be larger than 31 million.

Fritz: Would you tell me more what you mean by that?

Paulson: Utilizing tax exempt financing structures, which would enable us to expand --

Fritz: Ok. And so, I asked you earlier about the potential in trust rate, the borrowing, at what point does the interest rate get so high "the color purple" that we don't have the capacity, that the spectator fund can't cover it?

Rust: Certainly, there is a limit as to what we can afford, and I don't know what that particular limit is now. Obviously, doug, whoever we are negotiating with, the purchaser of the bonds, whether it's a public or private placement, we haven't really work through the details in enough information to be able to market the bonds to everybody. But based on our prior experience and in talking to some underwriters that we worked with in the urban renewal districts, we are probably looking at that kind of a range, and that range of numbers that we've been running with still produces the 31 million and \$18.5 million of tiff, for example.

Fritz: What's the total interest in payments over the life?

Rust: I don't have those figure this is front of me. We have had those debt service schedules and we can get those to you if you are interested in seeing that.

Fritz: I am because we are borrowing money and paying interest that we wouldn't otherwise be paying, and am I correct in understanding that in 2017, we start paying off the debts from the rose garden, and then we would get, I think, it was \$4 million per year into the spectator fund?

Rust: Yeah. My understanding is that the last debt service on the existing obligation is 2017, at that point, all that money just flows into the spectator fund, so not a debt service payment.

Fritz: The spectator fund is unrestricted that the council could use that 4 million for other things after we have taken care of that responsibilities in the spectator fund?

Rust: Including the, the bonds outstanding for p.g.e. Park which did -- the maturity there is 2024.

Fritz: And we'll be paying that off in 2024. Is this like taking out a loan on both the facilities?

Rust: When we started this spectator fund, it was really one facility. It was the rose garden, and a few years later came the opportunity to develop peerk, and p.g.e. Park. And rather than treat these as the financings, which these are thought about in the public finance realm be we can combine the facilities. We have a system of public facilities that operate together, and that those revenues that are available for those combined facilities can help each other during lean and good times and that's turned out to be a very effective strategy. It also, is a way for us to think about planning new development echos, for those facilities, or other kinds of facilities, is having a system of revenues available to do that, is a really good way to build upon that going into, into the future, so the fact that we were issuing more bonds now back by the same set of revenues, we think of it as a system, it's really not an unusual financing structure. In fact, what we do with the city's water system and the city's sewer system and parking system.

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Fritz: And I don't know if you are the right person to answer this question but I return to my question about, about whether the, the debt that, we're adding or, or the borrowing, that we're adding to the convention center district, do we then have to add another, another 4 million or whatsoever for affordable housing, another 26% on top of that?

Rust: Again, what we envision is that the 4.8 would be taken care of as part of the urban renewal district, and each district, given what's there, we do sort of average out the 30% but not every district has 30%.

Adams: I want to be clear that the spectator funds is derived from ticket sales and rent and parking associated with spectators going to facilities.

Rust: Correct.

Adams: So it is sports and facility users that are paying that and would then be helping to finance this deal?

Rust: And the only other item that I would add to that, mayor are, is the money we received from the visitor development initiative.

Adams: Can you compensate on miss lansing's statements around the o.c.c. Because it was different than you told us in the beginning of the hearing.

Rust: Shelley Lorenzen, you mean?

Adams: Sorry.

Rust: If I wrote it down, she raised a couple of different points, and she raised the issue that, that, I think that she said she didn't disagree with the way I phrased or described it but there is a choice between projects and if we didn't build the stadium, what else could we build. If we could access the tax increment revenue to a zero coupon structure, what other kinds of things could we do? That's a question to ask. The stadium is ready to go. To use the, the overused phrase "shovel ready" it's a project that we know about, have a partner ready to move forward but that's a choice that council has to make. The other question she asked is, if the district went away, the tax dollars would be released, so, you know, the fact that even though it does know deprive any taxing jurisdictions now, if you didn't have the tax –the urban renewal district, the money locked up would go away. That's true and that was true in 1998 when the city was faced with the decision about how it wanted to treat that district, and at the time, that district and three others we looked at, the urban renewal plans, and we said in order to complete what's in the urban renewal plan and execute them as developed originally, we can choose to limit the amount of tax increment they are going to collect and that should be sufficient to, to fulfill those plans, and it's fair then to release all additional increment to the taxpayers, and that's what we've done, so we actually made a decision in 1998 that, that in effect, put that into motion, which said we have enough money to exercise in real life the plans. We don't need more, and it's fair to release release that, so in effect, that decision really validates what her concern is about how we approach that in 1998.

Adams: One final question for the moment until I turn it over to others, have we been able to estimate the benefits to the county, city, school district, and the port from creating increment in the o.c.c.?

Rust: We haven't done that. I don't know if there is anyone that did specifically.

Leonard: As a matter of fact, I was reading from a document prepared by the p.d.c. That says that when the district was created, was that 1998?

Rust: It was formed before that, commissioner. 1998 is when we made a decision about, about, whether it would be an option one, two, or three district.

Leonard: But whenever it was formed, the value in the district that was -- at that time was \$5.3 million and 10.4 million has been released to, to all of the entities, the city, county, and the school district.

Adams: Others. Commissioner Saltzman.

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Saltzman: I'm looking at item 4.5 in the agreement. It says the city will use best efforts to identify August 1 possible methods to bridge finance the tiff bonds for p.g.e. Park should such financing be required. So, what does that mean?

Rust: It's the interstate project.

Rust: I think the idea is that if we, I mean, and a lot of this is how do we start this before we have a decision on the urban renewal district knowing we would need to have funds in place to be able to execute and move forward we wanted to stay on a time schedule? Really, the only viable option that I can see is for the general fund to do some sort of short-term borrowing, and similar to what we have done in other urban renewal districts, primarily north interstate but I think that that's a question that council has to decide whether it's comfortable with that because clearly, the ability to do a short-term borrowing is predicated on having a strong sense of a secure takeout financing and if there is any question about the security of that takeout financing, then the council would want to consider something different or not want to move forward on that time schedule.

Saltzman: So, should such bridge financing required is more or less saying that, that we would expect a new u.r.a. To be in place prior to August 1? Is that --

Rust: I'm not sure that's the intent. I think that, that the intent there is if you wanted to move this forward, and council decided you understand it would need to have other acts to incur but wanted to maintain a particular schedule, which would require bridge financing now, may not require it or may require it at a different time into the future, that we would look at those things and we would find ways in order to do that. I think that it puts that kind of question in front of the council to determine whether they want to move the project forward. I didn't write the language. Steve you may have other insights, as well.

Janik: You will notice the language says that we will identify ways to do this, if possible. It doesn't commit us to do this. It's entirely the council's ultimate decision as to whether we would use such bridge financing or whether we would simply delay going forward.

Adams: If I could remind myself on the financial pledges that the city had to make with the projects on the new Columbia and on light rail in north Portland, I think that, that we would want to be in a position to at least have a position on how to get, how the bridge financing will be taken out, that's your point, I think. So what became the interstate renewal district, there was council's support for creating that even though they knew it would take months longer to actually implement it, is that fair?

Rust: That's true, commissioner. I can't remember the sequence of timing, I think that, that clearly, the environment that we were dealing with, with the urban renewal formation was a bit different then, than now, and there is some new issues that the city has to be mindful of, and but, ultimately, we got comfortable, we, the finance folks got comfortable with the idea of, of committing the city before even the district was formed or as the district was being formed because, because the district was a very large geographical area, largely residential, and because of the mechanics of the property tax system, even if no increment was created in the form of new development, just the natural inherent 3% or so growth on the underlying base would provide sufficient capacity within a five-year time period to be able to take the \$30 million obligation out, which is what happened.

Saltzman: Ok.

*******:** Go ahead.

Saltzman: The interstate was, was, like you said, primarily residential, which, more predictable, but, this proposal. This particular ura I don't profess to know the boundaries of it, but I gather this is largely commercial and multi-family so does that hinder or how does that affect assumptions about natural property assessment evaluation growth?

Rust: A couple things, one, I don't know exactly the boundaries of the district yet, and the size and the acreage and things like that. All those are factors that come into play, commissioner, and the commercial and multi-family, you know, operate more like residential as opposed to industrial,

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which is valued very differently, so, I think that some of those things that were present in the interstate model, for example, would apply here but again, acreage, size, and things like that are important, as well. Also, I know that there has been some work done to look at how long it would take to take this fancy out with some projections of increment in that district and new things that might happen, and I was, the numbers that I have seen suggested, it would be within five years that that could happen. Similar to the interstate.

Adams: And we could size the district and choose the bounders based on some, or based on information that, that gives us a sense of more or less security, right?

Rust: And what is it that you are trying to achieve with that district and where are those areas in need that you are trying to address, not just this project but the other kinds of things discussed today.

Adams: Merritt, what happens if we can't meet the financing stuff in place by september?

Paulson: The deal won't go through.

Adams: Other questions?

Fritz: I have a question about a different urban renewal area, the north, northeast economic study, do you know about that? Do you know about that, Ken?

Rust: I'm not familiar with that Commissioner

Fritz: I'm sure you do know about that, mayor Adams, the northeast study looking at other redistricting or boundaries.

Adams: Yes.

Fritz: Can you tell us about that?

Adams: It's like the conversation about the new urban renewal district. It's largely among staff and, and myself, and some folks in the community, but one of the options for getting more resources to the community of north and northeast is the potential for, for redrawing the boundaries for, for interstate to, to include more of the northeast and potentially, the -- it would supplement the existing o.c.c. Urban renewal district, side-by-side, geographically or it might take it over. And we're looking at now in terms of the long-term needs of, of both north and northeast and doing that might compete against in terms of the projects that are on the books and, and, and the interstate urban renewal area so the conversations are still there very early.

Fritz: But, it would include possibly part of the convention center district?

Adams: That, that, that has not been part of the discussions that I have been part of but I don't know who else is -- i'm not.

Fritz: I thought you just said that.

Adams: The Oregon convention center goes up m.l.k., a long ways up m.l.k., so it would include the portion that, that is outside of the, of the rose quarter convention center area north.

Fritz: And it is at the available maximum indebtedness needed, might be needed for that new n/ne district?

Adams: The proposal that we have on the table does not compete against any existing projects.

Fritz: Is it acreage neutral or is it, is it proposing to expand.

Adams: On the interstate, the position on the interstate? We're not, we're not, if we remove the o.c.c. District and add back interstate, we're not at that level of sophistication yet in our discussions.

Fritz: Why I'm raising this concern, is we have a very limited amount of land left to, to, that we are allowed, we're only allowed 15% of the land to be in the urban renewal district so i'm wondering, what areas are considered for adding acreage?

Adams: As part of p.d.c.'s budget process, one of the things we're considering is decommissioning a thousand acres of urban renewal in airport way. There is also the possibility of look at the existing size of the willamette ura so we're looking at, at, you know, resizing, coming back to

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council with a proposal to offer various resizing options to make sure that we stay within our 15%. Any other discussion? All right, thank you, gentlemen. Council discussion.

Leonard: Well, I guess, um.

Saltzman: Well, I guess, I think what, you know, most concerns me about, about this package, there is a lot to like about it, and the partnerships that brought this forward but i'm concerned about our impact on, on general funds of the city, or the county and the school districts and ourselves, but more importantly, without any sort of full consultation, open dialogue are that really, I think, right now the county and the school district are not feeling has happened. I don't feel it's happened, either, with them. So, I think in the spirit, you know, of, you know, it's hard to sit down and have a full open dialogue when you are telling them, we'll have the dialogue but you are on the hook for \$15 million and we'll go ahead and form this urban renewal area. We may quibble about the shape or the depth but it will happen. And, you know, I guess i'm, i'm sort of the mind that, that we need a new covenant with the county and the school districts around new urban renewal areas, we need to make them full partners, that doesn't necessarily mean that they have a veto power but they need to be full partners, and they need to feel like that. And, you know, they will just, the marriage analogies walking around here, you know, we're not married yet with paragon, but we are married to the school, in my mind, the school districts and how they succeed and to the county. And how important it succeeds. We are looking at, you know, unusual times, to say the least, 45 million hole in the county's general fund, 14 million in the school district's general fund, and these are, indeed, unusual circumstances, and I don't feel comfortable moving ahead on the new u.r.a. commitment of \$15 million. Without having that process occur and having them all onboard with forming a new urban renewal area. So, as I said, there is a lot to like about this agreement, and I appreciate merritt paulson stepping into the deal and all the work that commissioner Leonard and mayor Adams have done to this. But, I would suggest and make a motion to remove the \$15 million from a new tiff area, from the financing plan.

Fritz: Second.

Adams: Ok. Been moved and seconded. Discussion?

Leonard: Let me speak to that. I think, I think, I don't think, I know a lot that has been represented, specifically, by Multnomah county, to be kind has not been accurate about u.r.a.'s, and it disturbs me deeply. Not that, that there are broader discussions in the community about, about misperceptions about u.r.a.'s, but coming from people that know better, and it disturbs me greatly because I think as I have demonstrated here, and I just did that off the top of my head, the dollars that I could remember, that we've committed to the county and the school district, and, and to hear, frankly, the response that I did, was not satisfying. So, commissioner Saltzman, I just have to say that I think that, that, I just have to believe that you know better than that we are not good partners with the county. We've been outstanding partners with the county and when they have had needs we step up to the plate. But, although I feel strongly about that, i'm also a political realist. And I hope that, that, I hope that i, I retain the capacity to look at the bigger goal when i'm working on a project and to get, than to get mired in what I consider details that can be worked out later. I'm not married to we're the \$15 million comes from. I'm not -- but, I do, but I will tell you, even if this passes, I intend to have another discussion, if this passes about the appropriateness of, of there being an urban renewal district around p.g.e. Park, and, and about, about the true numbers that, that the \$15 million would represent in terms of the increased economic activity that will happen if you have major league soccer there because there are benefits that, that, particularly the county gets that don't show up in the tax dollars, but, so, I will vote for this in the interest of moving this forward, in order to, to live to fight another day, but, I will just, I will just say to those listening, and particularly the county, I have had a, a radical readjustment in my approach to, to what we've done to fund the county after the exchange I heard here today, and it's going to, future discussions are going to be realistic discussions, and they are going to be discussions that are less about, about

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campaign slogans and positioning and more about, about real impacts, and real economic development, and what we actually have achieved with, with the really outstanding work that has made Portland be the city that it is today. And so, I hope, I hope that each of us are willing, I guess i'm trying to say, I hope nobody makes up their mind as to because it's been represented to us how it is that we use urban renewal dollars that that's the case, I think that the facts are a lot different than that and I would like to have that broader discussion after we have this debate.

Saltzman: We're not trying to say -- I think that there is a lot of discussion about sort of who benefits whom. And those are fair discussions, and the benefits and analysis associate with those are fair points. But, for partners, you know, the ones we're married to right now, are not feeling good, and i'm saying, when it comes to affecting their general funds at this point in time, I want them to feel good about this, and to be supportive of this is, and I think in the past the city has been, you know, served on the urban renewal advisory group that came up with the river district amendments, the david douglas urban renewal area, and I just think in the past, the city has been a little too, and I am not pointing any fingers at anybody, but our tone has been a little too patronizing towards the city and the county when it comes to urban renewal. How can you possibly doubt the benefits in the long-term? And right now, this may have the benefits in the long-term but I think that they are operating on a very short-term focus. Which is a \$35 million hole in the general fund, a \$14 million hole in the schools' general fund, and I think, you know, as a visionary and f.d.r.-like as I or we all may want to be, you know, i'm focused on short-term and the feeling that partners ought to be our partners at the table and they are feeling hurt.

Adams: Are you trying to get my attention?

Ben Walters, Sr. Deputy City Attorney: Mr. Mayor, i'm just trying to get a sense of, in particular, the motion and how it affects us --

Adams: That's about what I am about to do with mr. Janik here. I want to make sure that we memorialize this appropriately in the document. Where would we or would we change in the document to reflect this motion if it passes?

Janik: I think you would go to page 2, the funding plan, section 3.1, and you would, you would, in the sources of funds, delete the words, tiff bonds for p.g.e. Park and insert the words, "to be decided."

Saltzman: That's what I had in mind.

Janik: As I look through the rest of the document, I don't believe there is anything else that would need to be changed.

Adams: Legislative intent is if it shows up somewhere else it will be changed to reflect that. Any other discussion on council?

Fritz: Didn't mr. Paulsen say that without that \$15 million, they would want to move forward with that?

Adams: I think what this means is we still have to meet, in order for this deal to go forward with the definitive documents, there is a \$15 million hole in terms of resources, not identified. It is, whereas before, we had identified potential source of resources, that did not exist either. So, this makes it, this gives less direction from council, but it does say for this to move forward we need to come up with 15 million. We need to identify the source of 15 million. So, any other discussion?

Leonard: To be clear, I would want that to also include a more deliberative thought discussion about the u.r.a. and this 15 million coming from a proposed u.r.a.

Adams: It's my job to, to put together is a proposal for council, and, and the county and the school districts to come up with a thoughtful process, and we'll return to council to do this. Is there anyone that, that wishes to, to testify on this proposed amendment? Good answer. [laughter]

Adams: Would you please call the roll? [roll taken]

Fritz: We are now voting on the amendment to remove the \$15 million from the urban renewal area, and that takes care of one of my concerns, which is the process for, um, for agreeing on, with

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our partners, what's in an urban renewal district and whether we should have an urban renewal district by p.g.e. Park. So i'm assuming we're going to continue to discuss the overall, the overall --

Adams: You are voting so I can't say anything.

Fritz: Never mind. I will make that assumption. And, and it doesn't entirely take care of all my concerns, but it does take care of part of them, so aye.

Fish: Well, I appreciate the discussion on urban renewal because there is probably no commissioner currently more impacted by the, the effects of uncertainty about how we do urban renewal than, than I as the housing commissioner since the bulk of the city priorities which I currently am in, well, transportation, not with standing, is the benefit, the people that don't have the time to wait for this to be resolved, the people who live on the street are, I believe, the most impacted. And so, I want to just, first, say that, um, that I support the motion, and I also support my good friend, commissioner Leonard, has said about a broader discussion on urban renewal because I believe that its a little off track but for other reasons. And I think that we have got to get it back on track because if we don't, it may get taken away from us. So, on this I vote aye.

Saltzman: Aye.

Leonard: And I appreciate the sentiment of commissioner Fish, and i, for a long time have delayed this discussion thinking that, that those, those, that, that I consider to be very bright and able public servants, to, frankly, know better, and maybe this is a good opportunity to finally broach the entire issue, sit down and have some real economic analysis done that, that includes all of the impacts, positive and negative, of the urban renewal areas, how the dollars are spent and what businesses are create and had property tax it generates and what income tax it generates and license fee, and, and county business income tax it generates, and, and have a true, honest discussion and so, I think that, that this might be a good thing in many ways. But, I expect to have a good discussion about this again as we try to figure out how to identify the other 15 million that needs to be identified and, in what I consider to be an outstanding, if not unique package that benefits the city. Aye.

Adams: In the spirit of compromise I will support this, as well, it means that we need to come up with the \$15 million one way or another and the time line stated in the terms sheet. Aye. [gavel pounded]

Adams: Amendment passes and I think that we are now on a vote, unless there is additional council discussion, we're on a vote. The main motion -- did you have another comment you wanted to make?

Fritz: I can make it as part of my vote, thank you.

Adams: Would you please call the roll?

Fritz: Thank you all for coming and staying. This is my scarf which I started wearing when I was as little as lucy manigelo. I think I watched more professional soccer games on this council or in this room, and that was something that, that growing up was really important to me. We are not debating here the, the wonder of soccer as a the world sport, and, but actually, I have my Liverpool scarf here. [applause]

Fritz: Which I wore at the european cup final in 1978, which, which I was interested to find when googling online was set a bit dull. But this is my athletic scarf which I started supporting in college because they were the worst team in the Scottish second division, and after we supporting them, they started doing better which didn't make it any fun and I have various other scarves. But, i'm not making my decision today based on whether soccer is a great sport or not. I'm making it whether it's the best economic use of both our city's space and our city dollars, and that's the question before me, it's not is this a wonderful thing for Portland and for the people who go to the game. I love sports--high school sports, I love college sports, and that's not the question that i'm being asked to vote on today. I'm being asked to vote on the dedication of millions of dollars of taxpayers' money, and I ran last year for 14 months talking about basic services in all 95 neighborhoods, and this

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increased debt capacity would take away money from those neighborhoods because it doesn't let the convention center district expire as quickly as otherwise would. It means that we continue to borrow, and, and we're in a really bad shape in our city. We spent yesterday, the whole day in heart-breaking reviews of our city bureau's budgets and how little money that we have this year. And I would have to say that our staff's projection of how, how long this, this recession, depression is going to be, was optimistic, and I was particularly chilled to hear a review that, that the great depression which started in the late 1920's, did not end until world war ii, and the military spending.

So, while I hope that we are not in that place right now, there is certainly a possibility that we could be still very much hurting for money in 2017 when we could get \$4 million in spectator funds resources that would be coming back into the general fund for our availability. And I would like to see, before I can support something in the rose quarter, I want to know what is the highest and% use of the space in the rose quarter. So, the study that I mentioned in 2001, with the rose quarter development study, hang on, this is really good. Ok, so the 2001 rose quarter urban design and development strategy said that the rose quarter currently is a place to go for events or to access transit, but not for work, live, and recreate. A ballpark is by its very nature, large in scale, and, and not utilized on a daily basis, it is not the kind of development contemplated within the vision. So, I was listening to jay isaacs, talking about the potential impacts of the use of the space for a baseball stadium that would be empty most of the week and year, and listening to him talk about, about \$230 million in private investment, that went into building the rose quarter, with 2.5 million people coming to that quarter, and yet, the three restaurants there have gone bust, so, if we are expecting major league soccer and minor league baseball to revitalize our economy, I need to see some better numbers. The economic development, the economic research associate study on which the [inaudible] was July 30, 2008, which is, obviously, before the crash, and it projected costs for the stadium which have already gone up by \$9 million. There is \$2 million more from, from just last month as to what the projected cost of the stadium are. So, I need to know more about are the other proposed uses of the rose quarter? How many jobs would we get from them? How much vitality would, would our city get, what are some of the other choices? Obviously, all of you here, or many of you here would like to see major league soccer at p.g.e. Park and I think that could be done then we need a place for minor league baseball. Does that have to be on some of the city's most valuable property? On, near the river, on transit? I just question the economics of this proposal. So, I can't support it in the current form. If I had more information I might be able to but right now I see it takes money away from basic services and neighborhoods and doesn't add it. Nay.

Fish: Tough act to follow. So, let me begin with my disclaimer. I don't think that there is a person in this room that loves soccer more than I do, and my wife and I are having a disagreement tonight because like everyone else we're trimming our sails a bit, and she found that she could cut our comcast bill in half, and with it came channel 401, which is the soccer channel, which was canceled, so we're going to have to find a way to put that back. And if this succeeds, I will be the first one to buy season tickets and I will take my daughter, who is my pride and joy and is a budding soccer player, and as everyone in this room knows as the parks commissioner, I have made one of my three commitments to the city, a commitment to make sure that our children have, have recreational facilities, fields and recreational facilities which are as good as their suburban counterparts. Because frankly, we are short changing our children in this community. I thought a lot about this deal, and I have concluded that, you know, at this stage of the process, this, this very well may be the best deal that we can get under the circumstances, and on that note, I want to acknowledge the leadership of mayor Adams and commissioner Leonard, and I also want to say that after reading about randy Leonard's negotiating skills in the newspaper, i'm ready to send him as our special invoice to the middle east because -- [laughter]

Leonard: Might start a war, too, you never know.

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Fish: There will be peace, war, and something in between. Arena said something interesting earlier, he said ap apropos of the urban renewal district, he felt that he was cast in the unlikely position of defending an urban renewal district in this case since he's been one of the more public critics of the way of past urban renewal decisions, well, you can imagine how I feel as someone absolutely passionate about soccer, cast in the role of being a skeptic about, about a plan that has a lot going for it, and that a lot of time and energy has gone into it. I want to begin by expressing my appreciation for mr. Paulsen's willingness to make a significant investment in our community, and as we've gotten to know each other over time, I have warmed to his style of negotiating. But, I know that he's sincere in wanting to bring something positive to our community. I want to acknowledge the timber army, I have seen the timber army at work at p.g.e. Park but also seen them pump up the volume at the merlot field. When the timbers were playing the u.p. men in creating a festival atmosphere. After listening to the testimony today, and after referring the documents that we got this morning, I know that there are passionate arguments in this room as to why we should do this deal. And so, for me this is a very tough call. I look out at people like drew, who has spent his professional life trying to make us a bigger time sports venue and his judgment I respect greatly, and shawn levy, who when he isn't making a complete fool of himself at soccer games is usually setting the pace for movies I go to, and for dan levy, who is part of the lobbying team who, frankly, truth be told there would not be a new columbia today if he had not made it a priority when he worked with senator smith, to the youth soccer people in this room who care about youth soccer the way that I do and want to make sure our kids get the best, and to my friends in labor who justifiably see this as a potential stimulus package, you know, I have taken all that into consideration, and I have had some very tough conversations, particularly with randy, because i'm not in the habit of not listening very carefully to his well reasoned arguments on issues, and we have agreed and disagreed but we have always spent time working through our differences. So, this may be the best deal that we can negotiate as of today, but the question for me as a city commissioner and not as a fan is whether this is the right deal for Portland. And after much thought and reflection I have decided that major league soccer is not the right priority for today. Inside tough economy, I believe that we need to strengthen the safety net for our homeless and seniors and veterans and people with disabilities. I need, I believe we need to protect basic services for everyone in our community. I believe that we need to provide safe and affordable housing and to support our neighborhood small businesses. That we need to be good custodians of our parks and natural areas and that we need to invest in a quality education for all our citizens. And in my judgment, there is an insufficient connection between these community priorities and betting the house on major league soccer. Before we even cast a vote here this morning, the Oregonian warned in an editorial that a no vote will move Portland in the direction of nowheresville. And I respectfully disagree. To me, the test of whether Portland is a major league city or not is our collective commitment to great parks and great schools and great housing and great jobs, investments in these priorities will ensure that we continue to be a major league city. Respectfully, I vote no.

Saltzman: I want to thank everyone for enduring. I want to thank the task force for their recommendations, which I think are excellent. My appreciation for mayor Adams and commissioner Leonard's efforts and my appreciation for merritt paulson and his commitment to Portland and our unique and public way of discussing important projects. I want to thank the timbers airplane, i'm impressed, and I have always known about you as an advocacy organization but i'm compressed by the passion and caring that you show for your fellow members, and that's nice. I really like in that, and I think this is a good deal. With one major exception. It's complex. It does, on a apar keeps the city's general fund protected. But, as I stated earlier, my concerns were, relate to the impact of forming a new urban renewal area and the associated impacts on the city and county and school districts general funds at this juncture in time. I don't want to rule out the

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possibility that we can come to terms with those two organizations about a new urban renewal area.

It may be possible. But I think that that's what I'm allowing for in my amendment is that possibility or to find 15 million from somewhere else. I do want to say if we go into discussions with the county and school district we can't do it with the old covenant. There has to be a new one, and we have to act not like we know what's best for you or the extent that the discussions become global, they are less likely to produce a consensus in a short period of time, which I think that we do have a window of time here. So, I do want to see those discussions continue, and see if there is, you know, the win-win-win between those three jurisdictions, and so I will support this resolution as amended. [applause]

Saltzman: Support the resolution as amended but also, again, there is still a \$15 million hole that has to be figured out, so, again, I vote aye.

Leonard: Well, I have appreciated the discussion here today. I appreciate each of my colleagues' perspectives. You know, it has been pointed out to me by a number of folks that there is some irony about my position on this issue given what some remember as my very clear opposition to the final vote on the tram. And as I remind people all the time but they don't seem to hear, is as Al Gore, famously said once, I voted for it twice before I voted against it. I voted for it at 14 million. I voted for it at \$40 million. But when I got to \$56 million, I gagged. And I couldn't vote for it. Some have interpreted that to mean that I'm opposed to projects that require looking at the bigger picture. I argued then as I would tell you now, that I think that there is a balance that one takes to any project, and I'm as unafraid of the next person as making bold decisions, but within reasons. This project, really, in many ways, was molded by my experience, with the tram and my first experience arriving on council when I realized that I had known, of course, Steve, about him for a long time, but I was thrust into his company, immediately upon arriving at the council because the p.f.d. Deal was disintegrating and I was fortunate enough to arrive in the middle of that, and I will never forget him telling me, he probably does know even remember this, he said, I was trying to figure out how the deal could, had disintegrated from the place where it had been characterized as such a great deal a short time earlier, and he said to me, we negotiated too good of a deal. That never left me. I always put, remembered that as a very wise observation on his part, and it stuck with me right up to and including when we sat down with Merit to begin negotiating this deal. And so those two experiences more than anything actually formed the backdrop, at least for me, in the approach that I took in discussing, along with the mayor, this deal with Merit. Some have said that, that this is the wrong time to do this deal. I happen to be right in the middle of just completely coincidentally of, of reading a biography of F.D.R. Called "Trader to His Class," and it's interesting that the arguments in the, in the, in the book that, that are thrust against F.D.R. In doing the things that he did to stimulate the economy, um, are really imperative today on the national level but what President Barack Obama is doing in a microscale on what we are debating here today and that is doing what may appear to be to many people a counter intuitive. Taking on public debt to create public works that help people get back to work but more importantly, and specifically, to this deal, I don't believe in another economic environment that we would have the deal in front of us that looks the way that it does, as good as it does. I don't think that Merit would have agreed to some of our conditions if he knew our financial help was better, so I think that this is, actually, exactly the right time for this deal. I just have to say that, you know, I don't want to just get too myopic about this subject, but I do feel a need to publicly begin speaking out more than I have about this whole issue of the urban renewal areas and is this the right time to make these decisions and I just have to say that we would know have the resources that we do today to fund the projects that we have to fund today and the service that is we do today if there weren't urban renewal areas in the past. We are, we are benefiting as we sit here in the amount of money that we have and the amount of money that the county has and I'll have to say this, the amount of money that the school has by other board decisions by prior councils. And it is frustrating to me to, to have a discussion with people that I otherwise

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greatly respect from the county, who seem intend on mischaracterizing a program that has allowed this community to be as great as it is and god willing will allow us to be greater in the future if we preserve the precious tools. But, commissioner Saltzman is right, we have to be careful. We have to balance those interests. I'm, i'm not only capable of that but very focused on making sure that happens. But the bottom line for me is that future generations of city council members will benefit in the future from the decision this city council makes today as we have benefited from prior generations of city council members. One of the problems with being clear about we're you are at is I will not get the ovation that commissioner Saltzman just got, and I will just give you a nice quiet aye. [applause]

Leonard: I'll take it. I'll take it.

Adams: Well, I want to, to thank skip newberry, and my office who, who work tirelessly on this deal, and when I asked them, because he was putting in long hours, you know, he's a relatively new member of my team, and I said that I really appreciate your passion for the work, and he says I can be very passionate about this deal because of the kind of deal that it is. I also have, I want to thank ty and roy coffman and others, I want to thank steve masseur and the folks on the task force, they put in a lot of hours, very difficult, and I want to thank our great private partner, merritt paulson, on the paulsen family, and I want to make sure that, that everyone hears this, especially commissioner Saltzman that I go the message on the new covenant and as a new mayor, i'm committed to leading that effort. I've got a great working relationship with, with the school districts and with the county, and I think that, that your aspirations for improvement on that relationship and sort of more joint decisionmaking on that is, is well placed and I take that on. I do think, though, as commissioner Leonard has alluded to that while those concerns are well placed, with the county, I also think that there has been overreaching in terms of how those concerns are portrayed and the trade-offices that have been described. For me, this is like, like having, imagine if you would for every dollar spent on federal stimulus, if there was a private sector, partner that matched it with, you know, between 40 and 50 cents and guaranteed another 20 cents, now, those numbers are off because I haven't done the math, but, you know, the federal stimulus, which is very, very popular, is pure government spending. And this is government spending with that as commissioner Leonard described but also with a private sector match. This is not the end. This is, actually, the end of the beginning in our work and we have a lot of work cut out for us, but it is an important step forward, and I also want to, in my comments, end my comments by thanking commissioner Leonard who has been my partner in that these negotiations, it has been amazing to work with you and I appreciate it. I'm also want to thank everyone on council, commissioner Saltzman, but also commissioner Fish and Fritz because I know their hearts are in the right place, as well. I am very pleased to vote aye. [applause]

Adams: Now we have a vote on 226. Talk about anti-climactic.

Item 226.

Adams: Quickly.

Fritz: No. **Fish:** No. **Saltzman:** Aye. **Leonard:** Aye.

Adams: Aye. We're adjourned—recessed until tomorrow.

The remainder of the Regular Agenda was continued to March 12th at 2:00 pm.

At 3:49 p.m., Council recessed.

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Closed Caption File of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

MARCH 12, 2009 **2:00 PM**

Adams: Welcome to the thursday, march 12 session of the Portland city council. We have some holdover business that will move very quickly from yesterday's council meeting, and then we'll get to the time certain regarding the state of the arts. So glad you are all here. Karla, please call the roll. [roll call]

Adams: Holdovers from yesterday?

Moore-Love: Starting with item 238.

Adams: Ok. Please read the title.

Item 238.

Adams: Good afternoon. Welcome to the city council. Sorry to make you wait yesterday. Thanks for your perseverance.

Dee Walker, Bureau of Transportation: You're welcome. I stayed for about an hour and a half and then went back to work.

Adams: Yesterday was -- how long was the day?

Fish: Long.

Adams: Seven-hour council meeting.

Walker: For the record, dee walker, right of way acquisition for the bureau of transportation. I actually have lance here, I wanted to introduce you to him. He's been with the right of way acquisition section for a year and a half and he's now helping us with our street vacations facilitating them. So you'll be seeing him in front of council and I just wanted to introduce him to you.

Adams: Congratulations.

*****: Thank you.

Walker: Before you have a request to vacate a portion, the remaining portion of the alley in block five. The petitioner is ivy street partners llc. They own the entire block and so they want to redevelop it. They're not quite certain, they don't have plans yet for exactly the design layout, so at this time they've done multiple design layouts but they don't have a site plan. So nothing right now is in the works, but they do want to go ahead and vacate the rest of that alley and consolidate witness their property.

Adams: Any questions from council? All right. This is -- anyone signed up to testify, or anyone here in the room to testify on council item 138?

Moore-Love: No one signed up.

Adams: Anyone here to testify on item 238? This passes to second reading. [gavel pounded] could you please read the title for council item 239, second reading.

Item 239.

Adams: Please call the roll for item 239. Second reading.

Fritz: Aye. **Fish:** Aye.

Adams: Aye. [gavel pounded] approved. Can you please read the title for council item 240.

Moore: That's an emergency and we need four.

Adams: We will hold that over as with 241, 242. Could you please read the title for council item 243.

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Item 243.

Adams: Do we have staff in the room to -- .

Matt Grumm, Commissioner Saltzman's Office: Good afternoon. Christine moody from purchasing here? Jeff baer is out until tomorrow. But we have here a contract for the segment two of the portsmouth sewer project. This is one of the last significant projects necessary for the c.s.o. Project. I got a lot of details I can go on about, but -- .

Fish: I would be happy to ask, will you give us a personal guarantee on this? I'd be happy to vote on it. [laughter]

Grumm: Yes, I will.

Adams: Do you want us to vote on this today or does it move to a second reading?

*******:** I believe this is an emergency -- a report.

Adams: Report?

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

Adams: Questions from the council?

Fritz: What's the left of confidence on the bid? It was an optimal, we had it, and we came in substantially underneath what we had estimated.

*******:** I -- .

Fritz: This is a big sewer project, and the estimated cost was \$30 million, and we've been able to bid it at \$19 million.

Adams: And the bureau of environmental services generally agreed to donate the savings to a local arts and culture organization. [laughter] [applause] no, not really. It was a good idea. We can't legally do that.

*******:** Thank you for explaining that. Is anyone here to testify? I do hear a motion to accept?

Fish: Motion.

Fritz: Second.

Adams: Moved and seconded to approve the purchasing report reflected in council item 243. Please call the roll.

Fritz: Aye. **Fish:** Aye.

Adams: Aye. [gavel pounded] council -- item 243 is approved. Please read title for council item 244.

Item 244.

Adams: Is anyone here from staff to provide us a background on this item? Good afternoon. Welcome to the city council.

Richard Appleyard, Bureau of Development Services: I'm business technology manager for the bureau of development services.

Adams: What are we considering today?

Appleyard: This is a contract to renew our support maintenance for our permitting system.

Adams: And it's already budgeted?

Appleyard: M-hmm.

Adams: Ok. Questions from the city council?

Fritz: Did the city explore other providers, since this contract expired in august?

Appleyard: This is a provider that we have had contract with for 10 years. It says an existing system, but we have -- at this time the system is in place, the defender has supportive and has served us well.

Fritz: Is now the time to be look at it, is this the best possible service at the best porter goss price, and might there be increased costs with a one-stop permitting center?

Appleyard: If we were to switch systems there would be an expense associated with that. The vender providing the service to our need assist what we're continuing with.

Fritz: Thank you.

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Adams: Anyone here who wishes to testify in council item 244? Moves to a second reading. Next week. [gavel pounded] please read the title for council calendar item 246.

Item 246.

Adams: Second reading, vote only. Could you please call the roll.

Fritz: Aye.

Fish: I had a chance last week to express my gratitude to the rose festival for the investment they've made in the raceway. Aye.

Adams: Aye. [gavel pounded] item is approved. That gets us to the time certain that you've all come for today. Council item 252. Karla, please read the title.

Item 252.

Adams: Would our presenters please come forward?

Adams: As the liaison, I am pleased today to introduce the 2008 state of the arts presentation.

Carole Morse: Thank you, mayor Adams. Yes, i'm going to start. I'm carol morris, currently the chair of the regional arts and culture council, and you'll be hearing from me today and also our wonderful executive director eloise and johana is here to make us look snazzy with the power point. So first of all, maryland and commissioners, I really thank you for taking the time to hear us today.

We're here to report on the state of the arts in the region and how racc has honored its commitments to the city of Portland and to our citizens. First and foremost, thank you, thank you for your commitment to arts and culture. Local artist and arts organizations are most grateful as you can see from their presence here today -- [applause] your support of the arts has shown council to be innovator, risk takers and astute decision-makers. Nothing is more clear than that as the city's initial grants to work for art and the right brain initiative. Both of which leveraged many more dollars from public and private partners, but you were the catalyst. We know I have very difficult decisions to make in this terrible economy, and I don't want to you think that we're not aware of that every minute, just like you are. But we will show you today how your investment in the arts strengthens education, work force development, philanthropy, and the sheer beauty of the arts. So following on what our mission is, you negotiation arts is not just about displaying a painting, staging a play, or choreographing a dance. We feel that arts and culture permeates the entire community. And to fulfill racc's mission to integrate arts and culture into all aspects of community life, pretty soon i'm not going to be able to see -- [laughter] my eyes are old. Be nice. To fulfill racc's mission to integrate all arts and culture into all bawx of life, our funding goes to social service programs, economic development, just to tell you a few things, the arts are used through grants from racc so that filmmakers can current spotlight on mental health and addiction issues. So that I know instrument and music lessons will inspire low-income children. So seriously ill kids will have arts to help them get through their difficult times. And writing, writing opens up a new world to the homeless, to the mentally ill and to abused citizens. The arts are woven into economic development education and tourism, and they certainly help our mental health in these difficult times. I'd like --

Eloise Damrosch: I'd like to add my thanks as well, for all of your leadership. Much of which racc does has to do with advocacy. And getting a crowd like this to city hall is a true pleasure in the advocacy work that we do, and I want to thank everyone for being here today. We work at the -- of course at the local level, advocating for city funding, which you have responded to so wonderfully. Certainly our other regional partners, because of your commitment, the counties step up as best they can. I think right now we have a particularly enlightened group of mayors in the region that we look forward to working with. We work at the state level with the Oregon arts commission, the cultural advocacy coalition, and at the federal level always advocating for greater funds from the national endowment for the arts, for the endowment for the experts right now especially with the stimulus package we're trying to see how we can access those funds for jobs for artists here. And then more recently we've been doing a great amount of advocacy with the private sector in our work

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for art program, which you'll hear more about in a few minutes. We also do research to support our efforts in the region. We've done an economic impact study a few years ago that you saw with northwest business for culture in the arts with whom we work very closely in partnership. And most recently with the creative capacity project, which mayor Adams has led and we've worked closely with, and soon you'll be hearing about that effort and the creative advocacy network that's coming out of it. And the end product is what we hope will be the dedicated funding stream for arts and culture that we've been looking for since we became racc in 1995. So the work for art program you're very familiar with, but I want to touch on it because it's growing by leaps and bounds and it's part of our development tool kit, but also our advocacy tool kit. Last year we had 54 companies and their employees participating. We raised \$560,000. And we hope to raise \$650 by the end of this June. We think this is a really important program because it does raise obviously money, and the biggest leap you remember back was when you approved \$200,000 to provide a match for these contributions, and we had an 880% increase in that year alone, and it's steadily risen. Campaigns are growing, people's donations, individual donations are growing, and we're growing a whole new population of participants who use their arts card, enable them to have two for one tickets. They become not only participants, but also advocates and donors. So these are new people in the arts and culture fold. And I want to mention a couple of really successful campaigns. Northwest natural has been in now two years. They were coming late to the game, and they're -- their very first campaign put them almost at the top of our campaign, raising \$35,000 in the first year and \$42,000 this year. Then most recently burgerville, which has only had a united way campaign in their workplace, actually raised \$9,000 from their employees, which is pretty staggering. So lots of leverage in that department. And the next slide -- .

Fish: Can I ask a question about that? Is there a sticker or something at participating businesses which tells consumers that they're participating work for art employers?

*****: That's a good requested.

Morse: That's a good idea:

*****: There will be.

Morse: That's a great idea.

Damrosch: Decal on the window or something.

Fish: Something like the arts version of better business bureau.

Damrosch: That's a great idea.

Adams: Is it a great idea.

Damrosch: Our arts organizations that receive funding from us put the work for art logo in their programs, which is great. But that's absolutely great idea. We will do it. This is I think a terrific slide. I wish my 401(k) looked like this. [laughter] if you look at the -- .

Fish: We wish the city budget looked like that.

Damrosch: At least they're all moving upward. If you look at the city's investment and the money leveraged beyond the city's investment, it's kind of a wonderful feel-good chart. And we're hoping that it's going to keep marching up to a million dollars very soon. Much of what we do at racc has to do with our grants program, which is the bread and bette butter of our -- of the money that we give out to organizations. And you've heard a lot about -- you've seen our annual reports, so you know we have various tiers of grants. The largest being the operating support, general operating support which are the top now 45 organizations we've added to last year's collection of organizations. And these are all with budgets of over \$80,000. This is the rock solid support that we hope we can continue providing to arts organization and we hope will grow to the point of being 5% of their annual budget, which at present we're only at about 2%. And then we give project grants to individual artists as well as organizations, professional development grants to help artists and organizations move to the next level professionally. And we're happy to see that each year we have very high percentage of new applicants and new recipients. So we're reaching more people.

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And then we give some grants directly to schools. We're very eager even in hard times when we have to cut our budget and we have to do that from time to time, our top priority is to keep our grants program whole. A couple years ago you'll remember that you established a new category of grants with race that we call special opportunities and emergencies. And this is -- these are funds which are for really what they talk about. For example, a recent emergency had to do with imago. They were scheduled to go on a tour to Singapore, and the proceeds from the tour to Singapore were going to actually help support from of -- some of their local programming. Because of the economy, the tour was cancelled, which left a huge hole in their funding base. So they came to us and we awarded them a grant to get them through. We've -- you'll see some of the groups we've funded recently, while in these particular times we're still open to special opportunities, for example, let's say a Russian ballerina can come and dance with o.b.t. And they never dreamed they could do, that but they can't afford her. That would be an example of a special opportunity. Given the financial times we're in, we're probably going to be funding more emergencies, I suspect, than opportunities for a while. But that will probably be temporary. We hope. So public art, you all know we've been in this business for a very long time. Before I talk about some of the city -- I'll show you this slide, many of you have probably seen this exhibit at the airport. We manage this program for the port of Portland, which is a good indication of how even without a percent for art the other public and private entities in the region are stepping up because public art is such a part of our community. And then some examples of recent percent for art projects. Sculptures in parks, the one on the lower left is a piece that's going on as part of the big pipe project. You can get a sense of that. And then we also use percent for art dollars sometimes to provide residencies, for example in the juvenile justice system we bring filmmakers, writers, photographers to work with the kids in the system and use public dollars to do that. We are also very heavily engaged in taking care of our publicly owned assets, from cleaning, regular cleaning and special cleaning necessary to reciting. Two of these examples are being resighted on the transit mall because of Max coming. And Bruce West, the lower view, is because of the relocation of the Saturday market. We've also been back in the murals business, last this past year we approved and completed 12 new murals in north, northeast, southeast, and southwest Portland, and we're working with a group at the city to try to streamline the process so that community murals can happen quickly and without a lot of red tape. Whether they want city money -- race money or not. And then I'm sure you walk by the installation space in the Portland building often. That's a great sort of training ground for younger artists who want to dabble in public art or at least try their hand at public art without having to do something really permanent. We change these monthly. It's also an opportunity for students because we have student artists as well, and we're talking about with the Portland business alliance, trying out some kind of extension of this program or something related to it in some of the empty storefronts in downtown Portland. Enliven them until they fill up again. And then every year we add to the visual chronicle of Portland, which you see in city hall as well as other public buildings. Another example of ways that we can keep artists employed. One other aspect of our public art program is -- and it's because we've been in this business for so long, we actually contract out our management services as consultants to agencies and entities both in the region and outside of the region. This past year we actually brought in \$319,000 in contracts. And then a lot of what we do also is dealing with our constituents in a variety of ways. Now with the internet there's so many different ways we can provide services to our constituents from our art notes, newsletter, which we put out both electronically and in print, we do this -- this year we're doing 10 artist workshops, giving them the tools they need to be good business people to market themselves, to try to get into the public art field. We have an art -- a newsletter for all the people participating in work for art. We support 25 organizations -- arts organizations a year approximately with help from our local guru George Thorn, and that's free to them, because we have private underwriting for that program. And I found out the other day we have approximately 60,000 hits on our webpage every month. So

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somebody is paying attention. We do a lot of technical assistance to artists and arts organizations, both one-on-one and on the telephone. And from time to time at your request we pass through gifts directly through arts organizations such as omsi and o.b.t. That were special gifts from the city. And then a more recent offering to our constituents is a direct response to the economic trouble that we're all in. We have this online tool kit that is a list of resources that people can access, articles that have been written about how other cities with dealing with this and features, ways to get through this tough time.

Morse: Now we'll move on to arts education. Just to give you a reminder, since measure 5 cutbacks, how many years ago was that? Randy remembers, because we were down in salem then. 1990? Sips then racc has not been heavily engaged in arts education because we had to cut back ourselves. What we have maintained are arts education track grants. And in this past year those grants went to 46 schools, 15,000 kids, and it totals about 46,000. Well, that's really not enough. And it's not very equitable. It really just goes to the schools who have the time or ability to apply and kind of the savvy to do it. And we as a board and as a staff started talking a few years ago about how do we make arts education more equitable and accessible to every public school kid. And we realize that until you can really put it throughout the schools, it's just these little hit and miss things. And the research in the polling, the polling we've done shows this is the number one thing that people want with the arts. They want arts education for their kids. And I don't think I need to tell any of you the research shows kids learn better, they do better in math and science and other subjects when they're exposed to art. So we began by -- you want to go into the schools and do, some even just don't go in like a bowl in a -- bull in a china shop, so we pulled together the superintendents of the five largest districts in the region, and they unanimously got excited about it, they all committed funds and they committed schools to get engaged in the program. We had a really good mentor with the big thought project in dallas, texas, and they have been doing this for about 10 years and came and really shoisd how to do it. We branded this as the right brain initiative, and that speaks to the fact that, you know, not that we're favoring the right brain, but that the right brain needs to be developed just as much as the left brain to have a totally successful person. Many, many participants are involved in this program, there's so many committees, I can't even keep track of them, but I think the point is, and we know how the city of Portland loves due process, there has been so many educators and arts education, and artists, and business people, and elected officials involved, that we feel like we have a really good program going forward. And we have an incredible administrator in mana, who has a great background in an arts educator. This is ron naso, one of our school superintendents. So anyway, in january after all this planning, 20 schools started the pilot program for right brain, and in may bite end of may we'll be able to report in to you what has come out of that. So all this to say that the arts organizations have really stepped in to fill the gaps in arts education. But they do it because they believe in it, but sometimes it really dliewts their own mission. And then it's usually something they have to cut back on when their money is tight. So that's why a program like right brain initiative can be so much more inclusive. One really big part of vital component of the right brain initiative, these are teachers. Wouldn't I have loved my teachers to look like that? Instead of those nuns that hit me all the time. [laughter] but we'll talk about that at another hearing. Sorry. Sorry: Anyway. The professional development for teachers and artists is critical to this program, and that's a large part of what's being done right now. And assessment tools are being put in place so we can measure the results. So here is a chart that you should feel good about. Look at this leveraging. You put in the initial lead grant of \$150,000, and look at all of the other components. The state of Oregon, the three counties, business incorporations, including mine, school districts, and foundations. So -- and we also have national foundation interested, and it's that whole thing, if you show the local support, the national foundations and the federal public money becomes available.

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Damrosch: This is a chart of our expenses, just about 5.5 million last year. I just want to point out the community services is so large because of the two pass-throughs I mentioned to o.b.t. And omsi. So that changes year to year. You'll also see arts education in comparison to the last chart you saw is pretty small, but that's before we really got into the -- this year's magnitude of the right brain initiative. So this changes and flexes from year to year, but I think it's a pretty good indication of how we divide up most of our funds. And then this is the number of volunteers that helped us last year with all of these programs, from grants, panels, to public arts selection panels, to volunteers at right brain initiative events, to -- on and on and on. It's a wonderful example of how hands-on much of our work is, and I suspect a lot of the people in this room will be on this list. We thank every single one of them, because we couldn't do our work without them. I bet you're wondering what our challenges and opportunities are for 2009. First of all, I want to point out this picture. This is work for art. They come in to workplaces to get people excited about giving to work for art, and this happens to be at my company at Portland general electric with imago entertaining our employees. What's interesting about it is that p.g.e. Employees, just as an example, chose work for art right up there with united way, black united fund, earth share of Oregon, and we actually doubled the amount that went into the work for art campaign from 2006-2008. That has so much to do with that city match. And the arts card. People get really excited about that. So what am I telling new all arts organizations are struggling, just like every nonprofit is. Ticket sales are down, audiences have declined an average of 10%. For organizations that do have strong audiences, people are opting to buy the lower price tickets. Corporate sponsorships are down by 50% because company contributions are down. And some foundations are pulling back because of their endorsements. And others are just doing the best they can. Arts organizations, galas and fund-raisers are down 10-20%. And what remains strong are individuals, and their commitment to giving to the arts. And then of course the big opportunity and strength is work for art because individuals give through that and that is helping. But racc and its partner arts organizations are committed to maintaining excellence and products and increasing access to art forms, and in good times you get wonderful concerts like this free concert in the park that the city has been funding for a number of years. But that kind of thing is questionability in a really tight economy. But here's what arts organizations are doing. They're really being proactive in looking at their programs, their budgets, they're cutting where they can, they're doing -- I happen to serve on the opera board, and our artistic director looked at what the budget was -- what might come in next year and cut down one of the offers for next year to be something that was less expensive than one he had originally chosen. Arts organizations are engaging funders, and showing them what they've done to be prudent and asking them to stick with them. And arts organizations are really collaborating and sharing resources. You saw that in the month of february when ticket stubs were honored from one arts organization to another so could you get discounted tickets if you went to one. And then wanted to go to another. So racc is just really encouraging and very excited about the difficult work that everybody is doing. It's really creative. Our own efforts, we're finding savings where we can. We're focusing on our core mission in programs and not getting distracted by a bright new light here or there. To really, like we seek programs that will be continue to be leveraged right brain initiative and work for art. We're doing more convening, more technical support, and we're supporting lots of collaborations and shared resources.

Morse: Just to sort of underscore the big goals at racc for the coming year, as I mentioned before, we will make every effort to keep our grants program and our core programs whole, and provide every kind of support to the community that we can. It's going to be a tough couple years, and we all know that. But I think the arts -- people who work in the arts are resilient, creative, and i'm convinced we'll get through this one way or another. And as carol mentioned, we'll focus on the programs that can fill in gaps if there are gaps with work for art funds, we'll focus on the right brain initiative and help it grow. It probably won't grow as quickly as we anticipated, but we have new

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school districts wanting to participate, and we also have funding that's going to be in some cases over three years, and as Carol mentioned, we have potential access from some national funders for that program. And then the progress with the creative advocacy network I think is going to make a big difference because we're going to start rallying the community around these important -- this important work ahead. And then just to wrap it up, just talking -- looking back on our own history, we've been through some pretty bad times off and on over the years, and if you think back to the great depression, what did we do that we hired artists to paint murals in schools, and build things like timberline lodge, and these were jobs for artists. And that's what we need to focus on, and we'll all get through this as best we can. So I want to thank you again for this opportunity. I want to thank all of you who have come today. I especially want to thank RACC's amazing board and unbelievably talented and dedicated staff at RACC. Thank you very much. [applause]

Adams: Because we know we've got folks in the audience, we're going to do the testimony and then any questions from discussion from the council will follow the public testimony. How many people do we have signed up?

Moore: 11.

Adams: Good afternoon, welcome to the city council. Glad you're here. You only need to give us your first and last name and you'll have three minutes and the counter in front of you will help you keep time.

Joanne Oleksiak: Thank you. My name is Joanne, I very much appreciate this opportunity to speak and support of -- the arts community that you might call microbusinesses and individuals. That is the community muralists. And the regional arts and culture council, mural arts program, which is provided funding for murals in our community, has been a really vital source of the whole economy for that group of artists. And I hope that that will continue at the level that we have seen it in the past if not grow. So again, I think RACC and city council for making that money available, and I want to emphasize that these are artists who for whom sometimes those grants are the only income they may have that year, only solid income. And there are more of them than I think the community realizes I represent a network called Portland mural defence, there are about 120 artists in our network, and all of them right now are struggling, and I've received a lot of emails. Joanne, do you know of any jobs? So I hope we can find some ways to create bulletin boards or other opportunities so they can continue to find work.

Adams: I see Joe up there and both of you, through some very difficult legal issues over the past few years, have been tireless in helping be a partner with us and RACC and figuring out how to get murals back up in the city. So thank you for your efforts as well.

Chris Coleman: Chris Coleman with Portland Center Stage and the creative advocacy network. You guys are going to have incredible difficult choices to make in the coming months and I'm just glad I don't have to sit in your shoes and figure it out myself. But I thought I'd offer you perspective. Food, shelter, art. The arts are not a luxury, not here. From Multnomah village, to Troutdale, to Stumptown city center, the Portland region breathes creativity. It flows in the rivers, inspiring every intersection, leaves no bridge uncrossed. Here we wander among words and old growth forests, emerged in lakes and symphonies, commuter bikes become welded expressions of self, bank walls are a canvas of mixed media, children learn to crawl on art museum floors, and stomp through puddles in handmade shoes. We find design shops next to community co-ops, around the corner from sculpture gardens, and down the street from locally grown chefs. Back beats echo out of basement doors and lead singers bring potato salad to block parties. Here we don't tamp out creative sparks, but like sparklers and sprint through neighborhoods catching fire as we go. Entire streets are designated arts districts on first thursdays, last thursdays, and every day in between. Here we reward the brave and nurture the ordinary and draw tenants like an uber magnet. Here the arts drive is part and parcel, the fabric, the very foundation of who we are. Now imagine it all going away. Just like that. The arts can turn the unimaginable into imagine that. The

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arts can give a lost child a compass. The arts can be a catalyst for a change in perspective and a change in our world. Now is not the time to abandon the arts. The arts can and must live here. And I thank you all for your support. [applause]

Adams: Good afternoon, david.

David Wynde: Members of the city council, my name is david wiped, i'm here with two hats on today. One as a member of the Portland school board, and the second as manager for community relations for u.s. Bank locally. My penalty for being late is I get to follow chris coleman and therefore appear completely inarticulate and unpoetic. [laughter] my excuse of course is that I am a banker, and then who would expect anything of me in the way of poetry or literacy or fluency. But in fact, that's interesting comparison, because i'm here primarily to thank you for your support of the right brain initiative. And the right brain initiative of course is a program that is moving towards the reintegration of arts education in every classroom, serving kids in grades k-8 in the tricounty region. And why we need -- there are so many reasons why we need this initiative, but one of them is because we need imagination, and creativity, and literacy in all of the kids we educate. Even those who will be bankers need to be able to think imaginatively. So they can think creatively about how to finance things. [laughter]

Adams: Especially now.

Wynde: Especially now. That's as far as i'm going on that topic. But in at seriousness, we do need those qualities in all of the young people we educate. And the right brain initiative is focused on that. And it's really focused on that. There are three es when it comes to the right brain initiative. The e of equity, the e of efficiency, and the e of effectiveness. And the e of equity is simply that every child deserves an opportunity, and with the funding challenges that we've seen in k-12 education across this state, we've seen the december imagination of arts in the schools. And we believe as I think you do, and as the right brain initiative does, that we don't want to leave arts in schools out to those communities that are able to privately fund-raise in order to keep it -- that all kids deserve that opportunity. It's about efficiency because we want to have a comprehensive system that makes it easy for teachers and easy for arts organizations to partner in order to do these things. So if a teacher wants to have some artists in their classroom that there's an easy way for them to do that. They don't have to reinvent the wheel, they can go to a place to do that. Effectiveness is making sure the arts is not drive-by art. It's not a one-time sort of quick fun thing. Not that there's anything wrong with fun. But that the arts be integrated into the curriculum and be supportive of the core curriculum and in fact be part of the core curriculum for those kids. And the right brain initiative is a program that's doing that, doing it systematically, a pilot program. In six school districts in 20 schools, I believe it's six districts across the tricounty area. And and it also made a difference because private funders of whom i'm proud to say u.s. Bank is one, saw public money and were willing and able to match that. And that's a much more powerful leverage because of your support. So I thank you for that. It's a collaborative system changing maj imagination expanding program, and the prospect of being able to give every child in every q- k-8 classroom in the tricounty area that opportunity as an expectation on a regular basis is a wonderful prospect, and you helped bring that closer to reality, and I thank you for that.

Adams: Thank you, david. [applause]

Adams: Welcome to the city council. We're glad you're here. You'll have three minutes and you only need to give us your first and last name.

Bruce Livingston: Bruce livingston. This morning I got an email from margo vorhees thompson, designer of the playwright logo. She wrote "when I say playwright production I was moved and i'm pressed by the work, imagination, and courage expressed by the students. I found myself wishing this kind of personal growth could happen for thoarks both children and adults. We need more programs such as playwrights that focus on personal confidence and development. They work with an underserved population using the arts to develop the whole child and thus our whole community.

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Playwright is a small organization with a budget of \$300,000. We're young, just five years old. Regional arts and culture council provided funding for us in the very early years. They took a risk, which is what artists do. That risk I believe is paid off, and five years we have tripled the number of children we serve each year. Last year because of the very successful work for art program, our grant award was significantly increased. I believe the citizens of Portland support the arts both because of the inherent value and the dramatic impact that creating art has on everyone. We work with kids that are variously described as at risks or disadvantaged, or underserved, or marginalized. Each of those terms is appropriate in its own way. Our focus is on students attending alternative schools in the Portland area. A broad range, including Portland night high school, the roseland school and treatment center, mount hood learning center and open meadow middle school. We engage these students with artists whose positions are funded by race, city of Portland money. This one-on-one relationship is intense and has long lasting impacts. Over and over we hear things from students like Jermaine who said, "before I did Playwright, I hated to write. I couldn't. But now the words and images just flow. It's kind of fun." a teacher at one of the other schools where we work recently wrote to us, "well, after a workshop -- well after a workshop concluded "all year long the call has been a constant problem. Sassing teachers, acting up in class. In the last week of your workshop, she began asking teachers what she could do to help. Nicole has become a model student and we now see leadership potential in her." our community becomes a better place because of race and the city's commitment to the arts. Thank you very much.

Adams: Thank you. [applause]

Lori Clark: Lori Clark, the principal at Whitman elementary in Portland. We're in outer southeast Portland. We have about 400 students, 87% of our students are on free and reduced lunch, and about half of our population speaks a language other than English as their first language. Just to give a picture of our school. And Whitman is one of the schools that has a lack of the arts, and lack of arts funding. When I arrived at Whitman five years ago, the student community at that time had already felt the impact of losing arts in the schools. Students were unsure how to respond to performers, artist performers that we were told for an assembly, which yes allowed to do through young audiences, which was through fund-raising. They often laughed at other cultures that were performing or other types of art because they hadn't been exposed to that. Students who had little hands had no experience with art, other media, and this -- not this year, but last year we had an artist come in and had an art residency for murals in the hallway, took us two years to fund-raise enough to bring in an artist. Just to tell you about how that impacted our school, we have three or four murals that line our front hallway, and we were concerned without encasing the mural that it would quickly be destroyed from students that rub along it as they walk or use their pencils as they are board, drawing doubt hallway. The mural has not been touched. The students are very careful. They continue to walk and point out to their parents and friends what part of the art mural they created. We had a new student who came to school and he wrote on the mural, and what that showed me was the impact that arts has on a student and the pride they take in their community and what happens when a student has not had that experience. This year Whitman is lucky enough we're part of the Right Brain Initiative. And because of the Right Brain, we are working with a theater company that they've brought in artists, they're collaborating with our teachers. All of our students are going to be creating puppet shows and developing characters, and we're incorporating this into our main content area, so at of it is brought in with writing and science, our kids will be writing biographies, writing dialogue, creating scenes, writing -- comparing and oskin Travis Sigfridsoning the stories and the plays they'll be performing. So without these experiences, our students wouldn't be able to have any of those without the Right Brain Initiative. On behalf of my students and my families, whose voices are rarely heard, I just want to thank you for your support for race.

Adams: Thank you. [applause]

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Fred Williams: Mayor Adams, and council. I'm glad to have this opportunity to speak. My name is fred williams. I'm a firefighter at the central firehouse in Portland. Station one. There may be public perception that firefighters, though generally affable, are basically uncultured. [laughter]

Leonard: Excuse me? [laughter]

*******:** Go on.

Adams: Go on, yeah.

Williams: That's actually not true. Our fire chief --

Adams: Not in all cases.

Williams: Our fire chief has been enthusiastically involved with race programs providing art in the stations. I was honored to be chosen by him to represent the firefighters of station one for the committee to select an artist for the publicly funded arts to be installed as part of the remodel of fire headquarters and station one. This was the first time I'd been involved in the process of evaluating candidates and their proposals, and under the guidance of race's public arts manager, Peggy, it was very informative and satisfying experience. The committee comprised a diverse group of individuals, yet we ultimately reached a decision that left each of us feeling good about the aesthetic enhancement for the station's entrance. Portland fire is beautiful greeting to the visitor or passerby.

This was not, however, my first exposure to race's involvement with Portland fire stations. I've had the opportunity to visit and work in a number of different stations, and I've been able to enjoy the fruits of two other race projects. The first is the artist in residence program. This provided the opportunity for a variety of visual artists to spend extended time at fire stations, getting an inside look at station life and the work we do. All of our stations are now fortunate to display art that came out of these experiences. The second is the art provided by the percent for art program. We've been lucky to have many of our older stations remodeled in the last decade, as well as a couple of new stations built. And all of these are now graced by public art. This is the avenue by which station one will be receiving Jack Archibald's stained glass entryway. These pieces of art in the stations affect each individual in different ways. But I think and hope that a common response is to be inspired. Sometimes on duty our day might consist mainly of resetting alarm systems that have been activated by burnt food. [laughter] but then I go back to the station and I see the painting of the firefighter on the ladder, getting ready to crawl in a window, billowing smoke, and I think, I want to be that guy. [laughter] and then I think, no, I am that guy. This is what art does. Art makes us want to be better. It shows us what we can be, and it takes us to a higher plane. The economy is in a rough patch right now, and in times like this, some people see publicly funded art as something superfluous, a luxury, fat to be trimmed. But it's not. Art is part of the muscle of our culture, and to eliminate it is ultimately to weaken and diminish our society. I hope the council and the people of Portland will continue to generously support the work of the regional arts and culture council.

Thank you. [applause]

Leonard: I think I saw a future fire chief.

Adams: Welcome to the city council.

Greg Netzer: My name is Greg, I'm the executive director of Wordstock, Portland's annual book and literary festival. We're a very young festival still this, is only our fifth year, but we're already one of the largest celebrations of books, writers, and storytelling anywhere in the United States. We've been talking a lot today about the economic troubles that the world has been seeing, and the current economic turmoil hit Wordstock about a year ago. I'd like to tell you a story about how we benefited from race. From March through June of 2008, Wordstock lost over \$125,000 in committed cash sponsorship because the companies who had agreed to support the festival no longer could. They were slashing their budgets and consequently ours was slashed as well. We had signed contracts with vendors, venues, services that we had to honor. We had accepted fees from exhibitors from workshop participants, and we owed them what they had paid for. So we had to figure out a way to tear apart, reimagine, and rebuild our festival in 120 days without a third of our

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original budget. With approached race for help -- we approached race for help, and after a series of intense discussions, they awarded us one of their opportunity and emergency grants. That grant was something we were able to use to bridge the gap of the money that we lost, but it actually let us do a lot more. We used it as leverage in a way we didn't expect we would be able to. We were able to renegotiate the amounts and terms of several large contracts, we were able to solidify support from our remaining sponsors and donors. We were able to solicit partnerships with other cultural organizations to expand both our programming and the reach of our promotional activity. And we were able to rally support from all corners of the arts and culture community, particularly amongst the hundreds of volunteers to help us put the festival together. Who reacted to the news of race support as though they had received a little shot of adrenaline. Because of the financial community and even emotional support that we received from the board and staff at race, we were able to take a festival that was floundering through no fault of our own and turn it into a vibrant cultural event that saw a 16% increase in ticket sales, several sold-out partner events, effusive praise in the regional press, and ultimately a profit. [applause] one of the authors that visited us from around the country pulled me aside and said that he went to these things a lot all over the country, and as far as he was concerned, wordstock was the best literary festival in America. [applause] without race's help, we could not continue to make it such. I urge you to consider that when you think of the budget this year.

Adams: Thank you very much. [applause]

Von Summers: Vaughn Summers with Northwest Natural. I want to thank you for this opportunity to talk about race, but in particular, work for art, which is a program that we're involved in. Several years ago we made an argument to our officers who include work for art in our charitable giving campaign. Up to that point everything that was represented were basically organizations that represented the first two items on this sticker, and that was food and shelter through United Way, Black United Fund, and also Earth Share. Our officers were somewhat reluctant to allow us to do it, but after 10 years of -- the prior 10 years before adding work for art, our campaign was actually relatively flat. When we added work for art in our 2007 campaign, we saw a 10% increase in employee giving. And despite the fact we had just reviewed our work force by about 8%, we raised -- employees donated 17,000, a little more than \$17,000 toward work for art. With our match, that turned into \$35,000, and then with the good work that the city and the generosity of the city, that turned into \$70,000 for art programs throughout Portland. Not to be outdone in 2008, our employees gave \$22,000, which was a 25% increase. With our match and the generosity of the city, that gave us \$88,000 to local art programs. But really what the program has done is reenergize our focus and actually I'm proud to say now our components of our philanthropy do include art. We saw employees participate in the campaign who had never participated before. We had -- have many officers and managers now participating on boards with local art organizations. So it really changed the whole dynamic and the culture of the company. When we add work for art, our -- and we were named the number one employee giver in the city of Portland the first year our officers obviously were very proud. When we became number one in the second year, they all felt like geniuses. [laughter] but I just want to reinforce, this is not an either/or proposition. Our employees don't take away from health and human services when they give to the arts. Indeed, it increased our total giving, and it's created a culture in the company for the corporation to give more to the arts. So work for art has really added a third tier to our school, and we're really happy to encourage you to once again participate in the matching program. Thank you. [applause]

Jeffrey Gilpin: Jeffrey Gilpin, I'm the K-12 arts for Portland public schools, which means I serve support and oversee much of the arts instruction for 47,000 students in our district. And 160 arts specialists and 3,000 non-art specialists who's many of them have become creative through professional development programs including the Right Brain Initiative. To start out, the statistics since Measure 5 which had been mentioned earlier, the -- they're staggering. 5% of all our K-8

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students have access to drama and dance through the teaching of a licensed specialist. 5%. As for music, 60% and as for visual art, it's 40%. But none of these numbers are a hundred percent, which means I am in disapproval of these statistics. And so I want to voice my strong support to the right brain initiative, which is in its pilot year, and our particular district we have eight pilot schools going on, but there's three others involved, and there's 20 total. I've spoken to principals at all the eight schools i'm involved with, and they have all voiced their approval of this and how excited they are for years to come to have more and more arts organizations filling those gaps because if you have 5%, and 95% do not have access, without someone like the artist repertory theater, or Portland center stage, or -- the lit goes on. Without these options receiving support from the city, and from the regional arts council, then i'm not sure where we would be. So I really would like to impart to you how generous you've already given and we thank you for that, and we really like your support in the future. Thank you so much. [applause] ache thank you very much.

Adams: I think she left. Eloise, if you could come forward and see if there are any questions or discussions from council before we consider acceptance of the report. Council?

Fritz: I have a question. My question for mayor Adams, when is the mural issue likely to come back to the council?

Adams: Within the next 40 days. And it's been a long slog. And between the work of staff in my office, but also the staff of racc, we will now have a mural program again in the city of Portland. Other questions?

Fish: I'd like to thank you, eloise, you're doing double duty this week, because we got together yesterday on the budget. You know, it was depressing to reflect on the fact that we have 17 million dollars of one-time-only asks, and the prospect in this budget cycle of no one-time-only money. So we're going to be called upon to make some very tough choices, and their choices the are almost impossible to make. Pitting very worthwhile groups against each other, and I will say, though, that your advocacy and the advocacy of this coalition is going to make a difference. So I thank you for that first. And I wanted to offer a personal testimonial. I think chris coleman talked about arts being the fabric of our community. So, you know, i'm not looking for any sympathy, but this is not an easy job. You don't have an easy job. We have the pulling yelling at us, my colleagues are yelling at me. There's tough votes, long days. As I was listening to the beautiful testimony today, I was reflecting on in the 15 minutes of free time that I have every week, when i'm not on the job or with two young children, I was reflecting on what gave my life joy. How do I squeeze out my free time? And I was thinking about the buckman arts show last weekend. And the little cards I bought from a fourth grade class that were so beautiful with a native american theme on them. I was thinking about the Portland jazz festival. My wife was gone for two weeks so I took my kids there, and they both fell asleep, but I enjoyed the concert. I was thinking about marcia, my favorite d.j. Monday nights on kmhd, and she also happens to be the spouse of one of my colleagues. And we had a chance to spend a couple mondays ago playing our favorite jazz on the best jazz station in the country. It just happens to be here in Portland. I thought about the art galleries that I get to -- on a saturday morning steal away to. And I can you know, I must say desoto block is so brilliantly conceived, if you have to do one-stop shopping, you can just park there and there's five or six galleries. I was thinking of a show that I took my daughter to at heidi mcbride's apartment in south waterfront. My daughter is 16, so she don't readily go with her father anywhere. But she was quite captivated by one of heidi's artists. We hope to make a visit to the gallery. I was thinking about an opera I went to, "fidelio" on a sunday afternoon. I think I was the youngest person in the audience by 20 years. And it was fabulous. About going to live wire and being thrilled to be in the audience, as that spectacle unfolded, and reading a haiku in support Oregon cultural trust. I thought of what pika did this summer with the fountains in third angle, which my 5-year-old loved because they started throwing garbage cans into the fountain. And making a lot of noise. The mayor and I went to see "milk" twice in the last six months. We were at the opening, which was a wonderful event,

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but we also went to see documentary -- see the documentary that played at the queer film festival. That's in my mind hard to pick which is better, but the star of the documentary was such a flamboyant, wonderful character, both movies stand the test of time. Going to the children's museum and seeing my 5-year-old get so excited in that little theater area, and perform with all the children that are there, and finally, I had the chance to go to the Multnomah arts center, because I'm the new parks commissioner. And at their gala fund-raiser for the arts, there was a woman painting a picture off to the side that you could bid on. And at the end of the evening it went up for sale, and I thought I could get it for a couple hundred dollars. It reminded me of a rafael sawyer, it was beautiful. It went almost for \$2,000. And I turned to the person at my table and said, "how come so much?" "the woman who painted that did governor roberts' portrait in the state house. She's one of our great painters." so I guess what I want to say is that when Chris talks about the fabric of our city, and what gives texture to our lives here, as someone who has precious little time and sometimes feels a little under siege, I want to say thank you to all the people here who make our arts scene alive, who bring texture and meaning and fabric to our lives, because I've lived in a lot of cities, but I think it's what gives you're our vibe. And it really is what is at the whole soup of our community. And I am wearing this because I agree that food and shelter and art are basics. As a council we have to make sure -- I'm the housing commissioner, so shelter is important. But art is what nourishes the soul. Arts are what helps us through the bad times. And it's amazing to me, maybe a function of how old I'm getting, I actually remember when you went to school and art and music and even sports were part of the curriculum. And they weren't add-ons. So as one commissioner that has to work with a very talented group of people to make tough choices, I just want to thank the arts community for what they do, and I want to close by just making one small ask in addition to what you're asking of us. Recently the Oregon legislature did something which I think was just plain wrong. And I'm contemplating resigning a position that I hold because I don't want to authorize the release of the money. [applause] there may be a number of vacancies. But the bottom line is. The Oregon legislature also failed with impossible choices, has broken faith with arts donors by proposing and actually voting to take \$1.8 million out of the Oregon cultural trust. And that is not money that was ever donated for any purpose other than to support the arts, and in fact, as we grow the trust, Portland and this region receives its fair share of the grant money. So what I would ask this formidable coalition, and I know you have a lot on your plate, if you have a chance to write a letter or send an email to the governor's office, please tell governor kulongoski not to take \$1.8 million out of the cultural trust. Keep it there so we can support these great programs, and again, thank you for your great work. [applause]

Adams: Any other questions before we go to our closing statements? Thank you, Eloise. All right. Unless there's further discussion, please call the roll.

Moore: This was listed as a presentation.

Adams: Oh. Can I get a motion to accept the --

Fish: Motion.

Fritz: Second.

Adams: -- arts report? It's been moved and seconded. Now will you please call the roll?

Fritz: This is the third time this week that our chambers have been packed, both this level and upstairs. And thank you all for coming. It's wonderful to see you here having taken time out of your busy days and to show up to show that you support the arts, and that we care about the arts. Yesterday we were packed with folks who care about sports and who talked eloquently about what being at a sporting event means to them and their families, and how they feel that is part of the spirit of Portland. And on Tuesday we were packed with folks who came to support the budgets of the office of neighborhood involvement and the office of human relations, and just an amazing array of our community folks, our neighborhood folks who came here to show that we care about the things that we can't measure. That are not benchmarkable particularly. That are felt with the heart. And

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so thank you for being part of that, because this is us. This is who we are as Portlanders. This is part of what we care about. And yes, we care about people, we care about food and shelter too. And tomorrow I don't know that commissioner Fish will be bringing in to pack both chambers for the housing budget, but we'll be looking at a budget where we -- there are \$13 million in asks and probably \$2 million to spend. And \$6.5 million of those are in urgent needs for shelter and winter housing. So clearly government cannot do it all. And nor -- 19 good times government should not do it all. But now if you are taking time out of your days out of your work schedule to come here, it's because this is what we care about, and we have to do it together. So to a great extent we have to invest in community to get done those other more tangible things perhaps that government doesn't have the money to do right now. So thank you so much for coming. Aye. [applause]

Fish: I want to close by thanking the mayor. Because we have never had a mayor who was such a staunch champion of the arts. And if it isn't on the mayor's radar and priority, then it doesn't get elevated to this priority. So sam, I want to thank you for your leadership on the arts. In raising the visibility, in fighting for dollars, and for being a champion for some of these very pioneering programs. I want to thank the businesses that are listed in the report who have contributed to the various programs. And our biggest challenge going forward is to get more businesses engaged in giving. The cultural trust is funded largely by individual donations, and the challenges to find a way to get more corporations involved. This is an honor roll of great corporate supporters. So I thank them. And finally, eloise and your team, thank you for the great work that you do helping us light the way. Aye.

Leonard: You'll notice a trend in the tone of the remarks from each of us here that becomes more bleak as our years of seniority add up. The more recent members have more optimistic views, those of us that have been steeled by budget cuts since serving in public office since the early '90s cannot afford to be quite so rosy. I have unfortunately had to have this conversation with a number of people that it pains me to have this conversation with burkts public safety, certainly the arts, the folks that i've helped in the past just before coming in here, project clean slate that helps people turn their lives around that it otherwise -- that otherwise had been lost, a number of very good organizations that this year it's going to be very, very difficult to satisfy. And unfortunately i'm afraid in the end you may feel the same way. But we have unprecedented reductions in our revenues not just at the national level and the state level, but at the county and the city as well. Sometimes what we do makes a difference between an elderly person having a meal that day, or not. Certainly the art in front of the fire stations has been an absolutely outstanding feature that all of us in the fire service have appreciated, but at least one of those stations with art in front of it this year will be closed. And so it's a very, very tough time. Having said that, each of us here have our own particular appreciation for our favorite art. Mine happens to be music and one need only glance as you walk out of here to the left through my windows to see a pick toral display of my favorite musician. In my office. And we will work through this, in a very deliberate and thoughtful manner to balance the needs of the community. Unfortunately for mayor Adams, what i'm saying here is sobering as it may sound, it's nothing compared to what he has to do when he gets all of this information into his office to try to come out with a budget. I can't underestimate how tough of a job that is, and for that reason alone, i'm glad he's the mayor and not me. So we will -- I appreciate the presentation today. I appreciate the passion, and it always helps us in finding that place that we need to find that is a true balance or our community. Thank you very much for being here. Aye. [applause]

Adams: Commissioner Fritz is right. This is the third time this week that this chamber has been filled with advocates on a single topic. But my 17 years working in city hall, this is the first time it has been filled by arts and culture advocates. So thank you. [applause] I want to thank carol and eloise and jeff and the entire racc team. I want to thank kathleen for her great work in getting the creative advocacy network off the ground. Along with a lot of other folks in the room. I'm not -- I

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also want to thank the great full-time folks that work in arts and culture in the mayor's office, jennifer, holly, and fred. This is a difficult budget year. And we've got lots of tough choices to make. But food, shelter without art, it's not much of a life. And we are going to do everything that we can to make sure that this city keeps the gains that we have made that you have saw in that state of the art report to keep the gains that we've made, because you don't get this back easily. And so it's because of you being here that we're going to be successful at it. So thank you all very much. Aye. [applause] [gavel pounded] item 252 is approved. Thank you all very much. We'll give you a few minutes to clear out. We've got other tents to work on. We've got to go back and do the emergency.

Adams: Please read the title for council item 240.

Item 240.

Adams: Do we have staff here to speak to item 240? This is a very good thing. Not a bad thing. And it authorizes a contract and provides payment for construction of fire station 31. Comes through the bureau of purchasing. It is an emergency. Does council have any questions? Do you want to hold it over?

Leonard: This is a continuation of what we've heard earlier of the bond that was passed a decade ago that is the final stages of completing the upgrading.

Adams: Council discussion.

Fritz: I don't want to hold it over, but I do want to know that station 18, which is in southwest, was -- they had a whole process for designing, buying a new site that citizens put in a lot of time, and it was understood why the money needs to go to 31, that the folks in southwest are supportive of that. But there's still concern about the money for the renovation and earthquake safeness of station 18. And about the ongoing need for an interjurisdictional agreement with tigar, tualatin, or somebody to provide the fire service to the growing parts of southwest that currently are outside of the desired response time.

Leonard: And there is a -- an agreement between the city of Portland and twawf, the department, to provide mutual aid to all areas covered. The station that was to be built was budgeted in the original bonded measure, but as costs have increased over the years the amount of dollars needed were not any longer available in the bond, the bureau met with folks around station 18 off of barbur and it is my understanding the intent is to now upgrade station 18 and would earthquake it and could the remodeling that's been done at the other stations.

Fritz: The concern is whether there's still money in the bond for that upgrade.

Leonard: I believe there is. I believe that's exactly what's happening.

Adams: All right.

Fritz: Do we know what's happening to the site that was purchased?

Leonard: It will stay -- it's been a fire bureau property for as long as I can remember and will stay in the city's -- the.

Fritz: New site farther up on barbur?

Leonard: Taylor's ferry -- .

Fritz: It's on barbur. It's right next to the freeway.

Leonard: They will -- it will stay dishts been part of the fire bureau's long-range projection to build a station there. It doesn't mean it won't happen even yet, but because of the expiration of the dollars and the limited resources, the decision had to be made.

Fritz: It might go into the next bond measure?

Leonard: If there needs to be one, unless -- .

Fritz: Otherwise we do do something else with it.

Leonard: Right. We could have a fund-raiser.

Fritz: When we get to the barbur plan --

Adams: I'm glad commissioner Saltzman isn't here to listen to this.

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Leonard: We could build it with water bureau funds. Why don't we go ahead and -- we'll just --

Adams: Any other council discussion on this item?

Leonard: Thank you.

Adams: Anyone here wishes to testify on this item. Karla please call the roll.

Leonard: Don't tell him I said that, please.

Fritz: My point in raising that was to recognize that it was citizen committee and staff put a lot of time into the discussion of station 18 and I for one really appreciate those folks who dead indicated their time. So -- aye.

Fish: Aye.

Adams: Aye. [gavel pounded] reminds me of a time in third grade. No. Aye. Item is approved. I'm going to take chair's prerogative since these folks have been waiting hours and skip to item 248.

Items 248 and 249.

Adams: I want to apologize for having kept you waiting for so long. Thanks for your perseverance and for being here.

*******:** Public servants.

Fritz: Wonder how much overtime we racked up between yesterday and today.

*******:** I've been informed by our office that 248, they would like to pull back to the office.

Adams: Unless there are objections, so done. [gavel pounded]

*******:** We're now on 249.

Adams: We're going to take them all together in terms of testimony. So you've read -- you read all the titles?

Moore-Love: I read 248 and 249. Do you want 250 and 251?

Adams: Sure.

Items 250 and 251.

Charles Lovell, Bureau of Police: Good morning. My name is Charles Lovell I'm a police sergeant in the traffic division. I am here today to talk a little bit about two different grants. I'm covering the grant for managed typically by sergeant Davis from the tra -- traffic did I vismghts his grant -- this grant is in odot grant that's new. It's requesting photo radar in highway work zone. And they've specifically have passed an ordinance, o.r.s. 810.438, amended to include the use of photo radar in highway work zones when there are workers present. This grant -- particular grant will have time sensitive work during the evening hours, so the van will be posted at night and odot will be paying for the posting of it during these hours. The project's been identified as the yeon street reclamation project. So highway 30, that area. Project takes place on the 3 mile stretch of highway 30 at nw yeon between nw nicolai on nw kittridge. It's at night between 1900 hours and 0600 hours. Project will last approximately 2 months and once again I'd like to say that ORS 810.438 they amended it to include the use of photo radar in state highway work zones. It will be the first time we use photo radar in this way. So it will also kind of be a pilot project in this sense. There's a small amount of match time which we can cover during other times during the day when there's officers working at these times. On street time.

Leonard: That is more than adequate explanation about 250 and 251.

Lovell: Item 251 is a ODOT grant, it's typically referred to as MATT, for multi-agency traffic team. We change it to mutt, because we are multi-unit. Owe document us to use Portland police bureau instead of other agencies. We do missions with other agencies but in this respect we have at least three officers working an area and we call saturation patrol in high crash areas. Some of the areas that odot identified is i-5, terwilliger curves, highway 26, and also i-205. And the glen jackson bridge.

Adams: 51?

*******:** Yeah. That's the supervision program. That's the program out there to help people rebuild their lives and they have substance abuse problems. We go out and get them when they fall off that

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good plateau that they have built, bring them back in, and then the judges deal with them. Very therapeutic. Not so much a, "go to jail court" but do better.

Adams: Great questions.

Fritz: Are these high enforcement areas?

Lovell: There's those three, downtown. I can give you a list.

Fritz: Yeah, thanks very much. It's also the safe zone that pdot has identified as the high number of crashes in these areas, and we worked on that. There is a small amount of match time involved, and it goes away over the match time because of the missions we work on, on a regular basis.

Leonard: I discovered this on my own a couple weeks back. [laughter]

Adams: Questions from the council? Thank you, gentlemen. Anyone here that wishes to testify on these items? Please call the roll.

Fritz: Thank you very much for your good work and keeping us safe. Aye.

Fish: Aye. **Leonard:** Aye.

Adams: Thanks very much, really appreciated it. Pass, 250.

Fritz: Aye. **Fish:** Aye. **Leonard:** Aye.

Adams: Aye. 250's passed. 251.

Fish: Aye. **Fritz:** Aye. **Leonard:** Aye.

Adams: Aye. 251 is approved. Can you please read the title for 241 and 242.

Item 241.

Adams: On behalf of the city council I want to apologize to you for keeping you sort of hostage here in the council chambers. Is there any reason that we shouldn't support these calendar items?

Leonard: I'm prepared to vote yes now.

Adams: Any questions from the city council? Is there anyone here that wishes to testify on 241 and 242? Karla, would you please call the roll?

Fritz: Aye. **Fish:** Aye. **Leonard:** Aye.

Adams: Aye. [gavel pounded]

Fritz: Thank you.

Adams: 241 is approved. 242.

Item 242.

Fritz: Aye. **Fish:** Aye. **Leonard:** Aye.

Adams: Aye. 242 is approved. [gavel pounded] Please read the title for item 245.

Item 245.

Adams: 247, my apologies. 245 is being returned to the commissioner. Unless there are objections, so returned.

Item 247.

Adams: Yes.

Grumm: Thank you, mayor, on this situation --

Adams: Your name?

Grumm: Matt, for the record. With dan Saltzman's office. This is a unique situation, a request for emergency extension of brown and caldwell's contract to allow brown caldwell to design the expanded push station for the soon to be reconstructed fanno creek pressure line. As we talked about in the past, the picture is not pretty and this will allow us to move forward without the initiation of a new procurement process for the design, there are unique aspects of the project that I could go into but i'm here to answer any questions, and i'm here with scott gibson, here, as well as from the design team. Are there questions?

Adams: Has this been reviewed with commissioner Fritz's office?

Fish: I'm confident of that.

Adams: Is there anyone that wishes to testify on 247? If not, council -- will you please call the roll on 247?

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Fritz: I appreciate you having this on the regular agenda for over a million dollars, aye.

Fish: Aye. **Leonard:** Aye. **Adams:** Aye. [gavel pounded] 247 is approved, council adjourned.

At 3:38 p.m., Council adjourned.