



CITY OF
PORTLAND, OREGON

OFFICIAL
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **27TH DAY OF JANUARY, 2010** AT 9:30 A.M.

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

Commissioner Leonard arrived at 9:36 a.m.

At 9:47 a.m., Council recessed.

At 10:05 a.m., Council reconvened.

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

On a Y-5 roll call, the Consent Agenda was adopted.

COMMUNICATIONS	Disposition:
115 Request of Barbie Scott to address Council to thank the Mayor for his support to calm SW Capitol Hill Road (Communication)	PLACED ON FILE
116 Request of Mellani Calvin to address Council to thank the Mayor for his support to calm SW Capitol Hill Road (Communication)	PLACED ON FILE
117 Request of Lisa Broten to address Council to thank the Mayor for his support to calm SW Capitol Hill Road (Communication)	PLACED ON FILE
118 Request of Mark White to address Council regarding clarifying his previous testimony on RICAP 5 (Communication)	PLACED ON FILE
119 Request of Scott W. Horngren to address Council regarding the Dream Big Community Center and essay contest (Communication)	PLACED ON FILE
TIMES CERTAIN	
120 TIME CERTAIN: 9:30 AM – Accept the 2009-10 Annual Report of the Portland Historic Landmarks Commission (Resolution introduced by Commissioner Leonard) 45 minutes requested (Y-5)	36761

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<p>121 TIME CERTAIN: 10:15 AM – Amend Portland Zoning Code and South Waterfront Design Guidelines to improve process to implement the South Waterfront Greenway Development Plan and to update and correct several zoning provisions applicable to the South Waterfront subdistrict (Second Reading Agenda 1637; Ordinance introduced by Mayor Adams; amend Code Title 33) 30 minutes requested</p> <p>Motion to accept amendments listed in staff memo dated 1/27/10: Moved by Mayor Adams and seconded by Commissioner Fritz. (Y-5)</p>	<p align="center">PASSED TO SECOND READING AS AMENDED FEBRUARY 3, 2010 AT 9:30 AM</p>	
<p align="center">CONSENT AGENDA – NO DISCUSSION</p> <p align="center">Mayor Sam Adams</p> <p align="center">Bureau of Planning & Sustainability</p> <p>122 Authorize application to Metro Regional Government for a package of seven grants for a total of \$2,115,000 as part of the Construction Excise Tax Planning Grant Program (Ordinance)</p> <p>(Y-5)</p>		<p align="center">183485</p>
<p>*123 Authorize an agreement with Cascadia Region Green Building Council for green building education, advocacy and outreach (Ordinance)</p> <p>(Y-5)</p>	<p align="center">183486</p>	
<p>124 Authorize an Intergovernmental Agreement with Metro to receive sponsorship for Bureau of Planning and Sustainability ReTHINK educational series and Build It Green! Home Tour in the amount of \$8,000 in FY 09-10 (Ordinance)</p>	<p align="center">PASSED TO SECOND READING FEBRUARY 3, 2010 AT 9:30 AM</p>	
<p>125 Authorize Intergovernmental Agreement with Metro to accept funding for the Green Development Resource Center (Ordinance)</p>	<p align="center">PASSED TO SECOND READING FEBRUARY 3, 2010 AT 9:30 AM</p>	
<p align="center">Office of City Attorney</p> <p>*126 Amend contract with Hoffman, Hart & Wagner LLP for outside legal counsel (Ordinance; amend Contract No. 38137)</p> <p>(Y-5)</p>		<p align="center">183487</p>
<p align="center">Office of Management and Finance – Human Resources</p> <p>127 Create a new Nonrepresented classification of Horticultural Supervisor and establish a compensation range for this classification (Ordinance)</p>	<p align="center">PASSED TO SECOND READING FEBRUARY 3, 2010 AT 9:30 AM</p>	
<p align="center">Office of Management and Finance – Internal Business Services</p> <p>*128 Pay claim of Mesina Lunz (Ordinance)</p> <p>(Y-5)</p>	<p align="center">183488</p>	

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<p style="text-align: center;">Commissioner Amanda Fritz Position No. 1</p> <p style="text-align: center;">Office of Healthy Working Rivers</p> <p>*129 Amend contract with Natural Resource Trustees to fund the Natural Resource Damage Assessment for the Portland Harbor Superfund investigation (Ordinance; amend Contract No. 52429) (Y-5)</p>	<p>183489</p>
<p style="text-align: center;">Commissioner Nick Fish Position No. 2</p> <p style="text-align: center;">Portland Parks & Recreation</p> <p>130 Authorize an agreement with the Community Music Center, Inc. to provide additional services and programs through the Community Music Center (Ordinance)</p>	<p>PASSED TO SECOND READING FEBRUARY 3, 2010 AT 9:30 AM</p>
<p style="text-align: center;">Commissioner Dan Saltzman Position No. 3</p> <p>*131 Subordinate the City of Portland's interest in real property located at 4206 and 4218 NE Martin Luther King Jr. Blvd (Ordinance) (Y-5)</p>	<p>183490</p>
<p style="text-align: center;">Bureau of Environmental Services</p> <p>132 Replace Exhibit A of Ordinance No. 182841 relating to sewer and drainage rates and charges for FY 2009-2010 (Ordinance; amend Ordinance No. 182841)</p>	<p>PASSED TO SECOND READING FEBRUARY 3, 2010 AT 9:30 AM</p>
<p>133 Authorize a contract and provide payment for construction of the Umatilla Pump Station Upgrade Project No. E08589 (Second Reading Agenda 104) (Y-5)</p>	<p>183491</p>
<p style="text-align: center;">Bureau of Police</p> <p>*134 Authorize an Intergovernmental Agreement with the State of Oregon Police for the use of the Office of National Drug Control Policy and the National High Intensity Drug Trafficking Area Program grant funds (Ordinance) (Y-5)</p>	<p>183492</p>
<p>*135 Authorize an Intergovernmental Agreement with Multnomah County, Department of Human Services to fund a portion of the salary expense for the County Domestic Violence Coordinator (Ordinance) (Y-5)</p>	<p>183493</p>

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<p>*136 Accept a grant in the amount of \$69,960 from the Oregon Department of Transportation, Transportation Safety Division for sworn personnel overtime in order to assist the Multnomah County DUII Intensive Supervision program (Ordinance) (Y-5)</p>	<p>183494</p>
<p>*137 Authorize acceptance of \$4,945 in grant funding from Multnomah County for community outreach for youth violence prevention (Ordinance) (Y-5)</p>	<p>183495</p>
<p>Commissioner Randy Leonard Position No. 4</p> <p>Bureau of Development Services</p>	
<p>*138 Authorize a temporary entertainment event and site preparation work by the Cirque du Soleil (Ordinance; waive Title 33) (Y-5)</p>	<p>183496</p>
<p>Bureau of Water</p>	
<p>*139 Accept a grant in the amount of \$10,000 from Oregon Parks and Recreation Department, Heritage Programs for historic preservation work at Mount Tabor Gatehouse No. 1 (Ordinance) (Y-5)</p>	<p>183497</p>
<p>*140 Authorize a contract and provide payment for construction of the Marquam Hill Pump Main Phase 2 Project (Ordinance) (Y-5)</p>	<p>183498</p>
<p>REGULAR AGENDA</p> <p>Mayor Sam Adams</p> <p>Bureau of Planning & Sustainability</p> <p>141 Amend the Zoning Code to allow a limited amount of office use at PGE Park (Second Reading Agenda 6; amend Code Chapter 33.510)</p>	
<p>Bureau of Transportation</p> <p>142 Accept City Engineer's Report on the Central Eastside Street Plan (Report) 30 minutes requested Motion to amend report to state SE 3rd Avenue is intended to accommodate both truck loading activities and bicycle travel: Moved by Commissioner Fritz and seconded by Mayor Adams. (Y-5) Motion to accept the report as amended: Moved by Commissioner Fish and seconded by Commissioner Saltzman. (Y-5)</p>	
<p>Office of City Attorney</p>	

**CONTINUED TO
FEBRUARY 3, 2010
AT 9:30 AM**

**ACCEPTED
AS AMENDED**

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<p>143 Amend Legal Services Agreement with Ball Janik LLP for outside counsel (Ordinance; amend Contract No. 38231) Continued to January 27, 2010 at 2:00 p.m.</p>	<p align="center">CONTINUED TO FEBRUARY 3, 2010 AT 9:30 AM</p>	
<p align="center">Office of Management and Finance – Internal Business Services</p>		
<p>*144 Authorize contract with lowest responsive and responsible bidder for the public improvements contract for the Union Station Facility Improvements Phase II project for estimated cost of \$6,500,000 to \$7,500,000 (Ordinance) (Y-5)</p>	<p align="center">183499</p>	
<p>*145 Authorize contract with lowest responsive and responsible bidder for construction of Fire Station 31 for estimated cost of \$2,190,228 (Ordinance) (Y-5)</p>	<p align="center">183500</p>	
<p>146 Accept bid of Slayden Construction Group, Inc. for the outfall 27/Sellwood Combined Sewer Overflow Control Project No. E08467 for \$7,317,492 (Procurement Report - Bid No. 111246) Motion to accept report: Moved by Commissioner Fritz and seconded by Commissioner Saltzman. (Y-4; Fish absent)</p>	<p align="center">ACCEPTED PREPARE CONTRACT</p>	
<p align="center">Commissioner Nick Fish Position No. 2</p> <p align="center">Portland Parks & Recreation</p> <p>147 Authorize the name Play Haven Park for the property formerly known as Terrace Trails Park (Ordinance)</p>		<p align="center">PASSED TO SECOND READING FEBRUARY 3, 2010 AT 9:30 AM</p>
<p align="center">Commissioner Randy Leonard Position No. 4</p> <p align="center">Bureau of Water</p> <p>148 Designate and assign to the Portland Water Bureau property for the Fulton Pump Station, an easement for the Washington County Supply Line, and use of vacated rights of way over property currently assigned to the Bureau of Parks and Recreation (Ordinance) 15 minutes requested</p>		<p align="center">PASSED TO SECOND READING FEBRUARY 3, 2010 AT 9:30 AM</p>
<p align="center"><u>FOUR-FIFTHS AGENDA</u></p> <p align="center">Mayor Sam Adams</p> <p align="center">Bureau of Transportation</p>		

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***148-1** Execute First Addendum to Lease Agreement with 5 East Side Stories LLC,
Lessee, to increase square footage of lease area and receive proportionate
rent (Ordinance; amend Contract No. 52558)
(Y-5)

183501

At 12:27 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,
OREGON WAS HELD THIS **27TH DAY OF JANUARY, 2010** AT 2:00 P.M.

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

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Shane
Abma, Senior Deputy City Attorney; and Wayne Dyke, Sergeant at Arms.

<p>149 TIME CERTAIN: 2:00 PM – Approve agreements between the City and Peregrine Sports LLC for the renovation and operation of PGE Park for use by Major League Soccer (Ordinance introduced by Mayor Adams and Commissioner Leonard) 2 hours requested</p> <p>Motion to accept “Amendments to MLS Transaction Documents”: Moved by Mayor Adams and seconded by Commissioner Leonard. (Y-5)</p> <p>Motion to amend Redevelopment Agreement page 20, line 3 to read consider developing a parking facility: Moved by Commissioner Fritz and seconded by Commissioner Saltzman. (Y-5)</p>	<p>Disposition:</p> <p>PASSED TO SECOND READING AS AMENDED FEBRUARY 3, 2010 AT 9:30 AM</p>
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At 4:12 p.m., Council adjourned.

LAVONNE GRIFFIN-VALADE
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.

January 27, 2010
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.

JANUARY 27, 2010 9:30 AM

Adams: Good morning, everybody. [gavel pounded] today is wednesday, january 27th. It's 9:30 a.m. and Portland city council will come to order. Good morning, Karla. Can you please call the roll?

[roll call]

Adams: We have a special presentation. I'd like to recognize commissioner nick Fish.

Fish: Thank you, mayor. County commissioner cogen and I have time -- signed proclamations in support of the earned income tax credit and you agreed to issue a mayoral proclamation and i'll try to read it though the print is small.

Adams: Need my glasses.

Fish: Whereas the earned income tax credit is an effective tool to raise the household incomes by reducing the amount owed or providing a refund and can mean the difference of living above or below the poverty line and \$3,000 for a family with one child and \$5,000 for families with two or more children and whereas, the american recovery and reinvestment act of 2009 contains nearly \$5 billion for low-income families with three or more children and the earned income tax credit impacts homeless people who work but do not earn enough to pay for daily essentials and each year, one quarter of eligible taxpayers do not take advantage of the credit and whereas, the state of Oregon it working to expand this and Multnomah county has partnered with the irs, cash Oregon and other local partners to increase earned income tax credit claims through free tax preparation sites and whereas, the city supports efforts across the state of Oregon to raise awareness about this important tax credit, therefore, i, on behalf of our mayor, sam Adams, do hereby proclaim january 29, 2010 to be earned income tax credit awareness day. Thank you, mayor.

Adams: You bet.

Fish: And --

Adams: We're proud to be a financial contributor to cash Oregon. That gets us to communications. We have five people signed up. Please read communications item no. 115.

Item 115.

*****: Mayor, I request we change that to lisa broten goes first and [inaudible]

Adams: Why not? Unless there's objection from council, we'll suspend the rules and Karla, please read communications item no. 117.

Item 117.

Adams: And why don't you go ahead and read the 116 and we'll have it all covered?

Item 116.

Adams: Please go ahead.

Lisa Broten: Thank you. I live on southwest capitol hill road. Our small collector street is about a half a mile long with twisty grades and houses less than 20 feet from the road and beautiful custer park in the middle. It was riddled with speeding traffic. Our kids were not able to walk the road safely to one of the three public schools and one private school. And the neighbors could not walk safely to the neighboring villages of Multnomah without fearing for their lives. And we could not meet our neighbors safely and were disconnected as a neighborhood. Our neighborhood attempts to slow our street using speed bumps were thwarted by an lid requirement and I began making

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numerous contacts with the city from 2004 and in a letter in 2005. I began contacting the managers in the city via telephone weekly. And then we drew support from our neighbors one by one as I started talking to people. We visited the transportation officer -- I did -- in the summer of 2008 and met with will stevens and mark lear. And we gained support for the effort to assist our collector streets. Mellani calvin assisted me in organizing the first private and public meeting with city officials. Neighbors began coming forward and we learned in january, of 2009, that the challenges of gaining full support were daunting as we had two neighborhood associations to convince and 68% of the houses located on capitol hill road and they had to agree with the 11 speed tables. Our core team was developed. And barbie joined us and we learned that the cost of our 11 speed tables were to be garnered by 100% of the neighborhood. That means \$24,000. We were afraid that we were not going to make it, but we did. In june, 2008, we met the requirements of 74% of the residents located on capitol hill road to support the street calming and won the support of both Multnomah and hillsboro neighborhood associations.

Adams: Please go ahead.

Barbie Scott: My name is barbie scott. Prior to our petition process, we were eligible for a 60% subsidy and then that money was no longer available so we faced raising 100% of the speed bumps raising. A letter to mayor Adams was sent in the spirit of couldn't wait, requesting reinstatement of the subsidy. Last june, a finance the speed bumps potluck was formed. A street-long garage sale, a silent auction and a frisbee competition. Contributions were taken and neighbors were asked to fill out postcards pre-addressed to mayor Adams, with messages of "please help us calm our street." mellani invited them to our national night out event and we were thrilled when mayor Adams appeared. He walked up to our donations table and bought a cinnamon roll and made an out-of-pocket donation as well. He saw the postcards and said, "these are addressed to me." and spoke to us as a group and talked about making safer communities and applauded our efforts to pursue neighborhood safety. In mid august, we held our street long garage sale and raked in the pennies. We were still determined to raise all of the funds. On september 17th at a neighborhood core team meeting at mellani's house, we were visited by will stevens who rocked our world by telling us that the subsidy had been reinstated and that mayor Adams had told pbot to find the money. We were ecstatic and hardly fazed when will told us we must have 50% of our share one week later. We made the deadline dollar amount and soon reached the full portion. 40 individual neighbors on street and regional gave. Southwest trails, christian schools gave and the \$1,000 donation, facilitated by brett horner came from parks and recreation.

Adams: That was one heck of a cinnamon roll. [laughter]

*******:** It did the job.

Mellani Calvin: I'm mellani calvin, here we are, 1300 emails later. And as in all things, it involved change, it was not always in smiles, but overall we have a well connected and warmer neighborhood as a result of this project. It's been wonderful to pull everyone together and get to know them. As you know, neighborhoods are microcosms of the city and I want to make notice that this project -- commissioner Fritz, the office of neighborhood involvement established a new commission for disabilities. Two of your commissioners live on this street. Joe and me. Joe was part of our core team and designed our campaign logos and street signs and the street is safer for joe and his awesome wife pam. Joe and pam let people know this is their street when they scoot on up to the grocery store. Commissioner Leonard, work had to be done with the emergency services department to establish an appropriate speed table for emergency vehicles on our neighborhood collector street. It was unusual to get bumps on the street because of that collector status. Commissioner Saltzman, this one street improvement has added to the livability of our capitol hill neighborhood. And commissioner Fish custer park is our jewel in the middle of the neighborhood. It's well used by children and adults throughout the year. The fact that parks was able to help us complete our fund-raising was an absolute blessing. Of course, mayor Adams, please know we do

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not think that all of this could have happened without a -- as thoroughly and rapidly without your help. Your staff at pbot hung in there and it was a dream come true. Portland plan bot painted off the bump spaces before we even got word that the city's contribution was approved. I had people asking what the paint was all about. We're excited about the additional bicycle improvements slated for our capitol hill road in the spring. Before we finish up, thank you's to key people. First, will stevens and mark lear of pbot. Numerous in-person phone meetings were held with these gentlemen. And dan anderson of pbot assisted among different agencies and offices. Brett horner aided us in the petition process. Our neighborhood association chairs, randy of Multnomah and don, retired, of hillsdale who mentored us and sylvia and jill who helped us plan the national night out event and handled our funds. So sometimes it's said that money talks. This is how much we want you to know our thanks. We super-sized our check.

Adams: Oh, look at that: All right: [applause]

Calvin: Very, very proud to give this to you.

Adams: That is fantastic.

Calvin: May I ask the indulgence for one more little surprise?

Adams: Please continue. ¶¶

*****: We have often walked down our street before. But the drivers always drove us -- now there are speeding bumps, they work from our heart, thank you, sam: ¶¶ [applause]

Saltzman: Thank you very much.

Adams: I want to thank you for raising the bar. And community effort, sylvia, thank you for raising the bar on the pbot community effort it takes to keep our city safe. We don't have enough money to do everything we need to do and your work was really inspiring and I want to thank, in addition to dan and will and mark and brett, jenny, who took dan's place, and I said yes to working with you under the old -- the old funding strategy because you had started. I know how long it took. You had started before we changed the rules. And you earned it. So thank you.

*****: Thank you.

Adams: I'll take the check. [laughter] please read the next one -- oh, here, you've got a camera.

*****: This is a camera. [laughter] [fire bell]

Adams: We all have to exit out the -- no, seriously, really. Council is in recess. [recess]

At 9:47 a.m., Council recessed.

At 10:05 a.m., Council reconvened.

Adams: It's now 10:00. We're in the 9:30 a.m. session. Again, wednesday, january 27th, 2010. Portland city council. We took a brief recess to deal with a burned bagel in a toaster oven. [laughter] we're in -- the mayor's office. I apologize for the interruption. And I think we're at council communication -- don't hurt me, commissioner Leonard. I think we're at item no. 118.

Item 118.

Adams: Come on up. Welcome back.

Mark White: Nice to be here again. I'm not going to sing. My name is mark white. President of the powellhurst neighborhood association. I felt compelled to come back after the last time I testified because it seems every time I come, i'm talking about the problems in the neighborhood. And I just wanted to make sure that each of you understood that I don't say that to educate you. Clearly, each of you have shown you have stood up and helping in every way possible. But I wanted to make sure that the reason that I do that is because regardless of the herculean efforts that come from the -- the herculean efforts, we need to make positive changes in our neighborhood. And there's quite a bit of them going on. When I speak of these things, it's hopefully to engage people who are watching on Portland community media to be a participant in our moving forward. So I just want that to be clearly understood and not that there's anything that I need additionally to

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ask of you, because each of you, again, including commissioner Fish, who is not here right now, have done major, major things for our neighborhood. And I wanted to point out in the future, things are looking really, really incredible. I'm very excited about the fact we're going to be doing a civic ecology program to bring sustainability to a higher level in the neighborhood and hopefully will be one of the components in the state and I also I would have loved to have been able to tell the mayor about this before he went to the mayors' conference but I didn't find out until the time you were there, that the resource consortium asked me to be one of their consults and when the neighborhoods of opportunity, he was referring to powellhurst gilbert.

Adams: That's fantastic.

White: I think it's a good thing for our neighborhood as well as the city as a whole and gives us opportunities for federal funding to leverage all of the other things we're doing and i'm really looking forward to the future, all of us working together to get things done.

Adams: Mark, you're a fantastic neighborhood president and I wish we could clone you. Thanks for your continued good work. All right. Please read the title for council communications item no. 119.

Item 119.

Scott W. Horngren: Hi, i'm scott horngren with the law firm of horngren here in Portland and I wanted to inform you that the dream big community center is an organization, nonprofit organization out of vancouver. They're proving to develop programs for adolescents and ultimately a place for them to go to get resources to meet their needs and we've got two programs. One, dream big 10 1, five classes we have in the schools to help middle and high school students identify their dreams and give direction to their ambitions. Assignments are designed to help them find their passion and build their self-confidence and right now we have going, our essay contest, in the Portland and vancouver schools for 12-18 year olds. A three to five hundred word essay on their dream and how they plan to pursue it. And the deadline is march 2nd, appreciate the opportunity today to inform you and other folks about the essay contest. There's a flyer i've included with the council clerk. The winner -- there are three. You get \$100 gift certificate. A tour of the blazers' practice facility and the first 250 entries get a free pizza certificate. So thank you this morning.

Adams: Thank you very much and they can get more information?

Horngren: They can get more information by going to dreambillcc.org and that has a link to the essay contest.

Adams: Great. Thanks for your work. That gets us to the consent agenda. Does anyone have any items to pull off the consent agenda? Anyone wish to did he have on the consent agenda? Karla, please call the vote on the consent agenda.

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

Adams: Aye. [gavel pounded] Consent agenda's approved. We have two time certain. The first is a resolution. Can you please read the title for agenda item 120.

Item 120.

Adams: Commissioner randy Leonard.

Leonard: Thank you. Mayor Adams. This is -- do you want to come as well? This is the second annual report of the Portland landmarks commissions. They're here today to give us an annual report and we welcome you. Do you want to start?

Art DeMuro: Mayor and city commissioners, thanks so much for having us back. You have a full report in front of you today. Carey and I will review for you the highlights, and we'll hope that you interrupt us often with questions, dialogue and applause. I'll let carey --

Adams: How about singing?

*****: [inaudible]

Carrie Richter: As we discussed with you last year, we feel it's critical that historic preservation is recognized as a centerpiece of sustainability and elevated as one of its core principles. The guided

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concept of destroying historic resources to make way for new construction is -- that is more energy efficient must be replaced with principles that promote and acknowledge resource efficiencies generated from adaptive reuse. We've included our materials and example of the hillsboro high school, where they talked about weaving a green footprint of the fact that the majority of the central building was being recycled and that this act was both acceptable and sustainable. No mention made of squandering the energy and the substantial cultural loss of the building that could have been reused. We bring your attention to the national trust program in seattle called the preservation green lab. Its goal is to demonstrate projects and encourage municipalities to consider the existing building stock in formulating an action plan. To encourage policies that support adaptive reuse. The historic landmarks commissions worked to support the mayor's ricap 5 provision and believe they protect the design character of our historic district and we're pleased with the final product.

DeMuro: Number two is the Portland plan. The landmarks commission recommends the integration into the implementation of the Portland plan. The following principles, the historic preservation principles must be woven into other policy goals, particularly zoning, density, height, far objectives need to be considered. Second, post-world war Portland is emerging at the next wave the candidates. We need inventory them now. And east Portland is under served by preservation and protections and to help protect our interests in that regard, i'm serving on mayor's Portland plan advisory group to help focus attention on these matters.

Richter: Portland's current historic resource inventory was adopted in 1984 and antiquated and incomplete. We cannot promote preservation policies without identifying our valued historic resources. Please note that the performance standards for a certified local government of which Portland was designated owe blinded Portland to maintain such a survey and directed over \$100,000 in federal pass-throughs to implement these and other obligations. Additionally, the historic resource code amendment approved by city council in 2004 reaffirm this need. We once again ask you to elevate the priority of such an inventory effort. Related to this topic, we wish to highlight two segments of our community who control historic resources. Portland public schools should be congratulated for completing such an inventory for the stock of its historic buildings. This inventory will be crucial as Portland public schools formulates construction and renovation plans in the future. Portland state university, unfortunately, does not have such an inventory despite it too holding title to many of our community's prized historic resources. Perhaps a member of the city council could assist us in raising the profile of this need with our friends at Portland state. Especially since plans to renovate lincoln hall are currently pending.

Fritz: I'll do that.

Richter: Thank you.

DeMuro: Regarding historic districts. Number one, skidmore/old town. It is now been 15 months since we forwarded to you our proposed design guidelines and cast iron resolution for approval and cases continue to be presented to us that must be reviewed in accordance with antiquated guidelines. You should note that three-fourths of the historic design review cases were in the skidmore/old town district. So a question to you, when will you act to approve our recommendation?

Adams: Will you agree to -- do you agree that moving forward with those aspects of the recommendations that have broad public approval, i'm happy to bring those forward. But the areas of disagreement, I haven't had the time to work through those. But if you're willing to support moving forward on those areas of the plan that there's agreement, i'm happy to move those forward.

DeMuro: I assume what you're referring to is the recommendation for height increases and far increases which post the recommendation of the planning commission, for those recommend -- for those changes, was the notification of the national parks service that our national --

Adams: Again, my offer to you is really straightforward.

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DeMuro: The height --

Leonard: If I could interject. I'm not sure this is the appropriate forum to have this discussion. We're here to hear the report and i'm happy to schedule something again so we can all review those materials and have a specific discussion at council about that.

DeMuro: And we'll do that.

Adams: Fair enough.

DeMuro: Number two, antiquated design guidelines. There are other historic districts that are inadequate which perform fair and predictable design review. The standards are low, vague and not reflective of neighborhood interests. Please consider allocating resources for districts of lair hill, ladd's addition. The 13th avenue historic district and japantown and chinatown. And related to chinatown and japan town, as a subsidize the project in this district, there's looming a threat to the cultural resources in the 10-block neighborhood. Projects are planned which require demolition of national registered properties or of a scale that will threaten the massing and scale of this area. Planning for this neighborhood has demonstrated a lack of coordination between historic designation and zoning codes in a disconnect between --

Fish: We're going to be taking up the dirty [inaudible] soon. What other buildings are you referring to?

*******:** There --

Fish: I know we have a land use matter coming before us on the dirty dock.

DeMuro: I think that will be part of the -- staff's response regarding the dirty duck, which is an active application before you.

Fish: Thank you.

DeMuro: Number four, residential historic districts. Including irvington and buckman and brooklyn. We look to council for matching funding assistance that recognizes this goal as a civic priority.

Richter: The state legislature renewed the special assessment tax freeze program with revisions with the primary change being the reduction from 10 years, 15 years to 10 years. There's provisions for one renewal for both commercial and residential properties although there's a local option to disallow the renewal term for residential buildings. Our understanding is that council has taken no action to disallow such renewal and has no intent for which we're grateful.

DeMuro: We appeared before the taskforce considered this proposed ura and explained the importance of tiff funding and advocating for the collusion of historic districts and significant buildings within the final boundary of this 900-acre study and we challenged the taskforce to consider adoption of a bold policy that would prohibit outright of use of tiff funds for properties protected by the national register.

Richter: One of our goals in 2010 is to promote improved communication between the landmarks commission, design and planning commission as we're presented more and more matters that overlap in interest. There are provisions for a planning commissioner to sit on the two other commissions but it's not practical given the massive time commitments required. Therefore, the landmarks commission leadership will meet with susan anderson and we've got it scheduled for next week in order to begin that discussion. The chairs of the three commissions and staff have expressed interest in needing to discussion approved communication between our three groups.

DeMuro: No. 8, budget request. We requested \$440,000 that included funding for a historic inventory as well as matching funds to assist neighborhoods wishing to apply for national register status. We do understand the budget challenges at the city, but we don't want to go silent on the need that's still remain.

Richter: The threatened landmark list. Seven of them are the same as we identified last year. Centennial mills. We're attempting to schedule a briefing with pdc to -- the status of moving forward with the restoration of centennial mills. Skidmore/old town. Union station. Lack of

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funding precludes necessary repairs and maintenance, including structure, windows and the roof of this iconic landmark. Memorial coliseum, the national register protection offers short-term relief but only a commitment to a long-term use justifies the necessary restore. Washington high school, the treasured icon of the buckman neighborhood grows more and more derelict. Buckman neighborhood association and pdc explore redevelopment options. We talked about in Portland public schools about uncertain --

Fish: On that point, can be we clear that Portland public schools owned that property. We at parks are in discussion with them about lots of options, but the city does not control that site, so we have a partnership with the school district on that.

DeMuro: That's certainly correct.

Richter: Morris marks house, the dori court apartment is a low-scale building in an area zoned for high rises. Discussions of possible relocations have begun. The brooklyn roundhouse and locomotive. Council approved a new location for the locomotive. The roundhouse remains uncertain until funding is secured. Portland gas and coke building. Northwest cultural center has physical deterioration combined with financially limited ownership causes concern. The u.s. Customs house. All of these are threatened and we're watching very closely.

DeMuro: No. 10, historic preservation leadership. We wish to recognize the following people. First, is robert gerding, a giant of a developer and a man who passed away last year. Redeveloped some of our significant properties and evidence can be seen in the armory and the blitz-weinhard brewery. And alfred staehli, an architect who volunteered for many years for the historic preservation of league. He died this past year. Peter meijer architects. John tess, his commitment of personal time made a significant difference in convincing the state legislature to preserve the special assessment program, albeit in diluted form. And historic preservation league of Oregon, mike teskey and peggy moretti.

Richter: Next i'd like to mention some landmarks and historic preservation successes.

Adams: Can I interrupt you? We have special guests that have joined us.

*******:** Where are you from? [inaudible]

Adams: Welcome to city hall. Grad you're here. What was it again? Oh, laurelhurst elementary. I heard that students from laurelhurst are the best and brightest students in the city. Is that true? Glad you came by to visit us. Sorry for the interruption.

Richter: Sure. The park 19 apartments and the mercy corps renovation and expansion of the packer-scott building. Memorial coliseum, listed on the national register. The ladd carriage house, relocated, returned and renovated. The yeon building, kudos to commissioner Leonard for preserving what we know as the mccall's building and look forward to the listing on the national register. Waterfront park, the successful relocation of Portland saturday market within skidmore/old town. The Portland public schools historic inventory and the meier & frank renovation, open for business.

DeMuro: No. 12, our last point to make today is ors 358.65 3, the recent availability of federal funds for public projects such as through go Oregon, triggered shpo to remind public agencies of ors 358.653. This statute prescribes that the state and all political subdivisions of the state, must cooperate with shpo to minimize the impact of construction projects. The statute applies to properties owned by these public entities and applies to historic buildings which include not only national register listed properties but properties that could be eligible. Which means properties that are 50 years old or older, so it's quite a wide and deep reach. Their determination is to the impact on the proposed properties has begun. That concludes our summary. Any inspired questions or comments for us?

Leonard: Since you said inspired, I have none. [laughter]

Adams: Commissioner Fritz.

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Fritz: I had a question. You mentioned the \$100,000 in pass-through federal funds, do you know what happened -- what we've done with that money? What have we used it for?

DeMuro: Every two years, the bds staff comes to landmark was recommendations how the money should be spent and because we've had such a dearth of funds it's been used for support of smaller projects. Sometimes commissioner education. This past meeting we approved a recommendation it be used to inventory some historic properties in east Portland. Can you think of --

Tim Heron, Bureau of Development Services: That sounds about right.

Fritz: How do we get \$100,000 a year?

DeMuro: No, this year, it's \$17,000 of matching funds.

Heron: Much lower.

Fritz: It's surprising how \$100,000 doesn't go very far. The historic resources is done through the bureau of planning and sustainability?

Heron: It's a dual function. Tim heron, senior staff. I worked as staff to the historic commission and design commission. I worked with the bureau of planning and sustainability, like the ricap 5 and historic resources. And also the land use process.

Fritz: And is there a specific line item on in the budget for historic resources work?

Heron: I can check with them. I don't know exactly what that figure is. Working with nicholas with bds. There's been a reshuffling at the bureau.

Fritz: Right, and I appreciate the commissioner's acknowledgement that things are challenging. I want to make sure we have a line item so that we remember next time -- or as soon as the economy recovers, this is something that's pending and doesn't go away. I have a question about your presentation to the west side urban renewal area and I wonder if they have any response to your suggestions?

DeMuro: Commissioner Fritz, they were certainly attentive to the presentation and we committed to follow up with a windshield compilation of significant buildings and districts we would like them to take into consideration and we're preparing that now. And so they expressed a very openness to receiving that and we think that it might be helpful in drawing initial boundaries and when they fine tune the boundaries, take into consideration specific properties of concern.

Fritz: To clarify, and thinking about commissioner richter's comment, we shouldn't use tax -- you're amenable to using it for adaptive reuse.

DeMuro: And you times those funds are critical.

Richter: He probably [inaudible]

Adams: Let's make a note.

Richter: He'd probably sing.

Adams: Let's make a note.

Fritz: And thank you, commissioner Leonard and mayor Adams for agreeing to have a look at what we can do under the skidmore design guidelines and what pieces we can bring forward. I look forward to that discussion.

Adams: Commissioner Fish.

Fish: Thank you, mayor. Excellent report. Thank you, art and carey. Three things I want to highlight. The halperin fountains. There's three bureaus that have jurisdiction. The connectors are pbot. Commissioner Leonard, the water bureau runs the fountains and parks has the plaza. We'll be looking for your help as we go forward on that.

DeMuro: We've invited representatives of that committee to come and speak to us and keep us informed and they've accepted that invitation.

Fish: If we're successful and I assume we will be, at an earlier presentation of council, the mayor unveiled a proposed map of how we might create subdistricts if downtown Portland and one may be the halperin fountain district.

DeMuro: And he would like to be involved early so we're not in a reactionary position.

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Fish: Secondly, I mentioned during the fire drill i'd be interested in your thoughts on the two john yeon structures on ankeny park. The south end of the north park blocks on the other side of burnside. Those are john yeon structures that are also toilets and i'd like to know the history of that and there may be an opportunity for both commissioner Leonard and I to upgrade those restroom facilities and maintain them but also look to preserving the history of those sites.

DeMuro: Is there a staff member in your office, commissioner --

Adams: Yes, emily.

Fish: And the third, I wanted to mention on Washington and monroe. You know, art, more than anyone here, what the challenges are -- more than anyone here, what the challenges are. Parks and recreation owns about two-thirds of that site. The school district owns the building. We're short to make it happen. Inner southeast for a long time has lobbied and advocated for a new community center. There's a preferred community option that emerged which would link historic building and a rec center with housing and services in the building and we're interested in exploring that and again, there's a huge question how to fund it and that probably could not happen until the city goes forward with a bond measure for the parks system. But in the short term, we're interested in seeing if we can preserve the building in an way that's cost effective. We don't own the building. What we can't do is hold up the rec center process on a historic piece that we may or may not be able to fund.

DeMuro: If I can take off my commissioner hat and put on my interested citizen hat, I have been investing time to work with parks, pps and the neighborhood, pdc, Portland housing bureau, to see what compromises could be reached to help achieve most of the christmas wish list for each of those entities on that project and bring it together. So great progress has been made and both parties highly cooperated and interested in seeing the project proceed. Hopefully, we'll come up with a vision that's supportable very soon.

Fish: Thank you.

Saltzman: You mentioned in your opening remarks with post world war ii generation buildings literally coming of age from a historic preservation perspective. Could you name a few? That you're thinking of or we should be thinking of.

Heron: On the spot.

Saltzman: Or you can get back to us. I thought you might have a couple of examples.

DeMuro: It's an interesting mind set for people to start thinking about buildings built in the 1950s as being historic. So all of those homes with aluminum slider windows and all of a certain design which, you know, is very reflective of the culture at that time. So there's actually a very substantial inventory that we need to consider.

Richter: And we had a report last commission meeting, a report of the work that's been done in east Portland and getting out in front of the freight train in east Portland, with the inventory, as east Portland redevelops I think is a wonderful opportunity. So as the inventory work is done, we'll have lists and lists and lists, I would hope of buildings.

Saltzman: Is it more residential than commercial?

Richter: It's both. Commercial nodes. I think some of the pictures in liza's report shows the corner of 82nd and glisan. 82nd and powell. 82nd and sandy.

Heron: It's a lot of that auto-era is going to become a discussion and preserve that in some form where the inventory comes into play.

Saltzman: Thanks.

Adams: Any other discussion with council? Thank you all very much for your service. A great report as well. And the work continues.

Richter: Thank you so much.

Adams: Thank you. Thank you. We have people signed up?

Moore-Love: We have five people. The first three, come on up.

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Adams: Good morning.

*******:** Good morning.

*******:** Welcome home to the mayor.

Adams: Thank you, it's good to be home. Welcome back to city council. Glad you're here. Kathy, do you want to start?

Cathy Galbriath: I'm from the -- i'm from a leading nonprofit organization and we operate --

Fish: Can you put the mic a little closer?

Galbriath: We're a local partner with the national trust. I wanted to touch on a few points raised in the landmarks commission's annual report. We know that historic preservation has a key role to play in the overall goal of the mantra of sustainability. This also includes climate change, economic development and urban design and housing and metro produced a report called using what we have that's really a wonderful articulation of this issue that could serve as a foundation of how we deal with growth as we move forward without sacrificing our community character. We often talk about the environmental issues and the energy issues but true sustainability is also economically sustainable and socially and culturally sustainable and we're concerned with all four legs of the stool. I want to emphasize most vintage school buildings are community anchors and we advocated for the recently completed historic buildings assessment and property owners throughout the city expect responsible preservation and prudent maintenance and improvements and I think we're all finally on the same page on that issue. Memorial coliseum is the first mid century modern building to be recognized for its historic significance. We'll be hosting a mid century modern with the national trust fund June 19th at the architectural heritage center. And to understand and appreciate them. Regarding the landmarks commission, we at the foundation are committed to bringing forward a buckman national register district, the first of probably three districts in that neighborhood and will include the Washington high school building and we have a close relationship with Portland public schools with the historic buildings assessments and we are to go use our resources to provide technical -- and we hope you move forward with adopting the declining. And the firefighters memorial and the desire for a larger memorial in a historically appropriate location we're supportive and willing to participate in any way we can to achieve the retention of the existing memorial on west burnside and keep it in public ownership and use it for a public park and anything we can do to help support that effort -- help support that effort.

Fish: To my knowledge, there's no plan for the -- to the current side of the campbell memorial site, for that not to remain in public ownership. At some point, maybe redesign, but i'm not aware of any plan for it to change out of public ownership.

Leonard: I think it needs to be clear, while it's intended to remain in public ownership, there's a lot of structural issues with the existing memorial. So I would not necessarily count on the structure, itself, there are aspects that will be retained but parts that are actually dangerous and because they're porous and have cracks and a major impetus to relocate it.

Galbriath: Whatever we can do to, which is recognized for design work and been there a long, long time. Under-utilized and an inconvenient location for memorial purposes but a great resting place for people in a very busy and under-parked section of the city.

Adams: We have 650 people show up last night to offer their ideas for the future preservation of memorial coliseum, so very lively.

Galbriath: It was heartening to see that. People.

Fritz: It was photograph I felt honored to be there.

Adams: Thanks for coming.

Fritz: My pleasure.

Adams: Kathy, for all the work you do and an important advocate. Good morning.

Tanya March: My name is tanya march, an adjunct professor at Portland state. And I teach historic preservation among other classes and I also would like to push forward the idea of new

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inventory the inventory from 1984 is quite outdated and I was relieved when I was doing my share for the windshield taskforce, which I felt I was taking on what vera katz said in this very room, that we need a swat team. I went out with my kids on the weekends during christmas break. We had three weeks do it. My kids took the pictures. I had lot of fun doing it, but maybe more participation at the neighborhood level. There had been an entire survey in the '90s of that of that very area. So there was an actual boom of documents I was able to have access to. So there's been other efforts and some weren't used productively in the future. And as the parks and rec chair for a long time and being on the committee for over seven years now, I guess i'm a little concerned it was never brought to the goose hollow [inaudible] my husband works at the inn. It was never brought to the neighborhood association level. And we would love to help be part of a positive partnership with whatever the future for that site is.

Adams: Thank you very much.

Fritz: Did you say you were affiliated with psu?

March: I'm an adjunct professor.

Fritz: I have your contact information so we'll talk about --

March: Wonderful.

Peggy Moretti: Hi, i'm peggy, the executive director of the historic preservation league of Oregon. The hplo is a statewide organization, nonprofit, and we work in concert with the foundation and kathy on preservation issues both in Portland and around the state and I won't go on and on, because kathy has said things very well and art in the landmarks commission, but we wanted to weigh in -- first of all, to applaud the landmarks commission in their work and very generous contribution of time and energy to the good of the city and endorse their report and to reiterate and add just one more thumbs up on the call for the historic inventory, the approval of the design guidelines in skidmore/old town and just a note that essential sustainability aspect of preservation and preservation and growth are not mutually exclusive as we juggle all of these different demands that you all have to consider all the time. One is to also say that it was in our organization, we're focusing on the health of historic districts and their compatibility and viability. We're hosting an event called the roundtable and conduct an analysis of the issues that affect the health of a historic district, not just in terms of preservation and design, but the economic viability. And to identify solutions that then follow up and share with the cities and counties around the state. We really appreciate your thoughtful consideration of these issues and your acknowledgment of the essential role it plays in the livability and the history and story and the uniqueness of Portland. Thank you.

Adams: Thank you very much. Thank you all for your testimony. Appreciate it. Karla, two more.

Adams: Mr. Colt and veronica. Welcome back to city hall.

Pete Colt: It's scary, the oak tree is blooming in january. Welcome to spring.

Adams: Go ahead, pete.

Colt: Good morning, i'm here to talk, please, about several things now. First, the ura. The ura were shifted from 18th and 19th over to 16th, that could eliminate a lot of competition with historic buildings in the northwest. And if you ran it down 21st, you have that whole northern end that needs to be developed and once you get south of everett and there's some bigger property owners, that might be an advantage. Because 21st is kind of seedy right now. The second thing, is the northwest cultural center. Right now, the northwest children's theater and school, are the prime lessee and will be for the next decade. Here, we're talking about more than historic preservation. If there's a fire or while there's an event going on, we'll going to have a lot of dead children. Please put that on the top of the list. The third is the fireman's memorial. Kind of like your idea of the rose garden. Being that it's sandstoned and cracked, you might want to look at what they've done in italy with preserving sandstone. If you site it right, you have a great view in front of pge park. We have an opportunity to tie our star to what's constantly rated as the number one respected profession

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in the united states. That being firefighters. My uncle pete by the way was a firefighter in new york city. If you picture a shot of pge park with the fireman's memorial in the foreground, it's going to look bigger because it's a two-dimensional, not three-dimensional image. Whoever has naming rights on the pge park, would include the words -- for example, pge park firemen's memorial stadium. So ex-firefighters' memorial stadium. The timbers were benefit and the city. All of a sudden, we have a win-win situation. Additionally, I ask the council to talk with merriitt paulson and encourage the timber's army to come into the neighborhood and take ownership so they could do graffiti cleanup. I know that mr. Paulson is going to do cleanups after the -- any events at pge park. I really appreciate it, because over the last two years, i've been doing that by myself. I'm appreciative of that. But the graffiti is a problem. And if the timbers army would volunteer that, it would be eye kid-friendly things. So thanks a lot, you guys.

Adams: Thanks, pete. Appreciate your testimony.

Veronica Bernier: Good morning, mayor, it's good to see you again, mayor Adams.

Adams: Good to see you.

Bernier: I mean all the time. Whenever we see you. I didn't mean to say that. Let me start over. Erase that. It's a long night. It was a long day's journey into the night. However, we're talking about housing and affordable housing forums, addressing the issue. You foe the landmarks commission, I support that 2,000%. I wanted to bring up something, the landmarks commission through the department of land and interior is instrumental is providing remarkable home sites in those -- and those little plaque that is go everywhere. Once a plaque goes up, that itemizes that house, whether it's a queen anne victorian or something like irving manor. That's a 1928 model that's beautiful. If you look at the various, wonderful cornices on it and the architectural touches, you know there's a model for everything here in Portland and if you're talking about durham house or pittock manor, irving manor, there are amazing groups of people who go in and out of that house. The people from russia and france and germany and poland and other places. Maybe even san jose. But people do go in and out and appreciate the historic significance. So durham is a good one. That was preserved and the pittock mansion is another one. Whether you give the queen anne's, that type of status, you have for the future, a guaranteed built environment to preserve that. We did a nice one in front of trinity church, that place was in pieces. There were rats and beer and everything, needles and we went in and shoved them into a corner and said enough of this already and you have to do something nice. This is a beautiful building and shouldn't look like that. You should see it now. The kitchen is beautiful. Blue tile. The third floor, I walked through it, it's beautiful restoration and progress and it will continue and it's a gated community and safe. So thank you for listening.

Adams: Appreciate it, thank you for your testimony. Unless there's additional council discussion, any final comments, commissioner Leonard? Karla, please call the vote.

Fritz: Thank you very much for your work. Nicholas and lisa michael who prepared the report and historic landmarks commission. What an excellent group to provide advice to the city. And so walking the talk in creating great venerable buildings. A couple of weeks ago, I had some folks from the Oregon historical society in my office talking about their funding challenges and what we might do about that. I said, I get it. I was raise in a city that was founded in 55 a.d. And one of the fellows said, what? He thought he misheard. I was born and raised in england and my town was founded by caesar's army.

Adams: Nice try, amanda.

Fritz: It's fascinating from a country where there's no old growth trees because the entire country is developed. Still a lot of green space, but here in the pacific northwest, we treasure our natural resources as our history and relate to the gorge and to the ancient forests and don't have as many ancient buildings so I believe we need to remember that there will be generations hopefully, if our climate action plan works and we have an ongoing society in a thousand years, there will be people

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who want to do as I do, walking downtown Portland and looking at these wonderful buildings and how great I live here in Portland, Oregon. So thank you for your work. It's really important. I attended a lecture from the architectural heritage foundation with donovan rypkema, quoted at the end of the report and explained that sustainable development and green gizmos aren't synonymous. So it's good for jobs, as well as for sustainable aspects. And said that the greatest building is the one that's reused. I do believe we understand the need for stewardship and can meet our needs without prejudices future generations from enjoying our architectural heritage. And you can't put a price on that, but it needs a price. It needs to be funded. It's not going to happen by itself. I appreciate the partnership from the architectural foundation and from the state, advocates stepping up to provide the technical assistance that right now the city can't fund. I appreciate the neighbors who are helping and telling us things we might not know about your neighborhood. And the things we need to enhance our community. I greatly appreciate this discussion and the report that comes annually. Thank you, commissioner Leonard, to make sure we keep the checklist of what we need to and how we need to do it. And I thoroughly appreciate the approach. Aye.

Fish: Art and carey, thank you for an excellent report. And i'm impressed at how -- they left, actually?

Adams: Yes.

Fish: I'm impressed at how many issues they've identified and the values -- the sun is shining on me, my god -- embedded in our planning process and the things that were highlighted were as a council in our planning process. Cognizant and acting on. Amanda traces her roots back to 55 a.d., I will point out that the halperin fountains were built in the 1950s and of such historic significance they're worthy of preservation. There are structuring -- structures that deserve preservation. I look forward as the housing and parks commissioner in making progress. Aye.

Saltzman: Is this the first -- is this the first time we've done this?

Leonard: Second.

Saltzman: I appreciate the candor of the commission and the boldness. And I want to thank the advocates too. We're stressed on our budgets to support the many activities and the laundry list of nominations we need to get behind but I thank you for carrying a lot of that weight during the interim but we need to make sure we're moving forward on historic preservation as it -- as mid-century modern comes something that will enter into our parlance and become more important as the buildings built in the 1800s and earlier. I'm pleased with the report and the enthusiasm of the commission and thank you for the work they put in. Aye.

Leonard: I too appreciate the work of art and carey and the others, and tim, and staff support, it's a tough job. I want to remind council that relative to development, the design commission, have to be decisions that are made by us in the context of -- of our city, in the context of our demographic, in the context of our needs. I'm a true lover of history and historic buildings, but not because they have reached a certain chronological age. They have to contribute something and be representative of something to reach the level at which we decide no further development for our community at that spot need occur. In other words, we have to approach this as we do all things, with balance. And I fear some of the discussions relative to this might be somewhat imbalanced. We need public restrooms in downtown and old town. We have a high end design restroom that appears to run afoul of what maybe the historic landmarks commission deems appropriate in historic areas. If we build restrooms in historic areas that match the historic buildings in the area, so expensive we're back to where we started. So again, we have to approach these issues with balance and try to figure out what the highest and best use is of all of our land in Portland for all of our citizens. And that's a tough thing to do and each of us up here however are charged with doing that. And as we have the design commission, we have the planning commission, we have the historic landmarks commission come before us, those are specific aspects of a larger decision where we're required to make and we have to make those in the context to all of those interests. Not the least of which is those that are

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often aren't at the table, the people going to work everyday, trying to keep their families afloat and pay their taxes who can't afford to be here. I appreciate the report, but these are delicate questions of the city's future that need to be considered thoughtfully. Aye.

Adams: I want to thank commissioner Leonard for continuing to be the commissioner in charge of this process and being a great partner with my responsibilities in the planning commission. I want to thank the staff for the preparation of this report and for beginning this tradition. The advocacy here in Portland from the community is critically important. I never heard of the windshield survey.

Is that what you said? That's great. And thank you for doing that. Community-based historic preservation inventory assessment. That's wonderful. Just a gem. Difficult issues, as commissioner Leonard alluded to, but your advocacy is I am -- advocacy is important. Very supportive of your work. Aye. 120 is approved. Can you please read the time certain for -- actually, it will end up being a first reading of council item 121.

Item 121.

Adams: I think you and your team get the perseverance and patience of the week award. So for you free parking after 7:00 p.m. [laughter]

Troy Doss, Bureau of Planning and Sustainability: Sundays, too?

Adams: Only Sunday morning. [laughter]

Doss: Thank you, mayor, council. We are back with the south waterfront amendments. I'm going to bring your attention to a few things that are in your packet. You'll be making a decision today, I hope, on the original code of dates, which has not changed at all. The code and the ordinance are the same. You should have the annotated version of this so we have the text highlighted so it's easier for you to find things. There's a mayor's memo that identifies each of the specific changes we've made, and there are two letters. One is --

Saltzman: Is that the memo to the mayor from Susan Anderson?

Doss: Yes. If you go to the second page there, item 6, it will show you the areas where there's 21 different pages where we've made amendments based on some of the test, additional input we received. And on those 21 pages, there's probably a total of maybe about three times as many amendments we've actually made to this document based on some of the input we've received as well as a few things we caught ourselves and decided we should probably change. I'll walk you through some of those. We have a letter from Audubon Society that is summarizing their acceptance of these changes to the design guidelines. There's a couple things they asked we do a follow up to following this action. There is a new letter we just received here in chambers. From the equestrian advisory committee. They're looking for continued support of the dual trail system for the south waterfront greenway. I should note we haven't made any changes that would challenge that. There was more of a concern from the pedestrian advisory committee that perhaps some of the habitat modifications we might be making in the guidelines might be super seeding the trail as well, and they were trying to point out that the habitat and trail system need to be equally reviewed, considered. I think I'll dive into a quick summary of some of the changes that have been made. We have some staff from offices of healthy rivers here. There will be conversation with them about next steps. Bes is also in support along with pdot. We pulled together a series of changes. There's zoning code and design guide amendments, a series of findings, and then most of the zoning code changes really are not new provisions. It's just simplifying, putting an easier process in play for the review of greenway development plan in south waterfront. We didn't really make changes. In fact we didn't make any changes. It was just really focused on the greenway development plan itself. We have a series of design guidelines that further give guidance for the implementation of the greenway development plan, but more importantly I think, in a lot of respects, is that the entire package for the greenway and design guideline package has been updated. The prior package was the black and white version. The overall presentation really wasn't quite what it is today. A lot of that work came from Laura Willard to my left. Last hearing, there was a discussion about a problem

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with the tone of the guidelines. They felt the importance of habitat hadn't been sufficiently elevated. There was concern about some of the images and text and further concern about how the city can better improve this coordination in terms of greenway activity and that there is a number of bureaus who currently have pieces of the puzzle but really not one single entity that's in charge with cordoning all those bureaus and their work in the greenway. We've modified the design guideline package. We've replaced some images with new images. We've expanded the text about what the overall expectation is with regard to habitat enhancement. I think there will be a follow-up action, but we started drafting a resolution that would direct the office of healthy rivers or another entity inside the city to really take the lead coordinating role for greenway enhancement in south waterfront. Just a quick sample. The black and white images we were trying to put out there for preserving the past and history of south waterfront. This came out of the 2002 package, but it was really considered a problem because the idea of using dolphins if the waterway is actually no longer in vogue. It was when the guidelines were originally adopted but not today. To try to convey that same idea of reusing elements from the past, we instead pulled from the high line project in new york, the fabulous new park facility there. They've retained some of the old rail structure there to kind of give those clues to the past. It's a very celebrated part of that project. There was concern from several folks that rather than focusing on the trail and the interface with the parking area, which is really the intent of this guideline, it drew your attention more to the seawall. That's obviously not what we're trying to promote. The focus is supposed to be the sign and bringing you into the greenway and out of the greenway back into the district. This image in part does that, but we found images that really better suited that, so the image now on the right-hand side is one from brooklyn heights where we have that same kind of conveyance of entry and access points and how to delineate that through signage. Some of these images we have were actually supplied to us by audubon and ugi there has been conversation in past hearings in south waterfront about the phrase or use of native and native-like plants. We knew that was something that really wasn't preferred, so we've removed that.

Fritz: Thank you.

Doss: And we're just referring to native plants in the greenway and looking at new images that better convey what we're hoping to achieve as far as bank stabilization. We've really strengthened language. We've put in a number of texts about the habitat enhancement. We're hoping this satisfies council's direction, and we're looking for a recommendation to forward approval of the design guidelines, the zoning code, and the ordinance for this project.

Adams: Questions, comments from council? All right. How many people have signed up?

Moore-Love: No one signed up to testify to the amendment.

Adams: Then I guess this is a first reading. Correct?

Doss: Yes.

Fritz: First, thank you very much for your work on this. It's remarkable to me how changing the images really changes the language as well. You've made some great language changes as well, but I think we all agree that using different photographs better conveys for the design guideline process what it is that we want. Thank you for providing some of those photographs. Also I thank all the stakeholders, the Portland design commission, Portland development commission, bureau of environmental services. Jeff joslin worked with them extensively. I want to thank ann buyer's office and patty howard for working on this project. I want to see the work continue. As we move forward on the development on this area, I believe the city needs to continue to coordinate implementation and ensure that development is consistent. You had mentioned in your presentation planning was suggesting to directing office of working rivers to do various things. I would like to suggest a slightly different approach. I believe that, while the Portland plan and the central reach component of this river plan are likely to include recommended code changes there, may be some minor code amendments that could be made quickly that would better support. I have asked the

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office of working rivers to work with the other city bureaus to assess the implementation of the south waterfront river plan and to report back to council in three months. We believe that there are some things that we can do in the short-term as well as some things that need a longer term approach. I hope that we won't necessarily be responsible for implementing everything, as much as some folks might want our offices to implement everything. What's needed, I believe, is the clarity of who is doing what and what the timeframes are. The assessment i'm proposing will address the issues that are still unresolved and will emphasize some short-term and long-term implementation strategies. It may include some code updates and recommended on changes in city policy to help achieve the desired vision for the south waterfront. And so i'm asking council to endorse this approach as legislative intent if we adopt the design guidelines next week.

Adams: Unless there are objections, our legislative intent is so expressed for the record. Thank you for moving this forward. This is groundbreaking work. It's been a lot of work, and I want you to know how much we appreciate it.

Linly Rees, Deputy City Attorney: Procedurally, this is an amendment packaged.

Adams: Moved and seconded. Any discussion? Please call the vote on the amendment.

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

Adams: Aye. So amended. Moves to a second reading next week. All right. Unless there are objections on council, we've got a very special ordinance today, item number 147, nonemergency. Please read the title.

Item 147.

Fish: I'd like to welcome doug brenner and the wilcox family representatives forward if you'd all take a seat at the dias. Portland will soon have a new park in outer east Portland. The park is currently under construction and will open this summer. Development of the park is being funded by \$450,000 in system development charges and will give Portlanders without parks in the neighborhood an opportunity to be within walking distance of a park as envisioned in the park's 20/20 vision plan. Today we are here to officially name this park. I'd like to welcome doug brenner and representatives of the wilcox family who know this location very well. Doug, would you please kick it off? And then we'll hear from our honored guests.

Doug Brenner, Portland Parks and Recreation: It's my pleasure to be here today to present to you naming the play haven park to you. This park property, acquired in 2001, has been referred to as terrace trails park due to its location in that subdivision. However, the park has not ever been formally named as such. And as an advisory committee of 12 citizen members as busy planning the development of the park, Portland parks and recreation received a request from kiley holstrom to officially name the park play haven park after the swim school and day camp her parents, glen and joan wilcox, ran on the property for 25 years. A five-person naming committee was convened to consider the request. The committee also received input from the lents neighborhood association and the terrace trails advisory committee who had recently completed their work on the park design.

The naming committee has recommended the park be named play haven park, and that is why we're here at council today. I'd like to welcome the wilcox family to the table to say a few words as council prepares to vote on the naming of the park, play haven park.

Fish: Doug, I just want to acknowledge that the naming committee also included representatives of the office of neighborhood involvement, the Oregon historical society, and the Portland parks department.

Brenner: Correct.

Fish: Kiley, before you start, would you identify for us in the audience the other members of the extended family that are here? Could they stand just to be recognized?

Kylie Holstrom: Yes. This is my father, glen wilcox, and my mom, joan wilcox, who started the play haven swim school and day camp.

Fish: Welcome.

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Holstrom: And my brother, kim wilcox, and his wife taking pictures over there, mary jo. My sister, carrie rohr and her son kyle, another generation. And then an honored guest, jeanied Gould. Her mother was our secretary for years. Jeanie went to camp and was an employee, has been a long time family friend.

Fish: Thank you for taking the time to be with us this morning. Ms. Holstrom?

Holstrom: We just feel very honored. I'm going to let my mom and dad do most of the speaking. We were very fortunate as a family to have of a family-run business to really impact a lot of people's lives. A lot of children went through our camp, day camp and swim school. We still meet people regularly that have come through, and my parents still live right close. I was married on the property.

Glen Wilcox: This has been a family operation, and we're so lucky because the whole family, the kids as they grew up -- we lived right there at the place. If you want to know how to raise kids, you have them part of whatever you're doing, and that's what we had. We have four wonderful kids. Three of them are here. There's -- no better way. The other thing is the ones that we really feel the best about are kids who weren't really making it in other types of things, and those are the kids we concentrated on. We had kids who couldn't get along with the other kids or anything else, but there's one interesting thing that happened with our swimming pool. When that child who had problems getting along with the other kids and so forth -- when they became at a particular level in their swimming, all of a sudden, not because of anything I did or my wife did or the counselors, they finally arrived at the point where they could do something as well as a lot of other people. I've felt all my life this is something that's missing from a lot of our schools, a lot of the ways. And children who have problems, they have to have something they can do well enough to make them feel important. And that's what made my happy, made my wife happy, made my children happy, seeing this taking place. We didn't try to make champion swimmers or anything. However, one daughter did go to one of the olympics, but that wasn't because of us. That was because of what she wanted to do herself.

Holstrom: Thank you. We appreciate. It's going to be a great reminder. I know a lot of people drive up in that area. It's that piece of property particularly that was where all of the activity was. It's always been a park.

Fish: Thank you for the suggestion and for launching this process. We're grateful for your service.

Adams: Thank you very much.

Fritz: Thank you so much for coming in today and thank you, kiley, at the parks commission for working on the nomination. Commissioner Saltzman worked on the parks naming process when he was commissioner of parks and I worked on it when I was a community organizer. It's really delightful to see this good thing happen because a citizen made a suggestion and it was processed correctly so that everybody had input. Frankly, what a delightful name for a park: Play haven. I'm glad that the history of the park is now in the council records for everyone to remember for generations to come. Thank you so much.

Adams: What a great way to memorialize all the great work you've done for Portland. Under our rules, we vote on it next week, but I am quite certain it will pass unanimously. Thank you.

Fish: I want to thank doug brener, our east zone manager. I want to thank the citizens who served on our naming committee and helped us through this. And a special thank you to the wilcox family for bringing this slice of history to us. I think it's safe to say, as of next week, this will forever be known as play haven park. Thank you so much. [applause]

Adams: Moves to a second reading next week. Karl I please read the title for council item 141. Unless objections, there will be held over until next wednesday's council meeting. So moved. Or so processed. Please read the title for report item number 142.

Item 142.

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Bob Hillier, Bureau of Transportation: Thank you for your review and consideration today. My name is bob hillier. I'm the freight planning coordinator for the Portland bureau of transportation, also the project manager for the central east side street plan. With me today to my left is mike holman with kittles and associates. He was our consultant project manager for this project. On my far left is todd genneff with cascade commercial real estate. Todd served in our community working group, and he also represents the city's bicycle advisory committee. Todd is going to say a few words after my presentation, and mike is here to be able to answer any related questions. Some of the project development process and what the major design elements or what was included in this process, in this project. This created an industrial office subcategory underneath the i.g.-1 zoning. This is designed to encourage we development of existing areas, also to encourage new emerging industries such as software, development, web design, digital production firms, things of that nature. This is a good way to revitalize the existing buildings here. One of the goals is to accommodate the existing industrial uses in this area by retaining underlying ig-1 zoning. We have a large number of distribution and warehousing operations in this area. They have a lot of trucks coming into the area. Portland directed the staff to address the new zoning code amendment and eos. Certainly we were directed to accommodate or anticipate greater employment densities. We needed to balance the needs for other modes. The area expects more dense development here in terms of employment densities. There's going to be a lot more competing usages for autos, pedestrians, transit riders, and also bicycles as well. This plan is really designed to meet those competing needs in their right-of-way. And also to address existing needs from the community such as on-street parking and truckloading areas and with greater density coming in this area greater demand for on street parking for this area as well. And another goal was to comply with the city's storm water management guidelines. The plan provides design tools. The key point I want to make is there is no anticipated wholesale changes within this portion of the central east side at this point, so what this really does is accommodate incremental development as it occurs kind of on a development by development basis. This provides a guideline as to how the space should be allocated within the public right-of-way. Here's a map of the project area. Burnside to the north, crothers to the south, water avenue to the west, and southeast third to the east. Again it's characterized by industrial lane use, ig-1 zoning. The area is identified as a freight area in our transportation system plan and also characterized by 200-block grids here historically designed to accommodate much smaller vehicles in this industrial area. We still have a lot of larger trucks coming in. We typically have a 60-foot right-of-way within this area. Parking availability was an issue which came up quite a bit. Truckloading and cirque ration, you can look in the top slide here. This is third avenue looking south from ankeny. There's not a lot of space on-site for truckloading, so a lot of it occurs in the public right-of-way, forklifts moving on roads to load vehicles. Another issue we addressed was bicycle and pedestrian access again with greater employment density. With the streetcar coming in on mlk grand and wanting access to the willamette river, we anticipate more movements of bicycles and pedestrians through this area, so we really had to be cognizant of how we allocate adequate space as well. The unique feature I was the railroad crossings. There's 12 or 13 rail crossings. The union pacific railroad, one of the issues we address as part of this is how best to accommodate crossings for the railroad. How do we allow adequate access for buildings for ada and how do we meet compliance with these issues? Essentially this project was funded by transportation and growth management program. This is a joint program through the Oregon department of transportation, department of land conservation development commission. Work task initiated with our consultant. This project was reviewed under the guy lance of two stakeholder committees, one was a committee made up of staff that rely on a street plan to understand what is required in the right-of-way. Their input was really valuable in asking what kind of information they need in the street plan to help them in the review process. We also had representative from the bureau of environmental services. Theft expertise and were at the table the whole time. We sat

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through meetings for about eight months and didn't get the storm water near the end. They provided some really good input for this. We also had representation from the Portland development commission as well here, metro, trimet, and odot. We also had a community working group. These are business owners, property owners in this area. They worked in here on a daily basis. We had them at the table also to discussion the right-of-way. Early on in the process, what we did, we wanted to get kind of a read on what the key issues were in the area. We mailed out to all the business addresses here, and we asked questions like what are some of the key issues in the right-of-way, some of the proposed fixes. The number 1 issue which came back was the need for on street parking for business to be viable, the number 1 issue we heard from the property owners and also during the development process with the community working group. We held two public open house meetings during the process, once in march and once in may. We presented to the Portland design commission once again in march and may for their input as well.

> we had their recommended design, we went to each of their advisory committees as well. In slide shows the key elements in the document itself. Basically what it provides is a policy basis for street design and storm water management. It identifies the seven modal tsd -- transportation system -- parts of the plan. We also identify six specific street functional categories in this area, which i'll talk about in a second here. Basically we looked at the existing tsp classifications and came up with subcategories to help us better define how we should allocate space within a right-of-way. The plan also includes cross-section design plans you can see at the bottom of the screen. How we recommend space is allocated within the right-of-way essentially for traveling, bicycle facilities, parking, and sidewalk corridors. We have a solutions toolbox. Early on in our data collection, we identified a block by block inventory of existing right-of-way conditions. We looked at each in the area who identified how the space is currently utilized. These are the street functional classifications. We identify partial streets that move traffic through the area. They have signalized intersections with mlk, grand, truckloading streets which are essentially second and third avenue. A lot of truck-loading activities occur in these areas. These show the routes to the river, identified in a previous planning process ascii routes to get folks from east Portland to the willamette river. And then the blue lines are to serve as viaduct streets, streets underneath the hawthorne and belmont bridge ramps. There's limited improvement that can be done there. The yellow lines, the north/south, that's the rail corridor which runs through this area. What we assumed for this area that we're going to be working with an existing 60-foot right-of-way, retain the existing curb locations. The rationale for that, this would allow the same curb line on the same street so it doesn't waiver as development occurs. As you can see in the top photo here, this is water avenue looking north. On the left, the sidewalk here is about six feet wide, not adequate for pedestrian movement. You have to accommodate utility polls, storm water as well. So basically what we identified in this plan is, as development occurs on this site, we would request additional right-of-way to establish an 11-foot-wide sidewalk corridor where that right-of-way dedication is possible. That's where we would make up the space to provide a level for the sidewalk corridor not just to accommodate pedestrian movement but also storm water utilities and a furniture zone as well. We have on-street parking throughout the area and want to maintain the existing five-foot-wide bike lanes on water and stark and maintain 11-, 12-foot wide lanes for trucks. There are a lot of trucks in the area about ten and half feet wide, so they have to pass each other safely. We also want adequate room in the intersections for trucks to move through the area. We have a couple unique features here, one of them second avenue. This is looking north. There are very few sidewalks. There's a lot activity here. This is known as a truck alley. This is a simple design, no striped center lane, and two 18-foot spaces on either side for parking or loading. We got our inspiration from the pearl district, northwest 13th avenue. Here's an example of what the right-of-way could look like, head in and parallel parking here. Here's another example of this. This is on a v shape, so the storm water generated within right-of-way would drain there and leave more space for other uses. We're

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proposing sidewalks on the right side or east side of the street. This is to match the existing zoning on third avenue. It's most likely a mixed-use type of development. We're recommending the east side of the road accommodate at least 11-foot-wide sidewalk corridor, still have a 7-foot sidewalk corridor on the west side and bicycles would share the travel lanes with other vehicles. That's it in a nutshell. Here's a quick cross-section of what it looks like, the parking and sidewalks on the east side. That's a quick and dirty overview of the side street plan. We did our best to really accommodate all the different modes, features, so I feel we really came up with a very balanced plan.

Adams: Who's considered this and signed off on it?

Hillier: We didn't get an official sign-off. We went through the advisory committees, bicycle, pedestrian, and freight, and they provided their input, but we didn't get any formal support letters from them. We did go to the Portland design commission twice and got some positive feedback.

Adams: Any lingering significant objections?

Hillier: No. In fact right before we got here today, we got an e-mail from the chair of the Portland pedestrian committee. He liked the idea with a shared roadway on third avenue to accommodate bicycle facilities.

Adams: And welcome your thoughts.

Todd A. DeNeffe: My name is todd denaff. I'm a business owner in the district and part of the bicycle advisory committee. I help firms in the area move in, move out, expand. I help them in their commercial real estate needs. But i'm also an avid cyclist, so those are not opposing types of positions. Many people may think that. So I look at it several different ways. I think we all agree the central east side is one of the most dynamic, most unique. It's an ongoing, excellent experiment foreseeing so many uses and modes coexist. As you know, with burnside, the bridge head, light rail, trolley, the investment in that area in the next 5-10 years is amazing. People think it's a dangerous place for bikes, and that's why many do not venture into the area. At the same time, we understand the need for the area is to keep its character to become a place where diverse firms can grow, expand, and come into the neighborhood. The amount of firms there and evolving nature of them is amazing. With that benchmark, we understand from the bicycle community that that has to be probably at the central part of the aspect. With the street plan, it's a great first start. It acknowledges that bikes and pets will be a part of the solution going forward, because we know many of the firms coming into the district will be much more dense as far as people and spaces. That's why you're seeing many of the warehouses and former manufacturing distribution facilities now house three, four, five times the amount of jobs that they were 10 years ago. Part of that is always to make sure that other modes get to the table, have facilities, and have potential so that congestion down there is never severe and there is also room for trucks and parking. The bike community would always love more dedicated facilities when they're feasible in connectivity, but with stark, we understand the shared roadway with what you're dealing with down there is probably the best way to go. It's a great start. We hope to see, as the district continues to evolve, that development will and should take into account that pedestrians and bikes are going to have a much bigger part of the equation down there. It's something we support in going forward. Hopefully it will keep getting better and better.

Hillier: Duane kingsley represents the Portland freight committee. He's a representative from the Portland east side industrial council. Basically he was very happy with the product. He was part of the community working group. He was pretty happy with the product.

Adams: Commissioner Fritz?

Fritz: In response to that, i've been checking my e-mail. In fact I just checked it before I came in, because I didn't get any comments. It's a good thing. I shows you've done a good process and had people involving in processing this. Why are we accepting rather than adopting this report?

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Hillier: I believe that's typical for adopting street design guidelines. Just accept the report, and it goes into our street design standards. It gets improved that way.

Fritz: You believe that Portland bureau of transportation has enough oomph to be able to get it done?

Hillier: They should. That's why we adopted our freight street design.

Fritz: Basically, if you have frontage, you have to do this?

Hillier: That's correct. We really didn't get into the operation. It was an exercise of how do we allocate space within the right-of-way? That's something that could be considered. This is more of an engineering exercise.

Fritz: Thank you for briefing my staff on this fantastic document. It's well done and easy to understand. We just had some questions about the details. We had a letter from the Portland freight committee so I wanted to address again the issue of potential conflicts.

Hillier: Basically I wear two hats here. I was project manager for this and also staff in the city's freight planner essentially. As we went through this process, what we heard a lot was there was concerns about purposely routing bicycles on third avenue. This often occurs in this area. This is the salvation army. A lot of times, because of a tight environment, streets are blocked off and a lot of truck-loading activities going on here, so there was a concern that personally putting routing in here, I helped adopt a letter that documented the concerns that this issue was raised. We wanted to let council know about it. Yesterday we met internally as staff, and I think we came up with a pretty good solution here just putting some verbiage into this plan and the proposed bike plan which will come to council in about a week. If the city decides to route this area for bicycles, it will be a more intense process in terms of working with the joining and affected businesses there.

Fritz: Thank you. We got a memo today about adding a final sentence regarding third avenue accommodating trucks. Do you need me to move that as an amendment?

Hillier: I'm not quite sure procedurally. I guess it wouldn't hurt. [chuckling]

Fritz: I move the amendment in the memorandum dated the 26th of January stating that third avenue is intended to accommodate both truck-loading activities and bicycle travel and any project development will respect the needs of others.

Adams: Seconded. Any discussion of that amendment? Please call the vote.

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

Adams: Aye.

Fritz: Sidewalks, I noticed -- and I know from experiencing the district that possibly pedestrians feel they have the least safe. In the plan, does it have a sidewalk on at least one side?

Hillier: Yes and no. Most of them do have sidewalks. They vary in width.

Fritz: I mean in the plan.

Hillier: In the plan, yes. The difference would be on second avenue which identifies kind of a truck alley concept.

Adams: More like northwest 13th.

Hillier: It would be like northwest 13th. There's some existing sidewalks on second avenue. Sometimes on one block you have a sidewalk and then it goes into an active loading dock. We're not proposing removing any existing sidewalks but we're recommending it's more of a shared roadway in this area. A lot of discussion was involving adequate sidewalk width. The travel lanes are pretty much taken care of. We felt the solution here for second avenue as a truck alley concept. One thing we noticed going through this process, when people walk down here, they know where they're going. They understand the environment and feel safe walking around. Does that answer your question.

Fritz: Yes. Thank you.

Adams: Thank you for your work on this. Anyone signed up to testify?

Moore-Love: No one signed up.

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Adams: That's amazing. Good work. Motion to approve the amended report?

Fish: So moved.

Saltzman: Seconded.

Adams: It's been moved and seconded to accept the amended report.

Fritz: It's a tribute when something that had been controversial like this comes up. Thank you very much. Aye.

Fish: Thanks. Aye.

Saltzman: This is really a significant accomplishment. I don't want that to go unnoticed. It's really bringing balance of transportation to the central/east side, respecting the job intensity and density of that area and the eclectic nature of it as well and respecting the rights and abilities of bicyclists and pedestrians to access the river and to travel north/south through the district. This is really fantastic work, and it is remarkable that nobody's here to testify. Thank you, and i'm pleased to vote aye.

Leonard: Aye.

Adams: Aye. Thanks again. So approved.

Hillier: Thank you.

Adams: That gets us to item number 143, nonemergency ordinance.

Item 143.

Adams: Do we have anyone here to testify? This is related to the mls negotiations.

Moore-Love: No one signed up.

Adams: I would just hold it over till this afternoon since I don't have staff here. We'll just hold it over to hear after the 2:00 time certain unless there's objection. So moved. Can you please read the title for emergency ordinance item number 144?

Item 144.

Adams: Little by little we're nibbling away at the much-needed improvements to union station.

Marina Cresswell, Office of Management and Finance: I'm the project manager. We're here to discuss the construction for phase two improvements which will include replacement of approximately 50,000 square feet of roofing. They will also include requires of all of the exterior windows and doors and additional seismic stabilization where the opportunity presents. We have received federal funding for a large portion of the project, and pdc has graciously stepped up to fund the rest of the project. We are looking to advertise within the next few weeks.

Adams: Questions from council? This is an emergency ordinance.

Saltzman: How much is federal funding?

Cresswell: We are receiving approximately \$2.6 billion. 1.2 of that is transportation enhancement funds through odot from the federal highway administration. 1.4 million is american recovery and reinvestment funding.

Fritz: And the contract goes to the lowest bidder?

Cresswell: It will. It is an emergency ordinance because of the timing for the grant funding. We are required to disperse the funds by january 31st of 2011. It's a fairly large project, and we're concerned about getting moving with the construction as soon as we have a contractor, bidder onboard.

Fish: Ribbon cutting, marina could not join us, but she is the person on behalf of the city that relocated both halves of our housing enterprise in that building, built it out, designed it, and also made sure we recycled as many office products as possible, and I wanted to publicly acknowledge that and thank her for her work.

Adams: Please call the vote.

Fritz: Thank you for your ongoing work. Aye.

Fish: Aye.

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Saltzman: Well, I want to thank the federal government, the stimulus money. But also the pdc stepped up in a big way, too. The Portland union station is a jewel of our city and needs a lot of work. Good work. Aye.

Leonard: Aye.

Adams: Aye. Item 144 is approved. Please read the title for item number 145.

Item 145.

Rich Attridge, Office of Management and Finance: My name is rich attridge. I'm the project manager for omf facilities. This is brian alsed with Portland fire and rescue. This is the first step in the process to get this construction project out to bid. We're here to ask you for your authorration to get the lowest bidder for fire station 31 located at 174th and southeast stevens. The estimated cost is 2,191,000. The plans and specifications have been submitted to development services for permitting, and we'd be putting this project out to bid in march, expect to start construction in september. And so therefore we're asking for your authorization to contract to the lowest bidder.

Saltzman: Will this new fire station meet gold city standard?

Attridge: No.

Saltzman: How come?

Attridge: First, under the bond programs which were developed in '96, we're exempted from having to meet the legal standard. We did -- Portland fire did try to -- the estimated cost to meet gold in this project is an additional 300 to \$600,000. At this point the fire bond project has no contingency fund in it. There's two remaining stations to be constructed, and the project bond is fully allocated to construct those. So to do leed at this point would require more money and more time to redesign it.

Saltzman: Is it meeting any leed standard? The basic standard or silver?

Attridge: We haven't identified it as. All of our stations are constructed with many sustainable features which would be qualified for leed at some level maybe. Without adding a lot of additional cost, I do have a list of the sustainable features that we've designed into the fire station 31. There's a lot of them. I have a report i'd be glad to give you. Flow control for storm water disposal and equipment washing. We have flow-through storm water planners, underwater detention systems, storm water pretreatment bioswales, water separators for the drainage systems. We have a white reflective roof that qualifies for leed credit, water efficient landscaping. We've reduced the amount of semi permeable area. Insulation. Window systems opening for fresh air and passive ventilation. Window systems are hai lai efficient. We have solar tube skylights throughout the building for reduction in the lighting demand. Those have turned out to be extremely useful, especially in the restrooms where you don't need to have lighting during the day in there because we have solar tube lighting. High-efficiency split-system heat pumps and heat recovery ventilators for removing stale air and replacing it. Ems rooms, apparatus, shops, extensive use of compact fluorescent lighting systems. Occupancy sensors to reduce energy consumption for the lighting. High efficiency water heaters with low carbon dioxide emissions. High efficiency toilets engineered to reduce water cop sump shun -- consumption. We try to use corean, tile and grouting so cleaning is a lot easier and doesn't take too much effort.

Saltzman: It sounds impressive. Sounds like you should be close to a leed standard. Thank you.

Fritz: That presentation answered one of my questions which was why was the estimated cost so precise. You've obviously costed out all those things you listed. When was the estimate made?

Attridge: It was made, I think, late september.

Fritz: Our next item is considering a contract that was estimated at \$16 million a in ago and is now going to come in at \$7 million. I'm wondering if there is going to be a significant enough discount due to the economy that we might be able to spend that money from the bond to get the leed certification.

Attridge: The cost submits already factored that in.

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Fritz: We were planning to do it before, but we don't have enough money to upgrade it?

Adams: I think he's saying this project gets to go forward because of the advantageous contracting environment.

Fritz: Otherwise he wouldn't have had enough money to complete the project?

Attridge: That's true.

Fritz: Does the successful bid come back to council for approval?

Attridge: Yes.

Adams: If it's ok with the commissioner in charge to delay this one week, i'd offer my office of planning and sustainability a quick review, and there is a storm water grants fund, and I just want to make sure that we and the other bureaus have done everything we can to provide you with the technical assistance. Sounds like you're pretty darned close to some sort of leed certification anyway.

Brian Alcid, Portland Fire Bureau: Correct. The certification costs are prohibitive to get our certification in silver, but we are very close.

Leonard: The only concern I have obviously is we need to get this worked on, and obviously i've asked the project manager to go through the itemized list so you can hear what is involved in the project. We couldn't afford to do what we're doing now with what the balance was in our bond but for the downturn in the economy. I'd have to ask you is waiting a week a problem in terms of getting this out?

Attridge: No. It won't be a problem. To stop the project and redesign to put in more systems to meet certification levels would delay the project and put us into a construction timeframe into next year instead of this year.

Adams: If it's just a question of finding the 30 some thousand, it is expensive, but I think that our efforts to lead by example are really important. I know you've valued and engineered everything you can to get here. I just would not offer you the assistance of the bureau of planning and sustainability.

Leonard: Is it \$30,000 just to get the certification?

Attridge: Oh, no. Estimated 300-\$600,000.

Saltzman: For legal.

Adams: Just to get leed, how much that is?

Attridge: We didn't calculate that.

Fritz: We have a city policy that says public buildings are --

Saltzman: We passed the green building policy that applies to city-owned facilities in 2000 or 2001, but I know at the time the fire bond was exempted from that policy. I understand the limited money, but I do question whether these facilities should continue to be exempted, but they were exempted at the time. They are right about the policy, but nevertheless, if we're trying to lead by example, fire stations are out everywhere in the neighborhoods and are fine examples of city quality.

Adams: Just getting leed certification, you haven't looked at that. I'm fine as well with moving this forward if you want to do that, and then we provide you with the technical assistance for leed certification.

Leonard: If we could move forward as we are scheduled, then we can simultaneous with financial systems that either bes or you, mayor, can identify outside the bond, other than the fire budget or the bds budget or the water budget -- [laughter] we're happy to be able to complete the projects that need to be done within the current constraints we have.

Adams: I'm fine with that. I'm happy to move it forward and provide you with the assistance.

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

Adams: Any additional discussion on 145? Please call the vote.

Fritz: This has been a very useful discussion. Aye.

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Fish: Aye. **Saltzman:** Aye.

Leonard: Thank you for working on this so hard. I know that this has been a very difficult project to complete with the limited amount of funds, and I appreciate it. Aye.

Adams: Aye. Great work. So approved. Please read the procurement report item number 146.
Item 146.

Adams: Did you really save us that much money?

Christine Moody, Bureau of Purchases: Me personally, not really.

Adams: Welcome back.

Moody: Christine moody, procurement services. You have before you the chief procurement officer report recommending contract award to the low bidder in the amount of \$7,317,491..50. The city identified 25 divisions of work for minority, women, and emerging small business activities. Work is being performed in 12 different areas of work.

*******:** Wow.

Moody: I'll turn this back over to council if you have any further questions.

Adams: Is there any reason why we shouldn't think this is just fantastic?

Moody: No. I think it is a fantastic project.

Adams: Discussion from council? Anyone wish to testify on this matter? Motion to accept the procurement report?

Fritz: Moved.

Saltzman: Seconded.

Adams: Please call the vote.

Fritz: This is evidence of our economy being in trouble and also means traction payers and rate payers are getting devalued money, and I do want to note the impressive level of minority, women, and small emerging. Good work on this. Aye.

Saltzman: This is indeed impressive both for the favorable bid climate and the reduced bid amount but also the minority women and emerging small business sub contracting is very impressive. This is a big pipe-related project, and it has big jobs associated with it, well-paying jobs. Aye.

Leonard: Aye.

Adams: Great work, everybody. Aye. 146 is approved. Can you please read the title for 148.

Item 148.

David Shaff, Portland Water Bureau: I'm david shaff. Not seating with me is keith locker, our pump station and program manager. I think keith was thinking you were going to put this off until after lunch.

Fritz: Ah.

Shaff: Because of today's fire, I recognize you're behind schedule. I'm cutting my remarks down to the bare minimum. Since this is a first hearing, i'm forwarding to you the information I intended to provide you with today. As always, we are here to answer any questions you have about the replacement of the fulton pump station. Authorize an easement and use the vacated rights of way over property currently assigned to the bureau of parks and recreation. In exchange, the water bureau will compensate the Portland parks bureau for the land, it is easement, the rights of way with a lump sum payment of \$655,000 to be used for making improvements in willamette park. The proposed new site is in the orange circle on the map opposite nevada near the opb satellite farm just east of macadam. There are almost 16,000 water service connections that are supplies by the pump station. It also serves the following wholesale customers. Tualatin valley water district, valley view water district, lake grove water district as well as the cities of tigar and lake oswego. As you can tell from my description, this is a critical facility. It's almost 100 years old, and it's well past its capacity to provide service to that area. Examination and analysis of the existing station in 2007 and 2008 reveals that the option of reconstruction of a new station at the existing location is not practical, is too expensive, will take too long, has hidden costs, and presents some inherent risks to

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the city. Our preferred option is to build a new permanent pump station at an alternate location. The advantages to this option are that the existing pump station can remain in service to supply all the demands in construction, that the cost is approximately equal to or less than the estimated cost of installing temporary pump capacity during reconstruction on-site. We did look at alternative locations. To obtain any of the properties we have identified as a possible suitable replacement site, we believe we would have to use the city's condemnation authority. We estimate that condemnation of tax lots with homes on them would incur a penalty of at least three times the tax valuation, making the acquisition cost prohibitive. In the course of our search for suitable locations, we identified a vacated right-of-way inside willamette. Just east of macadam in line with nevada. This location was a possibility for a new pump station.

Adams: Can you explain about the condemnation penalty?

Shaff: We have the right of condemnation or the authority of condemnation. It's our assessment the likely cost we would have to pay would be significant in comparison to the valuation. There's not a rule or penalty. That's just what we think will happen once you get to court. So siting the facility would place it in a location that intersecting the Washington county supply line, which is a terrific result for us. Benefits including a much more significant design, keeping the existing pump station in operation. We wouldn't have staging or storage area to worry about, and the park's playing fields, tennis courts, boat launch, parking lots would remain open during construction. We investigated demolishing and remaining on-site, using temporary pumping capacity, purchasing a new site or relocating into willamette park. We outlined them and presented them to the public in the form of mailings, newspaper articles, an internet survey, and public forums. 18 southwest Portland neighborhood associations and two business associations were contacted during the public involvement process. We made presentations to 11 of the 17 neighborhood associations. We spoke to 158 people. I attended a meeting approximately a year ago, february 21st at the Portland french school with representatives of the water and parks bureau where we presented these options, and the outcome from our 3 month long process -- three month long process overwhelming moving to willamette park as long as the parks bureau was appropriately compensated and that the compensation was to be used for improvements in that park. Results are compensation amounting to \$655,000, and the water bureau believes that the proposed location represents the least impact of the city in terms of cost, risk, and greatest benefit. As I said, i'm going to send you a longer presentation that I intended to make earlier today. I'll send that to you by e-mail this afternoon in the event that you have questions.

Saltzman: Will the new pump station be underground?

Shaff: No. It will be aboveground.

Saltzman: Is it close to the commercial structures on the west side of the park or right in the middle there?

Shaff: Well, that's actually sort of down on a corner. There aren't any commercial structures in the park there. There is actually a small two-stall restroom and 120-odd square foot of storage. We will be expanding that to four unisex restrooms and about double the storage. And of course you'll have all the information in the e-mail. We will be working with the parks bureau and public members of an advisory committee on the design, the exterior finish, the look of the pump station so that it fits inside the park environment.

Fish: Could you touch briefly on will -- on the impact of the construction stage?

Shaff: There are some drawings that outline where they are. Or if you want to look at the map, just above the north, there is a section the water bureau rents on a daily basis in the summer, and we are going to be using that for staging equipment. So we are purchasing for one year a section of that land and, for two years, another section of that plant. For staging equipment, having access so that we don't disrupt the park. And then we will return all of that to its previous condition under our

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terms of agreement. And then there are a couple of spots where we've already agreed that we will not disturb, primarily around the large trees that you see on the map.

Fish: I've heard some are hopeful for that habitat restoration, improving some ball fields and other improvements. They're also pleased there will be an expansion of the restroom facility and some space for the public.

Shaff: That's no longer part of the plan. We're doubling the restroom capacity and the current storage capacity that parks now has.

Fish: And the only issue that we at parks haven't nailed down -- I just want to put this on the record -- is we really appreciate the partnership and the negotiation and your tenacity in bringing this to closure, because this is not as easy as it appears to come to a negotiated resolution and to come up with a fair market price. While we'd like the bulk of the money to be used in the park, we also want to think through implications of these kinds of isolated almost windfalls to parks as to whether we have a responsibility to take any portion of the pro seizes and use it in underserved parts of the city so that there's a double benefit. We have not resolved that. That's the only piece of how we use the money that we haven't really thought through fully yet.

Fritz: I want to thank you for your good work and also your staff who have been very helpful to my staff. I appreciate seeing the list of all the different neighborhoods, but I know Tim personally went to each of the meetings. I don't know if we have anybody coming to testify. If not, this was an extremely contentious process a year or so ago. I commend you, Commissioner Fish and Commissioner Leonard, for bringing this together for consensus.

Shaff: I was mentioning while one location could be suitable, we'd have to condemn.

Fish: Will you be back next week when we vote on this?

Shaff: Yes. I will be back here, and somebody from my staff will be here. As I said, I will be sending you material that I had intended to present today as well. With just more information.

Fish: Thank you for your hard work. We greatly value the partnership at the water bureau and you and Commissioner Leonard.

Adams: Unless there's additional discussion, anyone signed up to testify in.

Moore-Love: No one signed up.

Adams: Moves to a second reading next week. 148. We have a four-fifths.

Moore-Love: Probably should have a motion to hear the item first.

Fritz: So moved.

Item 148-1.

Dee Walker, Bureau of Transportation: Dee Walker, right-of-way acquisitions for transportation.

I'm here to present an addendum for an existing lease with five east side storage, also currently known as town storage. They currently lease space under the east end of the Burnside bridge for parking. Cataline Investments recently leased the half under the bridge as well. Their lease was terminated due to it being in default, and now town storage, five east side storage, is requesting to lease that other half. In the ordinance, I stated that five east side storage had requested to lease the additional space and that they wanted to fence off both areas, and I had said in the ordinance that there was a lot of transient activity and problems that they were experiencing. Officer Pickett is here to testify, and we also have two people from five east side storage if you have any questions.

Adams: Let's see if there's a need to or if there are concerns on council. I don't hear any concerns on council, so I don't want you to clutch victory out of whatever that is.

Walker: That's fine with me.

Adams: Anyone wish to testify? Please call the vote.

Fritz: Thank you, Dee, for informing my staff about this. I was comfortable having it on the four-fifths because we had the extended discussion a few months ago about the site, so I'm comfortable with moving forward. Aye.

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

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Adams: Aye. We're recessed -- recessed until 2:00.

At 12:27 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 and should not be considered a verbatim transcript.

Key: ***** means unidentified speaker.

JANUARY 27, 2010 2:00 PM

Adams: Good afternoon. It's 2:00, and this is the afternoon session of the Portland city council. Today is wednesday, january 27th, 2010. Karla, please call the roll. [roll call]

Item 143.

Adams: Unless there's council objection, we're going to defer item 143 that we deferred from morning to afternoon, we're actually going to defer it to next week's regular agenda.

Item 149.

Adams: And our time certain is first reading of item 149 and can you please read the title.

Adams: A couple of brief opening remarks.

Leonard: I would just shortly capsulize the last 18 months which feels like 18 years, frankly, of discussions that have occurred between ourselves, merritt and his team as some of the most productive discussions I think i've ever been involved in since i've been in public service. It didn't look like it would end up that way, but with the assistance for both mayor adams of our staff, steve, his colleagues, and with hard work we've developed a deal that I think is really unprecedented not just in the the city, but in american sports venues in general, and that being that we have produced a major league soccer deal that insulates the city's taxpayers and the general fund from any liability, and produces for us guarantees by Merritt and his family that the rent at pge park will be paid for the next 25 years. While minimizing the the risk to the city. That's kind of the technical thousand-foot view, but the the more important view, and i'm glad to see the president of the afl/cio in the audience, because the most important point of view from his perspective and mine is this creates jobs and creates jobs right away, and they're high-paying jobs, due to the renovation of pge park that has to be completed before the first game in 2011. So for all the good that this does, sports fans, there's a lot of people that don't have a job that are eager for this vote to happen so they can get to work at pge park and make the modifications necessary and provide wages and benefits to their families. So thank you, mayor adams, for your diligent work on this, and merritt for your steadfast and hard work on this as well.

Adams: I want to thank you, commissioner leonard. It has been quite a journey, and if you don't know it, it's always good to have commissioner leonard on your side at the negotiating table. The master negotiator. And I want to appreciate your great partnership and work on this. A couple of highlights of why we're moving this forward for council consideration. That haven't been discussed much before. But -- the sounders set an mls record last year for an average attendance of 30,000 Fans per game. It makes the sounders one of the top 50 best supported professional soccer teams in the world. We expect that kind of enthusiasm, a smaller city we are, but that enthusiasm here in soccer city usa, we've got the timbers army, thousands of youth soccer players and top-ranked collegiate soccer programs. It is the most popular sport in the world. And it cuts across racial, socioeconomic and cultural barriers, it will strengthen our connection to not just our sister cities, but with cities around the globe. Pge park will also be a great asset for Portland state university with the opportunity for psu football to move up to division 1a, and this will create opportunities for increased revenue for psu, and position the football team to move into a top tier of college football. Commissioner leonard talked about the the construction jobs, and this is a ready-to-go project. I

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want to emphasize that we set goals above what our legally mandated for hiring women and minority owned subcontractors, 30% for minority owned contractors, 10% for women-owned contractors. To get this kind of private investment at this dire economic time for our nation is pretty amazing, and I want to thank Merritt Paulson and the Peregrine Group for their willingness to do this. The personal guarantees regardless of what happens to Major League Soccer, the personal guarantees regardless of what happens in terms of the assumed revenues, the fact that this protects the general fund, the fact it does not compete with schools, it does not compete with basic services, makes this as Commissioner Leonard mentioned, a remarkable deal. And to hear more about the details of the deal, I'd invite the city team to walk us through some of the details. And as you're doing, that we've got three amendments. One is this piece of paper that should be in front of the city council, and I'd like to take roll call on these and then Commissioner Fritz has two if it's OK with the council I'd like to go ahead and vote on those to include them in the documents that staff team will be presenting, so I would move this amendment. Is there a second?

Leonard: Second. That's our amendment?

Adams: Correct. It's been moved and seconded. Discussion?

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

Adams: Aye. [gavel pounded] Commissioner Fritz.

Fritz: I think there's a misunderstanding in the development agreement regarding the proposed parking structure. We had a discussion at council earlier this -- in this project where we agreed that the agreement was to consider building a parking facility nearby, but that we weren't committing to building a parking facility. However, the development agreement says on page 20 that the city will work with Peregrine and develop a parking facility. So I move that we consider developing a parking facility.

Adams: Thank you for that catch. Consider that a friendly amendment. Second?

Saltzman: Second.

Leonard: Under discussion I want to get feedback from our team. Does that create a problem?

Dave Logsdon, Office of Management and Finance: I don't think so.

Adams: I think it's a scrivener's error. Please call the vote.

Fritz: Aye.

Fish: Aye.

Shane Abma, Deputy City Attorney: Excuse me. Though you said friendly amendment, you voted on the first set of amendments you introduced, this is a separate amendment and I don't know that I heard a second.

Saltzman: Yes. I gave the second.

Abma: I wouldn't call it a friendly amendment, I'd call it a regular vote.

Adams: A regular amendment. Thank you, Shane. Where were we in the voting?

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

Adams: Aye. [gavel pounded] third amendment.

Fritz: My second point is something that is not in the development agreement, so we can discuss it next week or in the future. That is regarding the source of funding for waiving the fees in the Bureau of Development Services. Since the Bureau of Development Services is currently challenged by not having enough funding to cover the staff that are needed to look at permits. I'm wondering if that money is going to come from the general fund or if it could come from the spectator fund.

Logsdon: There's no plan to waive any fees -- David Logsdon, Office of Management and Finance. There's no plan to waive fees for development services. What was in the development agreement was a provision that for SDC charges, which we could not quantify at the point the budget was put together, that -- and there's a calculation that goes on within development services that quantifies SDC fees, if there was a savings in that that if it came in under \$350,000, that could be savings to the city that we have captured within the project budget. But there was never contemplated we would

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waive development services fees, and in fact they have been paying those fees all along as permits for survey work and those kinds of things that have been taken out.

Fritz: Thank you.

Adams: All right. So with two amendments, under our belt, mr. Janik.

Steve Janik: Mr. Logsdon is going to go first.

Logsdon: I'm with the office of management and finance. With me is steve janik and dina alexander, the city's outside legal councils on this -- counsels on this project. Mr. Janik and ms. Alexander will Provide an overview of the agreements before you today, following my very brief remarks. 149 is a nonemergency ordinance approving the series of agreements for the renovation and operation of pge park for major league soccer team. I want to focus my remarks on the public goals and key principles that have guided the work of the city team on this project. Work on this project began in earnest in november of 2008 with the appointment of a citizens task force and as part of that process, the city council provided a set of guiding principles that included financial, social, and environmental goals. The key ones were a provision that no existing or planned city programs or projects would be cut to fund the the project, and to the extent possible, the revenues from the mls enterprise would be used to fund the project. A good neighbor agreement would be required, the city and the project prone would find ways to benefit youth sports and activities, the city requirements for minority, women, and emerging small businesses and the work force training would be met, and the project would achieve a leed silver certification. This citizens task force issued its report in march of 2009 and strongly endorsed the project. The task force made recommendations that expanded on the city's guiding principles as follows. The project should pose no risk to the city's basic services, That the city revenues from major league soccer should be guaranteed so to minimize any risks associated with public bonds that would be issued for the project. That the proponents should provide private capital for the project, the city should be protected from cost overruns, and the city should continue the fair wage policy. The city team has worked hard over the past year to deliver a project that meets these policy goals and principles and now mr. Janik will provide a summary of those agreements.

Janik: Good afternoon, mr. Mayor, members of the council. The transaction documents that i'm going to talk about were negotiated by your city negotiating team which consists of mayor adams and skip newberry, randy leonard, ty kovatch, ken rust, dave logsdon, mark moline, my partner dina alexander and myself. These documents are successors to two prior council actions, the council in july of 2009 adopted an ordinance that approved what we call the predevelopment agreement. And in addition to that, the council in july 2009 also adopted by resolution the broad outlines of the business terms of the transaction. These documents are consistent with those prior council actions. If the council approves these documents, what we will anticipate is the actual foundation construction work and piling work will occur in the month of february and march, and then construction will increase And baseball will -- cease and baseball will resume playing in pge park and then after the baseball season, construction will then resume in september with a targeted completion date by the first week of april, 2011, the commencement of the mls soccer season. The big picture financing plan for this project is the following. A budget as approved by your term sheet of \$31 million, contributions from peregrine totalling \$19.1 million, contributions from the city totalling \$11.9 million. Of the city's \$11.9 million, there are basically two sources of funds here. We have spectator facility funds, primarily coming in from the rose garden, and then we have what we call the annual license payment that will come from major league soccer playing in the stadium, and in addition to that, there is a share of ticket revenue that the city gets which is 7%, which is greater than the share of ticket revenue in the rose garden. Now, what's interesting is the city will get seven years worth of payments from peregrine, and against that, the city will sell bonds to cover its contribution. But as has been noted before by the mayor, those seven years of payments will be personally guaranteed, guaranteed first by peregrine obviously, but beyond that, guaranteed

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by merritt paulson and his father hank paulson, the former secretary of the treasury. There will be no general fund dollars used in this transaction. And we have worked very hard to deal with the what-ifs down the road to make sure there would not be exposure to the general fund. Now, the deal is complicated. There are nine major documents to govern the conversion of pge park to an mls stadium, and the operations of that stadium for 25 years. They are the redevelopment agreement, there's an operating agreement, there's a project completion guarantee, there's a revenue stream guarantee, an exclusive use and guarantee agreement, a project funding agreement, and then an amended mac easement agreement. I'll try to go through what I think are the most significant points in those, obviously I would welcome any questions, and I don't want to get too detailed, given the number of people that would like to testify. Let's start with the redevelopment agreement. It provides that the city must review and approve all of the design and construction documents not just in its regulatory capacity, which is normal, but in what we call your proprietary capacity as the owner of the stadium. So you have all the regular review processes plus more. Your ability is to review each of the sets of construction and design documents as they evolve over time. In addition you have to approve the general contractor and the subcontractors that have more than \$100,000 worth of work to make sure that are you comfortable with the people doing the work. The redevelopment agreement, again, requires the contribution by peregrine of its \$19.1 million and the city's 11.9, and with respect to the possibility of cost overruns, the city has no liability for cost overruns. The risk of cost overruns is entirely on peregrine and its guarantors. In addition to that, peregrine and turner have agreed to comply with the city's contracting requirements for important matters like women and minority and emerging small businesses, work force training and hiring, equality opportunity employment, and the public improvement contract provisions that are in state law in ors chapter 279. In addition, Portland state university will be able to play its football games there. The redevelopment agreement requires a new good neighbor agreement with two affected neighborhoods. This is something we did in the case of the original pge park, this is now updated, and those two neighborhoods have approved that. It's required that the building achieve leed silver certification for existing buildings operation and maintenance, in addition to that, peregrine is required to provide its employees an opportunity to meet and to discuss labor organizations without management there. In addition, we know we have a venerable sewer line, tanner creek, that goes through the park. And we are impressed with its longevity and hope to continue that. Therefore the redevelopment agreement has requirements established by bes that are carefully designed to make sure during the course of construction that it won't be damaged to that line. Finally the project budget on the redevelopment agreement includes 2% for art. Now, after these documents are signed and approved and effective, they will become effective 30 days from passage of the ordinance assuming that occurs next week. Then within a few days after that 30 days, there will be an event called a closing. At which time the parties will be obligated to go forward and fulfill their obligations. In order for the city to be obligated, even after passing these documents, there are a number of conditions that have to be met to the city's satisfaction. And that would be the triggering conditions to your obligation to close. I'm just giving you some examples. We would have to approve the next iteration of documents which are called the hundred percent design development documents. We have to approve the contractors' phase one guaranteed maximum price there. Would have to be an executed agreement with major league soccer called an expansion agreement, under which peregrine is given the right by major league soccer to obtain a franchise. And the city has to be satisfied That peregrine will be able to achieve a franchise under that agreement. Now, the timing of the issuance of the franchise, we had hoped that that would occur contemporaneous with our closing. The current major league expansion agreement provides that peregrine will make its first payment at the time of our closing, but the franchise will not actually be issued formally until january 2011. The mayor has introduced amendments which we have negotiated once we've learned that there may be some delay, he's -- we've negotiated these amendments to give the city

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even greater protection to protect against any risk that the franchise would not be issued. However, the recent update is it looks like the franchise will in fact be issued at the same time as our closing. The agreement currently has some conditions to the issuance of the franchise. They are normal, such as mls still exists, stadium is there, peregrine still exists, and hasn't gone bankrupt. But we have tried very, very hard to cover even those risks and the amendments deal with that. Now, you've heard some discussion about a really innovative part of this project, which is providence hospital building a clinic, a sports medicine and related therapeutic clinic that would be in effect part of the stadium at the southeast corner, where the access road begins to come down. This is not a completed Transaction. The clinic will be open to the public, also will provide services to the professional soccer team. We have negotiated with peregrine that all of the costs of this is going to be borne by peregrine and providence. None of the city dollars will be invested in this. Secondly, all the operating expenses, the ongoing costs of this, will also be borne by peregrine and providence. The agreement between peregrine and providence has yet to be completed, but when it is, it will be subject to your approval. That agreement will have to come back to the council for you to take a look at. And one of the questions I heard from some council members or staff was how do we control if providence leaves, who goes in there? And the answer is that we will deal with that rock solid when we review that agreement. That's not in front of you yet because it's not done. But we will be coming back with that. In addition to that, as the council requested, we have obtained the approval and port-au-prince, the clinic facility will serve patients ensured by medicare, medicaid, and the Oregon health plan. The dispute between builder and contractor, other possibilities. We have dealt with that risk by getting not only peregrine to agree under all circumstances to complete construction, but we've gotten the personal guarantees on that of merritt paulson and His father hank paulson, subject to a maximum exposure financial throi them of another 20 million over and above what they're already putting in. Then we have another document which called the project funding agreement. And this if you read anything, don't read this. It's probably the most technical. Basically what it says is, ok, we're ready to close, we need to each put our money in, we have u.s. Bank as a trustee that in effect creates a trust, and so that we both put our money in when and as required for the project, then when it's appropriate to spend the money against a contractor's draw request, for example, the trustee will make sure that all the is and ts have been dotted before that money is dispersed. Then we have a much more interesting document which is the operating agreement. The operating agreement governs the operations of the stadium after it's been rebuilt for the next 25 years. Its term starts january 2011, and it continues for 25 years unless peregrine defaults, which we don't expect. Peregrine can extend the term another three years, only if peregrine hash to pay cost overrun dollars in connection with the initial construction. Again, this was part of the term sheet approved by the city council. In effect, if they've got a right checks to cover cost overruns now, and we have no risk of that, they would get Credit for those dollars in years 26, 27, and 28, against what they would otherwise be obligated to pay, and they would get the free use of the stadium until they've used up those credits. Peregrine has overall management responsibility for the stadium and all of its operations. The operating agreement requires that peregrine in those operations meet certain performance standards, certain operational goals, and then a series of public goals. Some of those public goals include an approved comprehensive transportation management plan and the implementation of that plan. Part of which is a study that can be updated periodically on encouraging people to use mass transit to come to events at the stadium. Part of that public goal is also a good neighbor agreement which I mentioned, they have to allow high school football teams and amateur soccer teams to play in the stadium, scheduling permitted. They have to allow special olympics to occur there for free. They have to allow three community events that will occur at a reduced cost, basically their direct out of pocket costs, and they have to accommodate psu football. In addition, peregrine has agreed to contribute \$50,000 per year for five years to the improvement of youth athletic fields within the city

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as determined by the city and the commissioner in charge of the -- I believe it's parks. And that first payment is by the way occurring in 2010, even before the operating agreement goes into effect and before the stadium is complete. Peregrine also has to pay part-time seasonal employees a fair wage, and the city's fair wage policy which is in city charter chapter 3.9 -- city code chapter 3.99, will apply to these part-time seasonal workers as it has in the case of the pge park. And then during the course of operations we haven't ignored tanner creek. There are now bes restrictions that are in the operating agreement that limit what they can do in the vicinity of tanner creek during their operations, such limitations as the total weight of vehicles and loading trucks and things like that that can be operating near tanner creek. Now, again, peregrine has guaranteed us seven years worth of the annual license fee and the projected amount of city share of ticket revenue. We have projected out the city's share of ticket revenue for 25 years and the license fee, which goes up at about 3% a year. So we have those 25-year charts. From years eight through 25, peregrine has prepaid those. So there's no risk of receiving those. For years one through seven, peregrine and its owners have personally guaranteed those. Virtually no risk of not getting them. Now, it could be that the number of attendees are greater at any given point in time than what we projected would be that drives The amount of projected city share of ticket revenue. That would create a surplus, and we get all of the surplus for any year, including the prepaid years and the guaranteed years, unless in the event that in one of those guaranteed years, the paulsons have had to write a personal check to cover their obligation. Then if there is surplus in the future, we would split the surplus with them 30 to us, 70 to them, until they recouped the guarantee check that they wrote and after that, we would continue to receive 100% of the surplus. Financial oversight. The city has thorough financial oversight rights. Peregrine is required to submit numerous reports to us, financial reports and repair and maintenance reports and we have the right to at any time examine their books and records as well as an audit right. The operating agreement prevents a transfer of the operating agreement itself to another entity without our consent. Peregrine is responsible for all maintenance, peregrine is responsible for repair and replacement, of certain parts of the stadium that are tied to the events themselves. Such as the electronic video scoreboard, the electronic advertising signs, televisions and concourses and signs that are associated with naming rights. It's our structure and so we're responsible for that. If the repair of the turf or the replacement of the turf occurs more frequently than every eight Years, however, peregrine has to contribute 20% of the cost of that. Finally, nonstructural repairs --

Fish: Can I clarify something? If mls mandate there's grass, that cost would be borne by peregrine.

Janik: That cost would be borne by peregrine.

Fish: If there's a god, they will mandate grass.

Janik: I don't want to enter into that debate. But, yes, the cost will be covered. I mentioned earlier that the one through seven years of revenue will be guaranteed, so we have a revenue guarantee agreement signed by hank and merritt paulson. The total dollar amount that they've guaranteed under that is the sum of the seven years payments which is 11.25 million. And there is no termination of that revenue guarantee agreement except for one thing. If we breach our obligations under the agreement. So, for example, if there are other things like casualties or anything like that, their revenue guarantee continues.

Saltzman: Did you say casualties?

Janik: Yes.

Saltzman: What does that mean?

Janik: Earthquake, fire, something like that. Then we have the exclusive use and guarantee agreement and under this agreement, peregrine and the paulsons have openly guaranteed that the team will Stay here for the 25-year period, unless we consent otherwise. We control both a transfer of the franchise out of the entity peregrine and we control transfer of the ownership of peregrine

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itself. And this is similar to what we have with respect to the trail blazers and the rose garden. The final document is the amended and restated Multnomah club easement. To refresh your recollection, part of what we call the stadium is actually on land that's owned by the Multnomah club. This is at the south end. And we have an easement from the Multnomah club for the improvements that are currently there, but the soccer renovation will put a different kind of improvement there. They will put stand where there are not now stand, so we had to amend this mac club easement to give us the right to put other improvement there's that we need for a completed major league soccer stadium.

Fish: If commissioner Leonard were to propose we condemn that land rather than easement, would there be a complication?

Janik: I'm sure you'd have 20,000 mac club members sending you letters. But the mac club has been helpful to us in accomplishing that, so I've given you a quick overview there's a lot of detail, but I hope that that's been helpful to you and that those are the most important issues.

Adams: Let's start -- we're going to rotate amongst folks, Let's start with commissioner Fritz and then commissioner Fish.

Fritz: I'm going page by page through the document. The first question is about the Portland state football agreement. And it says that it's subject to dispute resolution to determine the rental rate, why have we not determined that now?

Janik: It's difficult to determine for the course of 25 years, Portland state is pleased with this arrangement.

Fritz: The first year or so is agreed upon.

Janik: It's agreed upon between peregrine and Portland state. And we've been assured by Portland state that they're comfortable with the arrangement.

Fritz: Great. Thank you.

Adams : Commissioner Fish?

Fish: I have a couple of questions. Dave Logsdon, thank you for the time you spent walking through a number of these things. The most important thing you said during your meeting with me, what Ken said, was he gave his unqualified support for the financial integrity of this deal, which from Ken is a very important thing to state and very important for this commissioner to hear. But there are a couple of questions, and -- that we talked about privately. I'd like to air in this form very briefly. The first is, in light of the action which the council took a while ago, to take the issue of the urban renewal district financing of any deal off the table, can you tell me whether there is any explicit or implicit part of this deal which conditions in the future a commitment on the part of the city to put urban renewal money into the deal?

Logsdon: There is no reference either in the documents themselves or in any discussions that occur between the city negotiating team and the peregrine team having to do anything with future urban renewal districts this might be in the area of pge park. It was not an item that was ever discussed.

Fish: Thank you. There's been some discussion outside of this process about what it means for the city to use its full faith in credit as a back stop so we can assist a party in getting favorable terms on debt. Could you remind us of an example or two where the city has used its full faith in credit to secure financing in the ordinary course in something other than soccer?

Logsdon: Yes. Certainly Alurie Hanson or Eric would be much more capable of this, but I know that the prior bonds the city has issued for pge park, for example, carrying a general fund pledge, the bonds the city's issued for the parking garage system carry a general fund pledge. I think Ken would say that it's a necessary tool that the city uses for these types of bonds because the market is not very receptive to a strictly revenue-based bond issue. They want to have a deep pocket behind those bonds and that is the general fund. But the way all these programs have been managed in the

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past and are currently there has been no draw on the general fund either for any prior facility bond or for any parking bond the city has issued.

Fish: My understanding is we've used, for example, in the housing area our full faith in credit to buy down an interest rate or other benefit.

Logsdon: We do get the benefit of better terms, better interest rates, lower coverage factors, so you can leverage a revenue stream more effectively through a bond sale.

Fish: Thank you.

Adams: Commissioner Saltzman.

Saltzman: This sounds like all great agreement. I just wanted to ask, years one through seven, the licensing revenue and ticket tax revenues are personally guaranteed?

Janik: That's correct.

Saltzman: And years eight through 25 --

Janik: Prepaid.

Saltzman: And out of that prepayment we will cover our bonding?

Janik: No. The prepaid amount is part of peregrine's 19.1 million dollars of contribution. So they have got two sources. They've got about \$8 million that is direct cash, the other amount is prepaying years eight through 25. We'll bond against the guarantees revenues for years one through seven.

Saltzman: Those are personal --

Janik: Personally guaranteed by both Merritt and hank paulson.

Saltzman: I'm very pleased about the language about clinics serving medicare, medicaid and Oregon health plan. I want to make sure, I don't know if dave is going to testify --

Janik: He will.

Saltzman: Maybe i'll wait for him. My curiosity is -- I want to make sure physicians groups are also covered by that. I don't understand providence well enough to know, but I do know when I see a doctor or health clinic I get bills from physicians groups, not providence itself. I want to make sure the restriction or mandate that they serve health medicaid, medicare, and Oregon health plan applies to physicians groups as well.

Janik: There will be a representative here from providence.

Adams: They'll be coming up in a minute.

Fritz: While we're on that topic, I understand that development agreement will come back to council, given that other institutions -- hospital institutions elsewhere in the city have not provided facilities recently that are ada compliant. I'd like to see something in that development agreement to ensure that we don't have to rely on building inspectors to get ada compliance. Going back to the redevelopment agreement about change orders, seems to say that change orders may be approved without council approval if they are less than \$100,000. Which is still a lot of money. Page 58. Ifs there a limit on the number of change orders that can be approved by the city's construction manager?

Janik: No, there is not.

Fritz: And can a city change be approved without council approval, thereby increasing the cost of the project?

Janik: It could increase the cost of the project if the city approves it, but that becomes a cost overrun that is paid by peregrine. Commissioner Fritz --

Adams: There's no sneaky way.

Janik: No. I would point out to you that this is a mechanism we've used both in the rose garden and we used in pge park. The issue is change orders come up and you have to act quickly, so we have this dividing line between what's a small enough one that we need to move quickly on and it's not such that you need to take a lot of time. And this is what we've done before. But because if there is a cost increase, it's a cost overrun. And peregrine pays.

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Fritz: Thank you. And then page 77, it says revenues from the stadium bonds may be used for purposes other than the project. Like what?

Janik: That's to give the city flexibility. It really is simply that if office of management and finance says, ok, we've got to sell bonds for 11.9 million for this project, but the city council has authorized us to do something else, and we want to Put that something else in the same bond offering, so it's entirely a pro-city provision that gives us that flexibility. And it's up to you whether you want to use that or not.

Adams: It cannot be done without council approval.

Janik: Cannot be done without council approval.

Fritz: Ok. Then moving to the operating agreement on page 15, I was under the understanding that the money for athletic fielding, the \$50,000, was without strings, but the language requires mutual agreement of peregrine and the city.

Janik: That was in the term sheet, and the mutual agreement is not over whether the money is going to be given, but where it's going to be used.

Fritz: My understanding is parks would be deciding that.

Adams: On behalf of the city and I think the commissioner parks has a question?

Fish: I've had fruitful conversation with mr. Paulson and I will state by way of legislative history that it is our mutual intent to use the \$50,000 a year to help as the agreement says, improve or build youth athletic fields and that would be to maximize the impact of any contribution by taking the entire amount and putting it into a field in an underserved part of the city, as i've expressed to mr. Paulson, after talking to my colleagues, it is the sense of this council the first recipient would be parkrose high school, which is park deficient, and we would use that as a way to leverage some other monies to help them build Out a soccer field.

Fritz: In future years? You have to negotiate with peregrine on how to use that 50,000?

Fish: I've asked commissioner leonard to handle the leed negotiation on that. [laughter] I'm quite confident mr. Paulson and I won't have to use the default model in arbitration. He and I have had a lengthy conversation about the intent of this language and the benefit which we expect to bring to underserved parts of the city where a soccer field would be welcome and i'm confident we'll be able to come to an agreement.

Fritz: Thank you. On structural repairs, the staff indicated that the city pays the structural repairs including the roof. But it says that peregrine will perform the repairs. Does this mean the repair work will not have to go through the open bidding process?

Janik: If the repair work otherwise meets the requirements for public bidding, would it have to go through that process.

Fritz: And on to fair wages, my understanding is if the workers decide to unionize, that peregrine would be subject to paying the full wages owed. I'm not sure that the section that relates to it -- it looks like the city might have to continue paying the same subsidy as prior to unionization.

Janik: That is correct.

Fritz: The city would continue to subsidize even if the workers unionized.

Janik: That is correct.

Adams: And after consideration of this issue, Having time to mull this over, it made no sense to me that if the employees choose to unionize, that why we would, you know, why there would be a financial penalty for that. It's their choice.

Fritz: The point of unionizing is so that you can negotiate directly with your employer rather than expecting the citywide taxpayers to subsidize --

Adams: It didn't make any sense -- it doesn't make sense to say there will be a penalty -- there will be a city penalty if they choose to unionize. In my opinion.

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Fritz: I want to hear from the labor folks, it says that a single employee may request an on-site meeting without management and it limits that opportunity to the first operating year. So what's to stop somebody saying in the first week I want to have a meeting and nobody comes, and that's it?

Janik: That opportunity is -- exists in the redevelopment agreement, so the employees, when they want to during the construction period, could have that meeting. The second is that when the employees want to meet, presumably they would want to do that early in the term of the operating agreement to establish whether or not they want to organize. And so the compromise was to say this can't go on forever, let's have it out, so to speak, decide whether it's going to be unionized within the first year of the operating agreement.

Adams: We'll have members of Organized labor up here to testify in a minute. Obviously the roles of the state and federal rules would apply forever.

Janik: Correct. And the document also requires that on the subject of labor organization, peregrine will remain neutral.

Fritz: Thank you. I have two more. On the standards for approval of naming rights, it seems to read as long as the name is not on one of the prohibited categories, we wouldn't get to say whether we wanted it to be goldman sachs or enron or whatever else -- on page 56 of the operating agreement, line 20.

Janik: They have to meet all the limitations in section 9.3 and the provisions of section 9.4. And so we're not -- under this agreement in a position where we can sort of dictate to them, we just don't like this person or this company, and that would too severely limit their ability to market the names. So what we did is we erected the barriers that say, this is off limits. And this is very comparable to the naming rights provision that is in the rose garden documents as well as the original pge park documents.

Fritz: Right.

Adams: I would say it's incumbent on them to in order to have a successful venue to choose a naming rights partner that is going to attract fans, not repel them.

Fritz: I'm sure that's a sound business practice.

Janik: I would also commissioner Point out the beginning of section 9.2, that question have to also approve the form of the naming rights agreement as well as the name. And that's subject to the city's approval.

Fritz: There was an interesting suggestion to whatever the name is chosen to tack on firefighters memorial stadium. And I just remember that was one example of something that might elevate and contribute to Portland civic pride. I remember when we changed from civic stadium to pge park a lot of people missed the name because it gave them an attachment rather than to a corporation. My final question is, it seems like we have the ability to say no to advertising tobacco products anywhere in the park. Why would we not just do that?

Janik: A couple of things. Tobacco cannot be associated with the name of the stadium. We're talking now about what are in effect advertising rights sponsorships within the stadium itself. We may not like the fact, but a lot of sponsors in that industry do sponsor sporting events. And there are the some series of events or concerts that are sponsored by people that sell those products. And so that's why we have allowed in the pge park deal and in this deal the opportunity to have tobacco associated companies within the walls of the stadium. You can disagree with that, that's your prerogative, but that's what the document is currently negotiated to say.

Fritz: What I heard was this Was going to be a family friendly environment, so having tobacco advertising is not conducive to that. Thank you.

Adams: Any other questions?

Fish: Mr. Janik, you probably know more about the spectator fund than anyone alive.

Janik: Dave longston, eric johanssen and ken rust know more.

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Fish: You're one of four people that know more about this than anyone alive. But I will tell you that there's some confusion about the spectator facility fund in the broader public and how it operates. And I think this is a useful forum to clear one thing up. We spend a lot of time making sure that the taxpayers are protected. Taxpayers of Portland and the risk that they incur is protected. The team has spent a fair amount of time making sure there are no general fund dollars put into this deal. And we've drawn a clear line about no urban renewal funds going into this. So front door and backdoor how a taxpayer looking at this might be concerned about exposure. But the issue that sometimes comes up is that you're taking part of that revenue stream and dedicating it to a bond. And therefore there's a lost opportunity cost that you could use that money for something else. And the next point that some people offer is like. Let's pick a compelling social need. Help our schools, build out the parks and whatever. And I think it's useful for you to help us understand what are the restrictions on what we can do with that revenue stream.

Janik: I'd like Dave to join in, but it is my understanding that as a matter of legal authority, the spectator facility fund was set up so it could not be used for those purposes.

Fish: And that would be both in the legality documents and presumably also in bond covenants?

Janik: That's correct.

Fish: So while maybe in a different scenario it would be wonderful if that money could actually be used for -- to backfill general fund or go into other worthy social purposes, the reality is if these dollars -- they have to stay within a set of uses which are spectator facility related.

Janik: You're correct. If you were to change that, it is not within your current power to do so because you sold bonds with the promise that these spectator facility funds would only go towards certain purposes, so the bond holders would have to approve.

Fish: To make sure even I understand this, if someone were to say there's a lost opportunity cost in putting this money into bonds for pge park, the answer is, well, it could go into bonds or financing for another facility, memorial coliseum, a baseball stadium, I see someone in the back, but not for something unrelated to those kind of uses.

Janik: That's correct.

Fritz: But it could be used For, say, lents little league baseball, as long as you're watching sports?

Janik: No.

Logsdon: I think it's limited to the facilities that are supported by the bonds that were issued for the improvements. And I think one thing I would add is that we're also stewards of those assets. Memorial coliseum, the parking garage is the plaza, pge park, they are all large facilities that over time require investment by the owner. And so part of the long-term strategy for the fund is to maintain our assets within the fund, so that in the future, if it's needed, we have the capabilities to keep the buildings up. If not, we would probably need to come to the city council asking for general fund money to keep the buildings up. So by us retaining funds within the fund, we can deal with those facilities over the long term.

Fritz: We are choosing under this agreement to dedicate \$11.9 million spectator funds and \$25 million including service to this service. We could choose to dedicate it to something else within the spectator facility.

Logsdon: That would be possible to do.

Adams: Within the spectator -- .

Fish: I just want to clarify, that because I was slow to that realization. I wanted to clarify that and my last question goes --

Leonard: I'm sorry to interrupt. I don't think you can assume that you could dedicate \$11.4 million to something else if you don't have the original revenue stream that generated \$11.4 million from which you gather the money to spend on something else from in the first place. That does not make sense. So I would say the answer is no, we can't spend out something else, because we have to have mls in the deal we have to have the \$11.4 million to spend.

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Fish: I didn't -- i'm not picking a fight on this, but -- you and I are in agreement on this point, but i'm responding to some emails i've received that have posed a different scenario, which is the parking revenue and the tax receipts on blazer games and other things produced an additional windfall, which we're now dedicating in addition to back up these bonds, to pay off these bonds, is there an alternative use to which we could put this money outside of spectators and facility money? The answer is no, because some have suggested we use the money for something like our parks, or our schools or other purposes. And I just wanted to make clear that we are limited in how those dollars can be spent.

Leonard: I was not responding to your point. I agree with that. We can make a choice to spend the \$11.4 million on some other project, and the agreement was, yes, we could, and i'm pointing out, it wouldn't exist if we didn't have this deal. So I think it's a stretch to suggest --

Fritz: I think it would be -- I would be appreciative next week to find the numbers for how much money in the spectator fund comes from the rose garden, how much from memorial coliseum, how much is projected to come from the major league soccer.

Fish: I just want to ask one other question. Literally, i'm trying to make sure that the basic points are understood. I have a rule of thumb, if I understand it, I assume other people understand it. There's been some questions raised about the sequencing on the financing. The decision to go with a line of credit first followed by bonds. Could you just again explain why that approach has been chosen?

Logsdon: And it is a very common approach to funding projects. You finance the construction, with a letter of credit, following construction once you know all the final costs, then you take out that letter of credit financing with long-term bonds. That is the strategy that we used for the rose quarter project. We used it in phase one for pge park, it's a very common financing practice in the private sector for construction projects, and in this way you have finality about the project and you know what the final costs are, so when you enter into that long-term permanent financing, you have all the facts you need to do that 501(c)3.

Fish: Is there any risk associated with that other than the fact interest rates could Change dramatically in the interim?

Logsdon: I suppose there is a little interest rate risk, and eric would be better to speak to this, between sold bonds today versus two years from now. Other than that, I don't think lines of credit carry much financial risk.

Fish: Thank you.

Adams: I want to be clear, it's spectator facilities and the fund created to build them and manage them, it is the spectators and the parking revenues and the taxes, and whatever other miscellaneous income from spectators attending city spectator facilities that is what is being used for pge park, and by the way in which it was created can only be used for spectator facility-related expenses.

Janik: That's correct.

Adams: Any other questions? All right. Our next panel will be the team from peregrine.

Meritt Paulson: Mr. Mayor and commissioners, thank you. I'm pleased to join you on what is an historic and exciting day. The opportunity to bring major league soccer to Portland. I urge to you support this plan for the following reasons. Number one, it will put people back to work at a time when jobs are needed most. Number two, it will add a second major league team to our city. Further showcasing Portland to the nation, and the world. Number three, it will transform pge park into an even better venue. Not just for soccer, but for Portland state football, high School sports, and hundreds of community events held there each year. Number four, it protects taxpayers from risk through a unique partnership of private investment and guarantees from my family and no use of city general fund revenues. Number five, it brings the excitement of mls to soccer city usa. Over 16,000 fans a game attending over 20 events a year, in a new pge park, which will bring new energy, new people, more fun, and more business to downtown. Number six, it strengthens the

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already strong relationship between the timbers and community organizations throughout the Portland area. Number seven, in partnership with providence health systems, it creates a pioneering sports rehabilitation clinic at pge park, a clinic open to everybody that will be accessible to nearby residents and people who cannot afford basic medical care. Number eight, it is a plan that has been design the in the light of day, with nearly a year of public input, scrutiny, and debate. And finally, number nine, bringing mls to Portland will pull people together and improve the quality of life that makes Portland and Oregon such a special place to live. It is for all of these and more reasons and more that I urge you to give final approval to this plan. I also want to address the future of the Portland beavers, because I know it is on the mind Of our fans and many in the community. The beavers will play the upcoming season at pge park and my goal has been and still is to keep the beavers in Portland or the Portland area for years to come. I believe strongly that family friendly affordable triple a baseball is a good thing for this region and state. I'm reminded of this every time I witness fans and families in the stand, young and old, who support the team. So far we have advanced three good but unsuccessful plans to build a new home for the beavers. Memorial coliseum, lents park, and beaverton. All three included significant financial commitments and guarantees from my family for stadium construction and operation. Having said that, I remain hopeful that either in Portland or elsewhere in the region we can find the same spirit for building an intimate new stadium for beavers baseball, concerts, and youth sports and community eves that we have displayed here in making mls a reality at pge park. When it comes to the future of the beavers, i'm a willing and eager partner. A willing financial partner, business partner, and community partner. But to succeed I also need a willing and eager government partner. On a personal note, I would like to thank the city's professional staff and each of you, mayor adams and commissioner randy Leonard, in particular, for the leadership have you shown in helping make this mls dream a reality. Throughout this process I hope have you learned as much about the business of professional sports as I have learned about city hall and local politics. Mostly I know that Portland is better off to what we have accomplished together, and that the fans and the constituents we all work for and serve are the real winners here today. Which brings me to my final comment. A sincere and heartfelt thank you to soccer fans, timbers fans, and the timbers army in particular. We simply would not be here without you today. You are the reason this is all happening. Thank you. George messina is going to make remarks as well about the construction process, but i'm going to address a point, commissioner Fritz raised, I can assure you and put whatever language you want in our documentation, that we're not doing any tobacco deals at the facility.

Fritz: Thank you.

Adams: Does that mean you'll vote for it now? [laughter]

Paulson: That was my question too.

George Messina: George messina w. Icon venue group. The owner's representative or project manager for peregrine sports, providing technical expertise and managing and design and construction of the renovation in addition to pge park. As you know, under the predevelopment agreement the design started in july of 2009. It's been a transparent and collaborative process thus far. We have met with three neighborhood groups, the northwest neighborhood, downtown, and goose hollow neighborhood organizations. We have been to the design commission twice for two request and we'll be going back on february 18th for our first official design commission hearing. We have had weekly design meetings with all the team members that have actually included city representatives at the meetings as well. In its ultimate configuration, pge park will be a great urban core mls facility, that will be a blend of new, modern amenities incorporated into the classic 1926 stadium. In addition, as mr. Janik had mentioned, there is going to be within the renovation there is a new providence health care physical therapy facility that is in the early stages of design and once again, it is 100% separate from the main project, it's a separate funding source, it's being designed separately, it's being budgeted separately, so it's completely segregated from the main project. And

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there's a development agreement that will be coming to council for approval later on as the rda had mentioned.

Adams: Thank you. Discussion from council? Thank you, gentlemen. I'd like to call tom chamberlain, president of afl/cio for Oregon, bob tackett, President-secretary of the northwest labor council and joe esmonde from ibew local 48. To speak about the labor issues and the benefits of having this project underway now. Mr. Chamberlain.

Tom Chamberlain: Good afternoon. My name is tom chamberlain, i'm a resident of the city of Portland and proud to be and president of the afl/cio representing over 225,000 Oregon working families. I have lived in Oregon and Portland for half a century. And i've seen Portland develop, and i've been fortunate to visit every major city in the united states, and i'm here to tell you, Portland is a major league city. After saying that, and seeing all these folks in green behind me today, I can think of no better way to spend a summer day than to sit in those stand and watch a soccer game. But you have to have a job. You have to have a job to buy a ticket. And in Oregon, we have 11.1% unemployment, when you add in those folks who have given up, those folks who are underemployed, meaning they've taken a part-time job instead after full-time job, is 20%. What's good about this agreement is that this facility will be built by union labor, putting the work almost 200 union members to work, that's good wages, good benefits, health care retirement. And the neutrality agreement in your agreement for the stadium calls for neutrality that isn't just for one year, but continues forever. That's very important when workers want to join a union and bargain their way to the middle class. Commissioner Fritz, you talked about the city subsidy. The city by ordinance is set -- when workers organize, you set the floor, you're -- it's your responsibility to fund up to that level that the ordinance sat. What they negotiate will be over and above that. I encourage you all to support the ordinance.

Adams: Mr. Tackett?

Bob Tackett: Bob tackett, northwest Oregon labor council. I agree with tom. I -- in the spirit of full disclosure i'm not a soccer fan, but I am a fan --

Adams: You're not getting out of this room.

Tackett: I am a fan of union jobs, union wages, and union benefits. And based on the neutrality agreement and project labor agreement, I too support this plan. Thank you very much.

Joe Esmonde: Good afternoon. My name is joe esmonde, I also am a resident of Portland for the past 25 years, live in southwest. I'm speaking for the ibew and the columbia pacific building trades council, which represents 18,000 men and women in the metro area. We are 100% support of this project. It's very happy to hear somebody is going to adopt apla. On the issue of minority contractors and women contractors, I want to refer to the south waterfront agreement, where we -- which the city of Portland is part of, and it's been a big success. And all the trades have contractors who can fill that niche. We put people there, and it suspect just for one job, it's for career.

Adams: Thank you gentlemen, very much. Really appreciate your time. The last two are torre Chisholm and dave underriner.

Torre Chisholm: Torre Chisholm, I'm the director of athletics for Portland State University. I'm here to express the university's support for this project. And also to verify that peregrine has dealt in good faith, to verify that the needs of our football program will be adequately met and satisfied, and frankly, I think you started out with the vision to bring major league sock to Portland, but in the process have created unbelievable opportunity for us to advance our football program as well. The project they've envisioned allows us to meet our current needs and efforts, but also allows the opportunity for us to pursue whatever future we might want to pursue with regards to football, so i'm here to express that. On behalf of Portland state.

Adams: Thank you.

Dave Underriner: Thank you very much. We're excited at providence obviously for the development that's gone on here in working with peregrine. It's a great vision to advance to major

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league soccer here in Portland. And we're excited to be part of that. We have committed to work on developing an advanced sports medicine clinic and rehabilitation center as part of the facility. This is something that we as we looked around the country, very innovative programs have been combined with professional sports teams in a way that actually serves the community in a better way and advances the vision of professional sports, in this case soccer. So we're excited to be part of it. We feel like it adds a significant value to the equation, in response to the who we will serve, we will serve the community, we have open doors, so all folks no matter ability to pay, what type of insurance will be served in the clinic, as part of the community, tends to be a little bit higher medicaid, self-pay or charity patient load, and we've built that into the pro forma for the clinic. With regards to the physicians, it is for those physicians that are employed by providence, it's clearly they follow the same policies, procedures, and philosophy that we have about serving the community. The private physicians we would work with, whether they be primary care, orthopedists or others, obviously are private physicians. They are members of the medical staff, so they share the same common understanding about who we serve, why we serve, what the mission is. And while they can't say they'll take everybody, because they also have to be a viable business, they will be open to Serve the patients that we have and the mix that exist there's. I can't commit to them they'll serve all of them, we will make sure that for folks that don't have insurance, that they get access to private practice physicians and others who need to provide the ongoing support.

Fish: If I --

Saltzman: So let me see if I can understand this better. I go to a providence clinic. My doctor is part of the providence network. Is he a providence employee?

Underriner: If he's part of the providence medical group, yes.

Saltzman: Ok. So when I get an x-ray taken there, I get a bill from the radiology group. Now, is that the type of private group that could not take medicare-medicaid, ohp?

Underriner: The radiology group in that case is a group that's part -- has a contracted relationship with hospital, and are required to serve the patients at the hospital.

Saltzman: Including honoring medicare, medicaid, Oregon health?

Underriner: That's correct.

Saltzman: So it's only physicians in private practice that have permission to use your hospitals and things like that?

Underriner: Privileges to use the hospital, that's correct.

Saltzman: Those are the physicians groups that could choose not to honor those forms of payment.

Underriner: And again, the physicians that practice in the -- at providence all have a strong understanding of serving the community. They have to be careful of how much charity care, medicaid they can take versus a large organization like providence. So they're committed to doing it, and committed to serving the community, the problem they have is they can't serve a preupon doris anderson of folks that have no insurance or medicaid, otherwise they're not viable. We have that discussion, but we have enough physicians across our facilities to serve the patients that need to be served, it just may not be skewed to one group over another group.

Saltzman: So if i'm an elderly person living in northwest and I go into the doors of your clinic, which I think is a great idea, they're most likely to be seen by a physician employed by the providence medical group.

Underriner: They may or may not be. As you know, we're in the process of putting the full agreement together. We are talking with physicians both private practice orthopedist and primary care physicians about locating in a shared suite to serve the community in this area. So there is the potential that somebody could show up who might see a private practice physician. We work with the physicians to make sure we can provide the access.

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Saltzman: Would they know ahead of time the private practice physician I maybe able to see doesn't take medicare --

Underriner:: The physician who's practice in this clinic will take all payer types. So the question is how Much -- how many can they take. If all of a sudden they find themselves getting all no-pay patients for the community, they probably have to say, I can only take so much. But their doors will be open to serve the patients that come to that clinic.

Saltzman: So the physicians in this clinic will be serving all payers.

Underriner:: That's correct.

Saltzman: Ok.

Fish: If I could acknowledge one other thing, you're about to open a new building in the hollywood district. Which is one neighborhood over from where I live. And I recently learned that you plan to move about 1800 jobs or a staggering number of jobs to that building.

Underriner:: Correct. I think it's about a thousand. About a thousand jobs will move to that location from around the greater Portland area.

Fish: I met with the hollywood boosters the other day and the neighborhood association, and they're excited about it.

Underriner:: That's good to hear. And we're excited to keep the jobs in Portland.

Adams: And since you've been here, you've been one of the most aggressive health care providers and promoting health insurance for children, the state level, and being innovative on the national level and of course your charity care locally is fantastic. And the new facility looks great.

Underriner: Thank you very much.

Adams: Thank you for stepping up yet again to be a great partner on this proposed facility.

Underriner: Thank you.

Adams: Thank you all very much. All right. That gets us to 11 people signed up. We're going to call them in the order in which you signed up and again, you just say your first and last name, and we'll count you down for three minutes.

Adams: Welcome to the city council. Mr. Hoyt.

Dave Hoyt: Thank you for giving me the opportunity to speak today. I've been avidly following this mls process since attending the first task force meeting in november of 2008, it's been an exhilarating and engaging and maddening process watching all the facets of this deal scrutinize and debated over. Part of the debate that i've seen in the public arena is centered around the nature of the benefit of a stadium renovation and whether this benefit applies solely to soccer fans. I'd like to discuss some of the ancillary benefits I see, that will provide the city and the impact on the timbers army. First because soccer has been a niche sport in this country, people interested in the game didn't have the luxury of easy access to other fans. There are no assumptions made that local news will cover the sport, with local pub will Broadcast the game. This lack of ubiquity forced fans to seek each other out, forging strong ties and loyalties to their team and their city. This is a tight-knit community who share a spirit and passionately bind to the concept that a team and its fans are reflective of the city they inhabit. For many people, being a timbers fan and being a Portlander are indies continuing wishable. They love their city and demonstrate and celebrate that love by going to pge park and singing with 10,000 of their closest friends. This camaraderie fosters a sense of togetherness which is translated into representation in dozens of community events organized by their individual supporters such as the timbers army habitat for humanity days, or by the team such as the dkms donor drive. New fans walk into games ready to support the timbers but walk out abear of community events and projects they may not have known about. We found a willing and active partner in merritt paulson who engages us and works to provide outlets for energies which work to everyone's benefit. This energy permeates the activity of the stadium, and not only, that but going to pge park on game night provides a clear vision of how Portland sees itself and projects its image to others. There's a diy ethic and bottom-up approach which creates a creative atmosphere which is

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like nothing else currently Existing in american sports. Though the feel good factor is a marketing catch phrase, I believe it's mayor important to the city's sense of well-being. Every sport's observer witnessed the body below the city of seattle suffered off the the sonics moved to iocce oklahoma city. It contributed to the appearance that the entire city was in a funk. Go to seattle now and you see a city transformed by what a soccer franchise has done. From posters in shop windows to national attention, to having strangers talk about their team, residents have rallied around soccer despite suffering their through their own economic downturn. This is only the beginning as a timbers franchise prepare to make a step up to join the highest level of soccer in america, so will the timbers army. We'll be working to provide new avenues of growth for new fans, who want to contribute to our mission of local improvement and civic pride especially in the area of youth soccer. From equipment donation drives, to cleaning up run-down fields to sponsoring youth teams, we're committed to this mission of supporting local soccer at all levels along all ages. For these reasons and more I urge the council to approve the deal to bring mls to Portland. Thank you.

Michael Pearson: Michael pearson. I wanted to take a moment and Thank the commission as well as merritt paulson for stepping up. When I was here in march, testifying under slightly different circumstances, I felt like the deal was a little bit less likely to go forward than what we see before us today. In reviewing it, and keeping close to the process for -- as randy mentioned for over 18 months, as soccer fans I feel like we've begun to see how amazing this deal is for both the city and for fans of all sports in the Portland metro area. Obviously the -- some of the debate has been focused around whether or not this is a timbers versus beavers discussion. I really don't feel like that's a fair discussion and in reality, I feel like it's turning an asset that doesn't work for both teams long-term, it doesn't work for psu either, into a facility that is a jewel that will be unrivaled for its ability to host soccer as well as many other events. In the Portland metro area. As dave mentioned here, the Portland timbers have been behind -- Portland timbers army has been behind this opportunity for a very long time. There is a lot of outreach that we are stepping up and organizing ourselves into. He said it really right when he said that being a timbers fan and being a Portlander are not two separate indies continuing wishable things. We're fans of Portland, we're fans of the sport, and we are fans of the Portland timbers. And because of that, I urge you guys to do everything you can to Move forward with this deal, but also to continue to work with merritt if the beavers opportunity can present itself.

Adams: Thank you very much.

Jim Paynter: Hello. My name is jim paynter, i've been a resident of Portland for oh, 36 years, and i'm here today just to speak very briefly on a matter of passion. And passion that I hope all of you would embrace. And that is to see your way forward to become a government partner with merritt paulson in siting the Portland beavers in a new site and a new stadium. I was hearten by his remarks earlier this afternoon as he reiterated once again his commitment to do that. But needing your partnership to make that happen. In saturday's Oregonian there was yet another editorial calling for the preservation of the Portland beavers from the Portland metropolitan area, cited three sites that are in public ownership that could be considered. I don't need to reiterate those, i'm sure you're aware, but the termal one on the west bank, the water bureau property north of the rose quarter, and the Portland public schools district's blanchard building. I guess I want to emphasize that I would see the loss of the beavers as a loss of a legacy that has contributed tremendously to making this a great city. It's part of the fabric of this city, the city will be diminished if we lose it. Professional baseball has a long and generally successful History since 1903. I would ask that you join with commissioner leonard, come up with three votes to move this forward, shed your indifference, if you will, and muster the political will to make this happen. I know that you can. I would just close in looking at all quote that I took out of ken burns' series on baseball. Where it was noted that baseball is a defining american phenomenon, it is an american odyssey that links

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sons and daughters to fathers and grand fathers. Most of all, it is about time and timelessness, speed and grace, failure and loss, and imperishable hope. And coming home. Please join with mr. Paulson and get that done. Thank you.

Adams: Thank you all very much for your testimony.

Geri Wilson: I'm coming before you to say I do not believe this deal is the perfect deal for Portland at this time. At this time you need to remember baseball has been in the Portland area since 1903. There is only a 16 year history of soccer being in Portland. In the usa today in 2009 they had a poll on the most popular sports in America. Baseball tied with the nfl, ranked #1. Soccer came in at 12. We have a huge history here of baseball. We have had people here like satchel page, lou pinella, who as everyone knows was the manager of the mariners, and Johnny pesky, who is from the Portland area. Who is famous now in boston with the pesky pole. These people have come to Portland to be baseball players. Baseball has a rich history in america. It's america's sport. That's what everybody says. What do you think about america? Its baseball. I'm not a soccer fan. I've gone to quite a few timbers game. It's just that this deal does not help the Portland beavers. There's nothing in this deal that says we will still go forward to help you get a baseball stadium. The taxpayers have been paying not once, but twice for the renovation of pge park and that was for baseball. In the last renovation, there was nothing that talked about soccer. It talked about baseball. And we have been able to play both sports at pge park quite nicely. Why can't we find out if we can work out a deal with mls and say, all right, we're going to share the stadium, say, three years, you give us three years and once we're profitable, we will go and look for a soccer only stadium. If that means pge park, that's what it is. In these economic times, we need to look at all the people this will affect. I think your plan is short-term fixed for employment. The problem is you're going to be hiring great people to come and build this, but what about the people right now that -- the part-time season employees that use the seasonal for their income? Right now, these people, there are 72 games in baseball a year. There's only 15 home games for soccer. I realize they have exhibition games also. So you're looking at 20 games. In the summer, instead of 72 games where you're averaging four to five games a week, soccer is one. These people cannot afford to work one day a week for six months. So I would just like to encourage you to think about the history of Portland, and what is best for all of sports fans of the city of Portland. Thank you.

Adams: Thank you, and rest assured and also to speak to the previous testimony on baseball, we've made significant effort on baseball. Triple-a baseball. It has fallen short. And as you heard from merritt paulson, his efforts continue. We've looked at the sites mentioned by the previous testifier. We're working on soccer right now. We'll see what happens in the future of baseball.

Wilson: Thank you.

Adams: Go ahead, sir.

Sean Moran: My name is sean moran. And i'm here with my son today. I pulled him out of school to bring him here to see what was happening. He's also getting credit for his scout badge today for being here. That's the group 107. [laughter]

Moran: For real.

Adams: Make it official.

Moran: It does make it official. Anyway, you know, I just wanted to thank everybody here for their diligence on this. I know it's been a long process. And as far as -- i'd just like to talk about -- I am also on the board of public youth soccer association who represents thousands of children in the Portland metro area. And the team I was coaching with, we were given a grant a few years ago from the timbers and Portland beavers. For \$3,000. That money was spent in the last few months on park fields and neighborhood and where there was big mud balls, there's fresh grass there. So you know, this is just a microcosm, I see of what is the impact of having the timbers in Portland. The money that could be generated to -- you know, to better the fields for the children. It's already

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happening right now. And with -- I just wanted to talk to this lady on my side. You have the full support of the timbers army to -- to bring baseball and keep baseball in the city of Portland. I really wish we could do something side-by-side. None of us want to see baseball leave the city of Portland.

Adams: Thank you for your testimony.

Fish: May I briefly. I know time is dear. I appreciate what you said about the fields. And at Portland parks & rec, we put fields at one of our three priorities. This council has contributed \$100,000 to the roosevelt complex. They'll have a new field and that will be a soccer field that can be used by clubs and youth sports and by the school. Benson high school has a plan, there's a plan being developed which parks & rec is going to partner with to bring two fields to that site and i'm hoping we can convince mr. Paulson so use it as backup practice field. The university of Portland has acquired the triangle park. And they're planning to put a number of fields and we're hoping it's the future field of f.c. Portland and mr. Paulson committed to build out fields in places like parkrose where there are new immigrants coming to our city who love soccer and don't have facilities. I wholeheartedly agree with what you just said. We have some momentum and I believe with mls we'll have more momentum and as I said probably a year ago when this debate began, to me, the real success of this will be if it comes together successfully will be a major league franchise that's a success. And the benefits to people throughout our community who love to do sports, particularly youth sports and leveraging money to give them the same facilities that we're providing a major league soccer team. I appreciate your comments and we should hold our feet to the fire in making that happen.

Adams: Sorry to keep you waiting.

Drew Mahalic: Good afternoon, mayor adams and fellow commissioners. I'm drew mahalic with the Oregon sports authority, a nonprofit organization that represents the sports related interests of more than 100 businesses. We urge your approval of this agreement to renovate pge park for major league soccer which will give Portland a first major sports franchise since the blazers arrived. I've been -- blazers. And i've -- chris asked me to relay the following statement of support. There's not a better investment a city can make to unite people than investing in mls. Portland is considered to be soccer city usa and this would make it true for generations to come. I would like to commend each of you for your tireless work in finalizing this agreement to make mls a reality in 2011, as commissioner Fritz reminded me, I should thank your staff. Did a fine job completing this deal. In my experience in the sports industry, I can confirm what commissioner leonard said earlier, this agreement is unprecedented in its protection to the city. I believe one of the best legacies that you as a city council can leave is approval of a prudent agreement that brings the highest level of soccer played in this country to Portland. Mls will bring jobs, millions in economic impact and further the prestige and visibility of Portland. It's been a long process. It began more than a decade ago when we hosted the president of mls, mark abbott in Portland. With your approval, the transformation of Portland's dream for mls will be realized and it will be a meaningful achievement. A triumph for Portland's economy and a massive victory for Portland soccer fans. Thank you for your service and your consideration.

Adams: Thank you for your day in and day out promotion around sports and athletic events. Thank you all very much. Who is next?

Adams: Go ahead and begin.

*******:** Start right now?

Adams: Yeah.

Peter Apanel: My name is peter apanel and I have brought with me a copy of the major league soccer venue design guide which contains the requirements for retrofitting existing stadiums. This is dated september 1st, 2008. What this document clearly indicates is that mls officials have known all along that pge park will never be able to meet minimum mls requirements for restrooms, seating,

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and food concession stands. If this document had been disclosed a year ago, public reaction would have quickly killed this deal. But instead, this document has been deliberately concealed from the public up until now and that's what makes it absolutely clear that this deal has been fraudulent from day one -- fraudulent. The public has been told that this deal will create a first class family-friendly major league venue for 20,000 fans. However, the reality is that pge park would fall short of having the spectator facilities it needs to be fully functional. For example, in the existing grandstand, where 80% of the fans would be seated there would be less than half of minimum number of restroom fixtures required. That works out to a deficit of 243 toilets and urinals and there would be less than half the minimum of food stands needed and all of the seating would have to -- dimensions that are surround standard and this is all after renovation. As things stand, all of you on the city council know that you're all culpable. Either because of your support for this fraudulent deal or failure to speak up despite knowing the details which I have documented in emails to the city council over the last several months and to make matters worse, the proposed agreement on today's agenda includes a provision in section 21.2.12 that gives mls the final authority to waive any requirements that pge park can't meet. The great danger is that the city council's actions could trigger a sec fraud investigation which would wreck this city's bond rating and finances for years to come. That's what happened in san diego a few years ago so don't think it can't happen in Portland. If the deal goes ahead as planned, you can look forward to pge park becoming the subject of national ridicule for years to come. I have a couple of questions for mayor adams and commissioner leonard. When did you become aware of this? This document has been around since september 1st, 2008. I know you've had it in city hall. Since september 1, 2009.

Adams: I read your emails and we definitely have had all the legal review and this deal won't go forward if major league soccer does not approve the renovation plans. So I --

Apanel: You're the ones committing the fraud.

Adams: You need to --

Apanel: You're asking the fraudulent perpetrator to decide what goes into the stadium.

Adams: If they don't agree to our proposed renovations then the deal doesn't go forward. I know your passion is in the right place. You want a good venue like everybody else. I'm happy to talk to you afterwards.

Apanel: You don't want to hear this. You know what's going on.

Adams: No --

Apanel: You know it's fraud.

Adams: The reason we put this deal out there, as early as we did, and we've gone through the steps is to air out these issues, so I know i'm not going to convince you today, but it's -- the -- if mls doesn't approve the renovated -- the renovation plans for the stadium, is doesn't go forward.

Apanel: Sir --

Adams: I appreciate the issues you've raised. You're welcome to submit more testimony to Karla.

Apanel: Good luck with the federal investigator.

E'an Todd: Good afternoon, i'm e'an todd. Good to see you all again. Here we are, at almost the end of this process. Again, as everybody said, I want to thank everybody for their patience and due diligence and attention to the details in this. I know it's a long process going back to november 2008. I also want to go back and thank the citizens who sat on that first review. To make recommendation to this council, because I think that gave us a good boilerplate and start and a lot of the things in this came out of that and I want to thank commissioner Saltzman for adding in the leed silver requirements. I was at the blazers' game on monday, where they -- at the blazer game where they hit leed gold and this will continue Portland setting the standard as we attempt to still be a bellwether for environmental responsibility and design and creativity. As far as this agreement goes, with the urban renewal district funding out of this, I know myself and a lot of the people who have paid attention to this, lost a lot of their trepidation. There's still a lot of moving parts and I feel

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very confident that the personal guarantees and the timing out with closing and mls approval and pre-paid rents protect the citizens from overruns. Also, I want to say with the spectator fund money there for projects like this, this is the project that we have that's ready to go that has been vetted and this is what we should do with that money. It can only be used for projects like this and there isn't another project competing with it at this point. We're not choosing between a and b. The 11.9 and 27. It's a or nothing. And this is a. If we don't have mls playing in the stadium and those price tickets with that ticket surcharge and we don't have the money to spend on something else. This also then creates those other streams of the donations for parks and fields. There's the national attention that we'll get with nationally televised games and away games. That does also help restaurants and bars as people gather to watch games which a lot of restaurants and bars in Portland have been having issues and this is one of those things that gin sizes together. When we looked at last march to enter negotiations that it wasn't getting married or engaged. It was agreeing to go and shop for a ring. This is the ring and we should -- you know, it's time for us to marry peregrine and move forward with this. [laughter] thank you very much. [applause]

Adams: I can marry people, but i'm not sure that's legal in Oregon yet. We'll work on that. [laughter]

Adams: I don't know what i'm saying. [laughter] jetlag, people. Mr. Long, welcome back to the council chambers.

Charles Long: My name is charles long. I think this issue is really not a sports issue. But a land use issue. And I think that the prime property which is now called pge park, should -- shouldn't be used for other purposes besides sports. I'm thinking of high rise, affordable housing, which is very much needed in this city. One of the main reasons for homelessness is a lack of affordable housing in this area. And I also think that this sports venue should be used only a few years until the Portland beavers can be -- have a new venue and -- and the project -- the sports use of the venue be turned over to housing. I think that would be a much better purpose and I think in the long range it will be done. And I don't think a large improvement to pge park would be good at this time. Certainly, it shouldn't go forward until the Portland beavers have an assured venue for baseball, which they do not have now and, therefore, I think this deal should be negated. Thank you.

Adams: Thank you, mr. Long. Thank you all for your testimony. I appreciate it. Karla, who is next?

Adams: Good afternoon, gentlemen. Welcome back to city council chambers.

Bernie Bottomly: Bernie bottomly with the Portland business alliance. And we're appearing here to support this resolution. And we think the city drives a good bargain here. We typically come to these things with a skeptical eye and want to make sure the city is getting good value and not putting their credit and fiscal stability at risk and feel that the city has done a good job of assuring that's not the case. We put a lot of store in ken rust's opinion and typically if he's comfortable, we're more comfortable and I think that's the case here. The building trades folks mentioned this is an important project in terms of jobs in the short term. Joe esmonde and I spent time together talking about the economy and he mentioned that up to 30% of the building trades workforce is out of work right now so the jobs that this project would create in that sector are important. The \$60 million in private capital this project will trigger is significant in terms of the local economy and we're fully support I have of the investment that is being leveraged here. The fact that the taxpayers are not on the hook and not at risk here is the kind of leverage that the city, we think, should dry for and constitutes a good deal and prudent investment on the part of the city. I have to say that i'm not an impartial observer as a former player who jim kelly who was the right wing forward on the 1976 timbers, was my idol and I wanted to play like him -- 1976 timbers. He had great hair. I'm not an impartial observer but think this constitutes a terrific deal on the part of the city and local economy. We're fully supportive. Thank you. Now my father would like to --

Adams: Mr. Miller.

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Randy Miller: Randy miller, Portland resident and involved in many organizations around, including the sports authority. Or as has been testified, the business alliance. We short guys stick together. Green light greater Portland and 31 others. I'm here to support the agreement between peregrine sports and this city as well. You know, I think that one of the things that I do relatively well is connect the dots because of the organizations i've been associated in this community and what I really look for is balance. And when I mean balance, i'm talking about public participation and equity that can commend a better community and what I wonder is what is it that could unite all of these perspectives into one common theme that could bring the community together and after 66 and 67 measures, I think it's important to bring the community together. A lot of you know that i've been leading best practices trips all over the world and it's a recurrent theme that that one factor that does unite communities are the sports teams. It doesn't matter, race, or occupation, what they do with their time during the day. It doesn't matter, it brings people together in an way to support not only the community itself but obviously the entire region which they have. And, of course, this opportunity here is one that we have that is really consistent with who we are. We're soccer city, no question about it. And the economic impact has been brought up. And one thing that really will make me happy if this thing goes through, I want those Washingtonians to spend money here instead of us spending money there which we continue to do when we go to their sports up there. Economic impact. We don't have a lot of options. This would be an one-time only. We've been working with others to bring other professional sports here. We've gotten nowhere and I urge you to support this. Did you listen, sam?

Adams: Every word like it was chiseled in marble. [laughter]

Miller: Thank you.

Adams: Mr. Powell.

Jerry Powell: My name is jerry powell. I live on madison street. I'm the chairman of the goose hollow planning committee and of the goose hollow board and I understand there's concern about support for this project in the neighborhood. We're the community involvement that you were talking about, mr. Miller. The support was given over a year ago for this project. There's been nothing to cause that support to waiver. We took that position based on the impact, positive and negative, of a major sports facility in the middle of our neighborhood. It's a neighborhood of approximately 5,000 households. And a number of businesses. Hopefully, more businesses. The changes that might be involved in the stadium were recognize. We recognize that. We -- were recognized and we knew that the existing good neighbor agreement would have to be modified and changes in the way the neighborhood was impacted by parking. We also understood that -- that the services necessary to supplement the -- the larger crowds, but fewer crowds that would be attending the stadium would also attend this project. Is there parking demand in goose hollow? Of course there is. Mostly public parking and we're not making any new streets to put parking along. So parking at the curb isn't a question. But the stadium is going to incur an additional deficit of parking that the stadium would, of course, like to see dedicated to their use. And i'm not sure that the neighborhood's quite ready to go that far. The public parking we need. Seems like a long way, peregrine in particular, in getting a mode split that's through the roof. They're looking at numbers of people using public transit, people using bicycles and people walking to the stadium that aren't seen anyplace else in the country. We are thrilled, we're totally thrilled with that. We, at this point, see no projects on the way to provide public parking anywhere in the neighborhood. There is a possibility that there's a private project that could happen. It hasn't been before us and we'll rule on it when it does. Lastly, we participated in the good neighbor agreement that is before you, actually, as part of this package. We took our best shot at modifying the original good neighbor agreement in concert with the northwest district association and the operators. We think that it's an outstanding agreement and hope that you ratify this project, the agreements that have been made between the operator, the city, and the neighborhoods, and thank you.

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Adams: Thank you very much for your testimony. Thank you all. All right. Additional discussion from council? This is -- what's that?

Leonard: I'd like to make a comment.

Adams: I'm going to explain. This is the first reading. The actual vote is next week. But we have time for we do final comments and adjourn, we have time for additional questions of staff. Any additional questions for staff? Let's good to anyone on council who wants to make a final comment today. Commissioner Saltzman.

Saltzman: Thank you, mr. Mayor. Even though we're voting next week, i'm sure most of you won't be here when we vote. I want it take this opportunity to guarantee there will be three votes for this deal. This is a great deal for our city and I want to thank commissioner leonard and mayor adams for their leadership and our negotiating team. Eric johanson, steve janik and crew. Ken rust and mark moline and merritt paulson and this is an agreement we'll be proud of for a long time. I was not involved in the negotiations but through previous discussions about this deal, it's been clear from the start that I was not going to support any general fund monies going to this and i, in fact, authorized an amendment that prohibited any urban renewal money going into this deal and you've produced a deal that does exactly that. And there are things that were of concern to me and those concerns have been met. We're getting a renovated stadium. And a health clinic that will serve people on medicare and medicaid and Oregon health plan. And most of all, I want to thank the timbers army. Back in march when I cast the first vote to go forward, I didn't know who the timbers army was. I associated them with hooligans in europe where you hear the riots come -- breaking out. And the civic name, beyond going to soccer matches but habitat for humanity. And I think that was instrumental in having it deal go forward and it's going to depend on the timbers army to make this a success. We're going to need people attending the games in greater than we've seen in this last season and with the new stadium to accommodate those greater numbers I think we'll be in good shape. Thanks and i'll be pleased to support this next week judge.

Fritz: I'm going to be brief. I do want to thank ken rust and dave logsdon of office of management and finance, and skip and amy ruiz in the mayor's office and indeed, the mayor for having this process whereby this has been done as a group exercise and negotiating team, single voice for the city. I want to thank tim crail and tom bizeau in my office. But I want to return to what mr. Miller said, finding places we do agree and in particular to thank the timbers' fan who came to my door at 10:15 on Sunday morning to find out why my second son hadn't yet sent in his ballot. So thank you for participating in that process. To note, he assures me that he did. All five of our votes were in and i'm relieved about the results of the election and thank mr. Paulson for stepping up and saying they'll be a tobacco-free place and that we can all look forward to the world cup this summer.

Adams: Commissioner Fish.

Fish: If there's a time issue, mayor, since it's your day and randy's day, i'd be happy to defer to either of you if you have comments.

Leonard: It would be no day without a comment from you. [laughter]

Adams: Jeez, he hasn't voted yet, randy.

Fish: As everyone knows in july of last year, I voted in support of the ordinance that authorized the execution of a pre-development agreement and as all those following this closely know there's two things about my participation in this that are noteworthy. The first is that there are already three votes to move this so it doesn't matter what I say or do. And that has some significance because you can play that either way when you're in elected office. I'll tell you how I choose to play it on this one. That means i'm free to actually do what I think is the right thing and not weigh too heavily on the political thing. And the second thing is I have a certain conflict as I look at this issue and have for the entire time we've done it, which is i'm a big fan of soccer and I -- I instinctively when I first heard about this thought it, a good thing for Portland. But what I want to say now, a couple of you got up and thanked the council for its diligence and working toward a prudent agreement and I

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want to acknowledge that generous comment from a couple of people who from time to time had their patience strained throughout the process. I think what we've learned through this process is there's a virtue to this commission-style of government. You have five different sets of eyes raising concerns. And while merritt may rue the day he moved here and started negotiating with us, the proof is in the outcome. And while this is not a perfect deal, I think it's a good deal for Portland so I think the process has produced something good and when this comes before us next week, i'll cast a fourth vote. It's not a necessary vote or an insurance vote, because there are already three votes for it. But it's my way of saying I have confidence in deal and since we're moving forward in trying to send a statement to the people of Portland about our intentions, I think an extra vote is important. This is sam and randy's day so I want to acknowledge their leadership. I had my doubts that this day would happen. From time to time, but they were very persistent and I want to acknowledge that working with ken rust, dave logsdon and steve janik and his team, they're the best in the business and probably all be contracting with jurisdictions around the country to try to do -- no, steve won't, but others might. I have enjoyed getting to know merritt paulson. He and I shared a conversation the other day. We talked about the fact that our fathers at different times in history have been in a position in Washington where there were big stakes. For me it was the summer of 1974, my father was on at house impeachment inquiry and was in the unenviable position of passing judgment on the president of his own party on whose coattails he had been elected and he knew when he cast his vote for impeachment it meant his job was on the line. We talked about merritt's father's role in trying to bring back the economy. Which is documented in a book about barney frank that came out. There is a whole section on congressman frank and merritt's father and how they tried to save the economy. I've enjoyed getting to know merritt and I know he has the best interests of the community at heart. What merritt may not appreciate, having dan labe and greg peden and veer in his camp, three pros who have helped him through this and probably helped check some of his frustration from time to time or at least helped with the cleanup after the frustration spilled over. You've been well served, merritt, with a great team. I said in july and continues to be the case today. This deal is about providing good jobs and bringing in major league sport to soccer city usa. And striking a deal that protects the taxpayers. Without those protections I would not only not support this, but fight it and even the most strident critic has to acknowledge the taxpayer will be protected and some stand up and say, yes, but what if. That's life. If that was the case, we wouldn't buy a house, get married, take a job, run for office. There's risk in everything we do. Our job is to balance risk against the reward and the tilt has come decidedly in favor the reward. But this process made sure there's no urban renewal money, no general fund hit and the risk is squarely placed where it belongs, on mr. Paulson, and peregrine's shoulders and the users, which I think is a model. I'm reminded that the city of kansas city recently entered into a deal with major league soccer and the taxpayers put up the full 140 million to build the stadium. And hopefully, it's been inked before they read about this deal. Where the taxpayers through the general fund have put up not one penny. Finally, I want to say while it's a small part of the deal it's a big part of -- to me, it's a big part of this deal, even though the dollars are small, that mr. Paulson and company committed to investing in youth sports throughout our city. This is a floor, it doesn't prevent him from putting more money into other things, but this ensure that is every year, some part of our community which has been neglected and doesn't have the infrastructure we enjoy in other parts, is going to get a check for \$50,000 to help upgrade youth supports. So that kids that play la cross and football and soccer have a decent field to play on and merritt committed to me, with the \$50,000, he and I will go out in the private sector and try to match it and help expand opportunities for kids because I truly believe we can be ground zero for the youth soccer in this country and look no further than the fact that the best player on the lincoln high school cardinal girls' team was this year a freshman on the university of Portland women's team and made all-american on the freshman team. And that's extraordinary and reflective of something good that's happen here in Oregon. I'll say that next week i'm going to vote

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yes and say, "go timbers: Beat the sounders:" and in June, I look forward to seeing you in Pioneer Courthouse Square. We'll be watching World Cup on the jumbotron and getting caught up in that event and in the fall, celebrating the U.S. Women's Third National Championship and in six years. And hopefully in two years we'll be celebrating a World Championship in Major League Soccer. Thank you all.

Leonard: This has been a fascinating journey that included notwithstanding my not having been to New York City before. I went to New York City for the first time to meet with the Commissioner of Major League Soccer. And where in Times Square and I actually met Batman and I have a picture of myself with Batman. From Batman to Merritt. Who has quickly become one of my favorite people. Merritt, he and I have worked pretty hard together these last 18 months and I've seen him in a number of venues and circumstances, some of which have tested his mettle and I have grown to have tremendous respect for Merritt and his ability to withstand what I consider at times very unfair criticisms and comments and from my perspective, we're lucky to have you and your wife and new child in our community. Portland will be a better place for you being here. And I appreciate very much what you've done in this deal. I would just close by saying one thing that I think probably Commissioner Saltzman and I are probably the only ones that have the appropriate perspective here to say, both of us having served now under three different mayors. It matters who the mayor is in these circumstances. Were they any of the other mayors, actually -- four mayors. Three mayors. It makes a big difference who the mayor is because I can tell you if Sam wasn't the mayor, right now this deal would not be before us. Whether you like it or not, the fact is that Sam as mayor allowed this process to not only occur but gave it his full-fledged support and directed staff to do things that no single commissioner has the ability to do. I want to make sure that's publicly acknowledged and -- and -- and any accolades that go rightfully to the mayor for leading this charge and -- and lining city resources up to allow this deal to come together. Because otherwise it would not have happened. Thank you.

Adams: Thank you, Randy. And this deal would not have happened without Randy and Ty, that's for sure. I appreciate them and Skip and Amy on my team and Steve, Dana, Eric, Ken, David and Mark and the whole team that has gotten us here so far. Next week marks the end of the very beginning. And now we go to rebuild the stadium and we go on to get our great team and in closing, I want to thank Merritt and your family and team for your willingness to invest, again multiples of millions of dollars at a really dark time in this nation's economy and that includes the fact that we've been whacked hard by the national recession here. This is great and we have a lot more work to do but I want to thank you for your partnership and investment in our community this far. We're adjourned and this will be voted on next week. [gavel pounded]

[Clerk note: passed to second reading as amended February 3, 2010 at 9:30 am, Regular Agenda.]

At 4:12 p.m., Council adjourned.