



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **24TH DAY OF AUGUST, 2005** AT 9:30 A.M.

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

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

Items 970, 971 and 981 were pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

COMMUNICATIONS		Disposition:
960	Request of Paul Phillips to address Council regarding growth ring doctor (Communication)	PLACED ON FILE
961	Request of Richard L. Koenig to address Council regarding dialogue with elected officials (Communication)	PLACED ON FILE
962	Request of Sherri Olson and a group of parents to address Council regarding Pier Pool Swim Team (Communication)	PLACED ON FILE
963	Request of Ken, Whitney and Madison Allen to address Council regarding Pier Pool (Communication)	PLACED ON FILE
964	Request of Shawn Taylor and Mary Ann Aschenbrenner to address Council regarding Pier Pool (Communication)	PLACED ON FILE
TIME CERTAINS		
*965	TIME CERTAIN: 9:30 AM – Amend the Fiscal Year 2005-2006 Adopted Budget and authorize payment to Portland Public Schools to provide services related to the Buckman Pool Repair (Ordinance introduced by Commissioner Saltzman) (Y-5)	179538
966	TIME CERTAIN: 10:30 AM – Declare the purpose and intent of the City to approve the SE 21 st Avenue High-Volume Street Speed Bump Demonstration Pilot Project (Resolution introduced by Commissioner Adams) (Y-5)	36333

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CONSENT AGENDA – NO DISCUSSION	
Mayor Tom Potter	
*967 Extend the term length of a contract with Ball Janik LLP to promote City priorities within the Federal government (Ordinance; amend Contract No. 32542) (Y-5)	179517
Office of Management and Finance – Bond Counsel	
*968 Authorize Airport Way Urban Renewal and Redevelopment Refunding Bonds (Ordinance) (Y-5)	179518
Office of Management and Finance – Human Resources	
*969 Create a new nonrepresented classification of Hydrogeologist and establish a compensation rate for this classification (Ordinance) (Y-5)	179519
Police Bureau	
*970 Authorize an agreement with Multnomah County, Department of County Human Services for the City to continue to fund a portion of the salary of the County Domestic Violence Coordinator (Ordinance) (Y-5)	179546
*971 Approve settlement with Richard Barton, the Portland Police Association and the Portland Police Bureau for employment claims (Ordinance)	CONTINUED TO SEPTEMBER 7, 2005 AT 9:30 AM
Commissioner Sam Adams	
Bureau of Environmental Services	
972 Authorize contract with the lowest responsible bidder for the California Wastewater Pump Station Improvements Project No. 7151 (Second Reading Agenda 932) (Y-5)	179520
973 Authorize the Bureau of Environmental Services to accept a \$200,000 U.S. Environmental Protection Agency Brownfield Cleanup Funding Grant for a Portland Development Commission-owned site at 8735 N Lombard (Second Reading Agenda 933) (Y-5)	179521
974 Authorize the Bureau of Environmental Services to accept a \$200,000 U.S. Environmental Protection Agency Brownfield Assessment Funding Grant for environmental site assessments on suspected hazardous waste sites (Second Reading Agenda 934) (Y-5)	179522

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975	<p>Authorize the Bureau of Environmental Services to accept a \$200,000 U.S. Environmental Protection Agency Brownfield Assessment Funding Grant to perform environmental site assessments on sites with suspected Petroleum contamination (Second Reading Agenda 935)</p> <p>(Y-5)</p>	179523
Office of Transportation		
976	<p>Set a hearing date, 9:30 a.m. Wednesday September 14, 2005 to vacate a portion of SW Iowa Street between SW 30th and SW Bertha Blvd. (Report; VAC-10023)</p> <p>(Y-5)</p>	ADOPTED
977	<p>Set a hearing date, 9:30 a.m. Wednesday September 14, 2005 to vacate a portion of N Hunt Street west of N Albina Avenue (Report; VAC-10016)</p> <p>(Y-5)</p>	ADOPTED
*978	<p>Amend Intergovernmental Agreement and Jurisdictional Transfer Agreement with the Oregon Department of Transportation to increase total reimbursable amount for the Martin Luther King, Jr. Viaduct Replacement Project (Ordinance; amend Contract No. 52107)</p> <p>(Y-5)</p>	179524
*979	<p>Authorize an Intergovernmental Agreement with the Tri-County Metropolitan Transportation District of Oregon to provide funds for replacement bridgeplates for the Portland Streetcar vehicles (Ordinance)</p> <p>(Y-5)</p>	179525
*980	<p>Amend Ordinance to provide payment of relocation costs required for the East Columbia to Lombard Connector Project (Ordinance; amend Ordinance No. 177949 and 178874)</p> <p>(Y-5)</p>	179526
*981	<p>Authorize City Engineer to accept temporary construction easement from ZRZ Realty for the construction of the Portland Aerial Tram (Ordinance)</p> <p>Motion to accept amendments in Portland Office of Transportation memorandum dated August 23, 2005: Moved by Commissioner Adams and seconded by Commissioner Sten. (Y-5)</p> <p>(Y-5)</p>	<p>179537</p> <p>AS AMENDED</p>
982	<p>Authorize an Intergovernmental Agreement with the Oregon Department of Transportation to receive \$1,000,000 grant from the Transportation Enhancement Program for construction of the 92nd Ave, SE Powell Blvd - SE Holgate Street Improvement Project (Second Reading Agenda 944)</p> <p>(Y-5)</p>	179527
983	<p>Amend contract to the 2001 Oregon Transportation Investment Act with the Oregon Department of Transportation for the East Columbia Boulevard to Lombard Street Connector Project (Second Reading Agenda 945; amend Contract No. 52077)</p> <p>(Y-5)</p>	179528
<p align="center">Commissioner Dan Saltzman</p> <p align="center">Parks and Recreation</p>		

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*984	Authorize FY 2005-2006 operating support funding for Pioneer Courthouse Square (Ordinance) (Y-5)	179529
*985	Authorize payment to Pioneer Courthouse Square, Inc. for security services management (Ordinance) (Y-5)	179530
*986	Authorize Intergovernmental Agreement with the Port of Portland for exchange, acquisition and acceptance of multiple parcels of property and granting and acceptance of easements at Kelley Point Park and Columbia Slough (Ordinance) (Y-5)	179531
*987	Extend term of contract with Genuine Parts Company for Stores and Warehouse Business and Operations Services for Portland Parks and Recreation (Ordinance; amend Contract No. 35183) (Y-5)	179532
988	Authorize an agreement with Self Enhancement, Inc. to provide payment for a year round middle school program (Second Reading Agenda 948) (Y-5)	179533
989	Lease certain space in Multnomah Center to eight tenant groups from July 1, 2005 through June 30, 2006 (Second Reading Agenda 949) (Y-5)	179534
City Auditor Gary Blackmer		
*990	Clarify provisions of campaign finance fund (Ordinance; amend Code Sections 2.10.010 and 2.10.150) (Y-5)	179535
*991	Assess property for system development charge contracts (Ordinance; Z0754, K0076, T0090, K0078, T0091) (Y-5)	179536
REGULAR AGENDA		
Mayor Tom Potter		
Office of Management and Finance		
992	Establish a new City Bureau known as the Revenue Bureau (Ordinance; add Code Section 3.15.110 and repeal Chapter 3.32)	PASSED TO SECOND READING SEPTEMBER 7, 2005 AT 9:30 AM
Office of Management and Finance – Bond Counsel		
993	Authorize revenue bonds and amendment of lines of credit to finance urban renewal projects (Second Reading Agenda 953) (Y-5)	179539
Office of Management and Finance – Human Resources		

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<p>994 Authorize a labor agreement with Laborers', Local 483 - Recreation for terms and conditions of employment of represented employees in the Recreation bargaining unit (Ordinance) (Y-4; N-1, Saltzman)</p> <p>Motion to reconsider: Moved by Commissioner Saltzman and seconded by Commissioner Adams. (Y-5)</p> <p>Motion to remove the emergency clause: Moved by Commissioner Leonard and seconded by Commissioner Adams. (Y-5)</p>	<p align="center">PASSED TO SECOND READING AS AMENDED SEPTEMBER 7, 2005 AT 9:30 AM</p>
<p align="center">Bureau of Planning</p> <p>995 Grant a ten-year property tax exemption to Trammell Crow Residential for the Alexan South Waterfront housing on the block bounded by SW Moody and Bond Avenues and SW Gaines and Lane Streets (Second Reading Agenda 914) (Y-2; N-3, Adams, Leonard, Saltzman)</p>	<p align="center">FAILED TO PASS</p>
<p>996 Amend Zoning Code to clarify, simplify and streamline Environmental Zones and authorize the transfer of in-lieu fees for site enhancement to a watershed revegetation fund (Second Reading Agenda 957; amend Code Chapter 33.430) (Y-4, Adams absent)</p>	<p align="center">179540 AS AMENDED</p>
<p align="center">Commissioner Sam Adams</p> <p>997 Confirm appointment of Dennis Katayama and Jim Neill and re-appointment of Craig Thompson to the Regional Arts & Culture Council terms to expire June 30, 2007 (Report)</p> <p>Motion to accept the Report: Moved by Commissioner Saltzman and seconded by Commissioner Adams. (Y-5)</p>	<p align="center">CONFIRMED</p>
<p align="center">Bureau of Environmental Services</p> <p>*998 Accept sub-grant from the Columbia Slough Watershed Council for habitat restoration to benefit Endangered Species Act listed species at Ramsey Wetlands for up to \$45,000 (Ordinance) (Y-5)</p>	<p align="center">179542</p>
<p>*999 Authorize Grant Agreements and Intergovernmental Agreements with 14 non-profit and public entities to provide services related to the Community Watershed Stewardship Grant Program (Ordinance) (Y-5)</p>	<p align="center">179543</p>
<p align="center">Office of Transportation</p> <p>1000 Authorize Intergovernmental Agreement with the Oregon Department of Transportation to authorize the City to participate in the Local Public Agency Certification Program (Ordinance)</p>	<p align="center">PASSED TO SECOND READING SEPTEMBER 7, 2005 AT 9:30 AM</p>
<p>1001 Amend Intergovernmental Agreement with the Oregon Department of Transportation to delegate the authority to bid, award and construct the SE Hawthorne Blvd Project (Ordinance; amend Contract No. 51754)</p>	<p align="center">PASSED TO SECOND READING SEPTEMBER 7, 2005 AT 9:30 AM</p>

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1002 Amend Intergovernmental Agreement with the Oregon Department of Transportation to delegate the authority to bid, award and construct the NW-SW Naito Project, NW Davis to SW Market (Ordinance; amend Contract No. 50661)	PASSED TO SECOND READING SEPTEMBER 7, 2005 AT 9:30 AM
1003 Authorize agreement with Union Pacific Railroad Company to provide pipeline improvements for construction of the East Columbia to Lombard Connector Project (Second Reading Agenda 954) (Y-5)	179544
1004 Authorize agreement with Union Pacific Railroad Company to provide wireline improvements for construction of the East Columbia to Lombard Connector Project (Second Reading Agenda 955) (Y-5)	179545
Commissioner Randy Leonard	
Water Bureau	
*1005 Amend contract with CH2M Hill, Inc. to assist with completion of the Draft Habitat Conservation Plan for the Bull Run water supply and approve three new staff positions (Ordinance; amend Contract No. 35459)	REFERRED TO COMMISSIONER OF PUBLIC SAFETY
1006 Amend fee schedule for Land Use Services to add fees for new Environmental Violation Review and Plan check processes (Second Reading Agenda 958) (Y-4, Adams absent)	179541

At 12:57 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,
OREGON WAS HELD THIS **24TH DAY OF AUGUST, 2005** AT 2:00 P.M.

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

Commissioner Leonard arrived at 2:16 p.m.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Kathryn
Beaumont, Senior Deputy City Attorney; and Larry Sparks, Sergeant at Arms.

1007 TIME CERTAIN: 2:00 PM – Accept staff report and recommendation for Augustine Calcagno Measure 37 Claim (Report introduced by Mayor Potter; Claim No. 05-117098 PR) Motion to accept the staff report and recommendation: Moved by Commissioner Leonard and seconded by Commissioner Saltzman. (Y-4; N-1, Adams)	Disposition: ACCEPTED
1008 TIME CERTAIN: 2:30 PM – Accept staff report and recommendation for Jerry L. Ward Measure 37 Claim (Report introduced by Mayor Potter; Claim No. 05-112154 PR) Motion to continue the Hearing to November 17, 2005 at 2:00 p.m.: Moved by Commissioner Sten and seconded by Commissioner Saltzman. (Y-3; N-1, Leonard) <i>(Note: Claim was withdrawn - Development approved through Environmental Review Process)</i>	CLAIM WITHDRAWN

At 3:07 p.m., Council adjourned.

GARY BLACKMER
Auditor of the City of Portland

By Karla Moore-Love
Clerk of the Council

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

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Closed Caption File of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

AUGUST 24, 2005 9:30 AM

Potter: Good morning, everybody. Sorry we're late getting started. Before we begin our council -- regular council session, there's something that we do every week, and that is to ask the people watching, and you folks in the audience, a very basic question about our community. And the question is -- how are our children? How are our young people? The reason we ask this is because we know that when our children are well, a community is well. And so in certain parts of africa, as people pass each other in a village, they ask how are the children? And something that we want as a discussion point in Portland, because we know that our job as adults is to prepare the future for the next generation. And so what we do each week is that we invite people in from the community, experts, and today we have two experts that we'd like to have come up. Tay williams and chris fisher, please come up. I'd like to thank you folks for being here. Who did you come with today?

*****: We came with success academy.

Potter: Ok.

Harold Williams: Harold williams.

Carl Rucker: Carl rucker.

Potter: Okay, if you would start. Tell us about yourself and some things you would want the city council to know.

Ellante Williams: I'm going to be a freshman in college this year. I'm a graduate of benson high school. I will be attending clark atlanta university in atlanta, georgia. I recently joined the success academy. It's a nonprofit organization. It's basically to -- you know, to help the youth. I joined because I was in a nonprofit organization called the bridge builders, and really I want to -- I grew up not having too many positive role models, you know, and I want to be, you know, a role model to the younger children, you know what I mean, growing up in this community. I want to be able to help. You know, I was taught to reach back and give back to the community, you know, and I feel that -- i'm like the oldest right now in the -- in the success academy, so I feel that it's my place to come in and be an example, you know, to the younger -- to the youth. Really what I want to see in the community or from the city council, I believe that -- that we need help in the community as far as funding for the -- for the -- for different organizations. I feel that -- I mean, it's kept me out a lot of trouble, being in the organization that I was in. And I feel that that's a big way that you guys can help us or help the youth of the community, you know, just staying out of trouble. You notice a lot of kids being locked up a young age, and really if it wasn't for organizations like the one I was in i'd probably not be doing too well. And I mean at first I -- I mean, I have my ups and my downs, but, you know, I got my head on straight, i'm ready to attend college. You know, I mean really I think that's just something that I think that needs to be done, you know, just help, you know, with fundings and just help promotion, you know, things like that.

Potter: Thank you, tay. And when you finish college in atlanta, I hope you come back to Portland to -- to live and work here and raise your family.

E. Williams: Oh, yeah. I'm definitely going to try to -- i'm going to take care of my family, as well as try to come back and be a -- get involved in the community, trying to be an advisor in the program that I was in. Our motto was "looking every upward, reaching ever backward, and marching ever forward." you know, I was taught to keep my head up, keep moving forward at the same time, reach back and give to the community.

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Potter: Thank you, tay, very well said. Chris?

Chris Fischer: I'm chris fischer, benson high school. I'll be a sophomore. I recently, as well, joined the success academy. It's a great program. Harold williams, he's an awesome person. Everyone there is awesome. What we would need in the success academy, as well as all the other nonprofit organizations that are helping the kids and the youth would be, as you said, funding, which is something that I guess you would say not everyone can put their hands out and say "I need this much money" and someone will automatically give them that much money. You need a good reason to have that money. And I think that kids are an awesome reason for someone to need money, because if you're a kid and all you have is a program, and let's say your parents aren't making too much money, they can't afford to put you through a program that would -- your parents don't make enough money to put you through that program, so you would come to a nonprofit organizations. The nonprofit organizations are really awesome. I'm loving the success academy. It's done awesome things for me. We're playing sports in there, getting to know each other, talking about current events. It's just a really awesome program. All we would need is to be able to ask and receive on what we're asking for. So thank you.

Potter: Thank you very much, chris, for being here. Harold williams, too, could you stand up so the folks could acknowledge you as well? [applause] thanks for all you do for our community and through the success academy, you and your father, I think have done some great things for our community. I think these two young men represent what is being done in our community in terms of helping young people achieve their full potential. And I know that both of you have a lot of potential and I would hope to see you again sometime in the future to tell us about how you've done. Thank you very much for being here.

*****: Thank you.

Potter: We'll move on to communications. Hear item 960.

Moore: Do you want to take a roll call?

Potter: That's a good idea.

Leonard: Here.

Adams: Here.

Saltzman: Here.

Sten: Here.

Potter: Here. [gavel pounded] official council will start. We'll start by reading communications. Please read item 960.

Item 960.

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

Paul Phillips: Yes. I'm paul phillips. On august 3, I ready dr. Walter hales' letter to an orthopedic hand surgeon. This is dr. Walter hales, that I asked what the white lines were on the x-ray. He goes "those are growth rings." i'll read the first paragraph of his letter to the other orthopedic hand surgeon. I had a chance to evaluate mr. Philips who came to see me at your suggestion on april 26. The 45-year-old white male apparently legally blind came in concerning his painful right hand. He described it as beginning in 1991 when he was working at saint joseph's hospital in idaho. He was working, and in the laundry, he says, moving about six to eight tons of laundry a day at work, working a good 10 hours a day, six days a week, for -- for a four-year period. Suddenly without specific injury, became painful and he simply could not see -- could not want it -- could not use it anymore he states. He has had multiple workups and evaluations and treatments. I would estimate somewhere between 10 and 15 surgeons have evaluated and attempted treatment for his -- for this, including physicians in lewiston, in wyoming, pendleton and walla walla. These evaluations include an m.r.i. Done in october ordered by dr. Steven -- dr. Steve copper and read by frank erickson, which in my opinion are totally overread. They're reading way too much details into the

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findings. To make a long story short, is a difficult historian and has seemed very fixated on this going clear back to 1981, insisting on multiple evaluations and examinations. Now I asked the doctor, after he told me about the growth rings, I asked him if he knew what fraud was? And he started to shake, as much as I do from pain, but maybe he got a pain somewhere when I had asked him. And of course, mr. Mayor, as you might know, after asking about the blue alien, when you ask a stupid question you get a stupid answer.

Potter: Thank you, mr. Philips. Next item.

Item 961.

Richard Koenig: Good morning city of Portland, mayor, councilors. How you folks doing? Richard Koenig. I'll take three minutes to receive an answer to my question. How do we begin to engage in dialogue? I've read the pledge that all of you folks signed at the outset of this administration, which basically says that you're going to subscribe to transparent open government that's responsive to the public. We've got some outstanding agenda items that have been outstanding for -- I don't know -- a few years now. I'm the only one that's moving ahead toward resolving the issues. I need help. You folks are there for three purposes. You all swore that that's what you were going to do. The three legitimate purposes of government, one more time, for all those who have sworn to do that, are to provide for the peace, safety and happiness of the people. Now, in front of you today, one of the things that I picked up from the archives last week, actually from the supreme court library, I visited both, is a very interesting extract from the Oregon blue book of 1985. It describes a committee. The local court -- or the minor court rules committee. There are some interesting relationships on that page. There's some legal implications, some legal conclusions that can be drawn from the relationships of those people on that page. And I suggest that we figure out how to start talking to one another before things get further out of hand. Would any of you folks like to something how that's going to happen?

Potter: It's your three minutes, mister.

Koenig: And I'll listen for your answer for the rest of my three minutes.

Potter: If you're done --

Koenig: I'm not done listening.

Potter: If you're done talking, you're done.

Koenig: You're refusing to answer? I'm done. Thank you.

Potter: Thank you. Karla, please call the next.

Item 962.

Potter: Thank you for being here. Please state your name when you testify and you have three minutes.

Leonard: Could we have the sign removed, mayor?

Sherri Olson: I'm not Richard. I'm Sherri Olson, I live on Sauvie Island, I have two daughters that attend Pier Park pool. I'm sorry if I get emotional. That's my tendency. I've been driving a van full of kids to Pier Park pool for nine years. My kids have done swim team, swim lessons, and my oldest daughter was a lifeguard and swim instructor at Pier Park pool. We just found out it's slated to be closed. And I just think you ought to know it's a great facility with -- with really great staff. What's really fantastic there is the relationships we've built over the last nine years with the parents, the staff, the kids have gone on to do great things. You know, we travel a long distance. We've put up with the St. Johns bridge closures for three years. You know, days that the bridge is closed I live 50 miles roundtrip -- or 40 miles to get my kids there. But it's worth it. And Pier Park pool is a beautiful pool. It's got some very outstanding people. We've built great relationships, and it's what we want for our children. And one thing I wanted to mention is during the course of the swim season we travel to other pools in the city, and we see Wilson and we see the Southwest Community Center. And we don't begrudge them that beautiful pool, but we walk in and say, "wow, what a beautiful facility." and if you look at the proposed budget, it's obvious that the city also thinks they're beautiful

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facilities, and the city also believes it's important to give the children in that neighborhood that facility, but it's obvious, if you look at the proposed budget, that children from pier pool area don't get a beautiful facility. In fact, according to the proposed budget the children of north Portland aren't going to get a pool at all. And I truly believe in my heart that that's not what the city wants. And I think there's enough money in the budget for all of our children. I thank you very much.

Potter: Thank you. Please read the next item, Karla.

Item 963..

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

Ken Allen: My name is ken allen. Thank you for letting us address you. I'm a parent as well of kids that swim on the swim team for pier park, ages 14, 13, and 9, three daughters. My oldest daughter has been on the swim team there for the last eight years. And it's a wonderful place. They've learned life lessons there. They've competed against other kids, have won hundreds of ribbons and really enjoyed it there. I think it's important for you to look at the budget from a standpoint that there's going to be certain areas of the budget that aren't going to support themselves financially. They're services that need to be provided. It's not always going to pay for itself. And north Portland is -- is sort of out there by itself. And pier park, especially the pool, most of the kids that aren't on the swim team, they walk to get to the pool. You know, it's important for you to try fund all of the city's services. And I think that pier pool is one of them that definitely needs to stay. That's all I have to say.

Potter: Thank you, mr. Allen.

Whitney Allen: I'm whitney allen, his wife. And thank you, good morning, for meeting all of us. I'm going to have to read it, because i'm the least political person, that if I don't write something that's from my heart, I won't even know what i'm saying. These the words i've gathered. Good morning, my name is whitney allen. My husband and I have been using pier pool for nine years. Sorry. You said eight. We do have three daughters. He has the ages right. My goal is for you to have a better understand of why our family, understand hundreds of other families, feel the importance of keeping our beautiful outdoor pool in the beautiful north Portland neighborhood. This pool has offered our family, as well as with other families in the neighborhood, the opportunity to connect with the community in a unique level. When I say unique, like sherri olson, it's a level of commitment by family members and kids to show up there every day, particularly for the swim team. It's a family there now. It really is. And my family's been a part of the swim team at pier for the last nine years. This team has approximately over 30 kids, who meet at pier pool five days a week during the summer to partake in something they absolutely love. The coaches over the past nine years have mostly been made up of pier swimmers themselves. And these were kids who knew this pool as the neighborhood pool. We have one swim coach who used pier pool as his neighborhood pool for years. He worked at the pool while attending lincoln high school. Because of the facility at pier, and many hours of practicing, he received a full scholarship to u. Of w., also competed in the olympic trials for the summer olympics a few years back. He has since graduated and works for one of the most successful businesses in the world, and still has found time to come back and support our team at swim meets. That's the kind of commitment and the kind of people that we have working at pier who want to keep this facility open. These are the type of kids we are producing in this neighborhood -- successful kids. These kids come from sauvie island, from scappoose, top of germantown road, southwest Portland, and even milwaukie, but most of the kids in this neighborhood would have nowhere else to come come here to learn lifetime skills. I'm the parent who comes from milwaukie, and I come five days a week to support our pier pool. You may ask why I come all the way from milwaukie, and it's because it's part of being pier pool that is the best part of the children's neighborhood and for our children's part of growing up, this has been the best part of their childhood, i'd have to say, because of the level of commitment i've seen nowhere

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before. We have no starting blocks, no curtains on the showers. We've never asked for anything in nine years, pretty much. All we're asking for is to keep pier pool open.

Potter: Thank you.

Bill Thackery: I'm bill thackery. This is my daughter. My granddaughter couldn't make it, so I filled in for her. I'm going to read mine, too. It's very short. President roosevelt stood up and said in a microphone, december 7, 1941, a day that will live if infamy. Three months prior to that I started the first grade in salem. So it was doom and gloom. I remember my mom crying. It was just a bad time. 1942, we moved to st. Johns. One block from pier park. I'm telling you it was dream come true. There was a pool, there was people smiling. It was just a different atmosphere. Anyway, in 1996, whitney moved back in that area and started my three granddaughters into swimming lessons, which they've taken to this day at pier park. I would leave one sentence, and that is -- make a dream come true for some other youngsters. I should add -- that's where I learned to swim, in 1942, and improved my card, but I was given a card by the red cross for safety and all that kind of stuff.

Potter: Thank you, mr. Thackery. Thank you folks.

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

Potter: Please read the next item, Karla.

Item 964.

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

Mary Ann Aschenbrenner: Good morning, mayor Potter and the commissioners. I'm mary ann aschenbrenner. My family and I have been members of the st. Johns community for 16 years. Earlier this summer Portland parks and rec uncovered a remodel -- revealed remodel of wilson pool that cost \$3 million. And now also this summer you closed a pool in a neighborhood where 80% of the children are on free or reduced-price lunch. Many people within the st. Johns community are offended, concerned, upset, with this decision. And to that end several of us have gotten together and passed petitions around. I'm going to read a couple of the petitions to you very quickly. To mayor Potter and the commissioners, we are concerned members of the community who strongly object to the proposed closure of the historic st. Johns pier pool. We urge you to sit down with us and reevaluate this unpublicized decision. The negative impact of a pier pool closure to the already underserved community of st. Johns would have far-reaching and grievous consequences. Another petition goes thusly, as a parent, taxpayer, and citizen of the city of Portland, I insist that pier pool deserves and is entitled to the same and equal distribution of monies collected by the city of Portland parks and rec, et al, for the maintenance and repair of the peripheral facilities for the purposes for which they were collected and approved for by the citizens. It is necessary for the city council and pp&r to upheld their stated goals and policies and fulfill their promises and fulfill the obligations. Taking money from pier pool's maintenance budget and giving it to another pool is wrong. At the same time overrunning budgets for the building of wilson is inexcusable. Other petitions simply said save pier pool. There's 750 signatures here. I'm going to give them to you.

Potter: Could you please give them to the clerk.

Shawn Taylor: Hi. My name is shawn taylor. I've been in aquatics most of my life. My father, pool manager for 40 years himself. Right now I coach one of the coaches at the swim team in gresham, the mount hood swim team, and I lived across the street from pier pool from may 1993 to may 2003. A couple points. One is the presence of the kids and swimmers in that pool is much-needed in that park that's underused. Number two, in your summary, about the closure of the pool, it mentions that the pool's in poor condition. We've spoken to richard bash, one of the project managers for the pools, and he felt that the pool needed to be checked, but most of what he knew, the main issue was cosmetic probably. The pool's not that bad. During the past few years -- the past 15 years i've lived in the area, lots of pools have improved. Somebody chose not to improve

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that one. That's something that somebody could choose to take care of next time money's available.

During the -- there's a bond issue passed about 10 years ago for parks, and a million dollars slated for pier park. Some of the money could have been used then. They chose not to. I remember meetings for that, lots of people mentioning we should put the money into the pool. They didn't. Number three, it says here that the pool makes less money than the other pools. I kind of take issue with that. The pool could make -- it says here, has the highest discretionary cost per visit. Well, nobody's really -- nobody's really been on point at that pool. They have temporary staff all the time.

The program's always the same. I would say from my experience the pool could make more money. I'll give you just one example. There's no lessons between 9:00 and 11:00. That's lessons at pools make the most money, and most pools run lessons at that time. It hasn't been run there. My last point, also in your summary here is that the pool is old, like that's a bad thing. I think that's a great thing. I think we found that the pool was built in 1920. There's about five pools in the city that are still running from 1920. That's a credit to the city. Lots of people -- that means lots of people have connections to the pool, lots of people have put in time to keep those pools up all these years. It's one of my -- space into town where I have some of the -- I kind of watched that pool from out my kitchen or front porch for a number of years. Went over there and made it my space when I thought there were too many kids around, took my kids over there to learn how to swim. I'm connected to the pool. It's part of my connection to the town. Thanks for your time.

Potter: Thank you folks.

Potter: Go ahead, commissioner Saltzman.

Saltzman: Ok. Well, I realize these are usually just public comment periods, and we don't respond, but since there's been a lot of people here asking and members of council would like to know where we stand on the pier pool, they are correct, as part of the budget we adopted this year, for this year, we did include closure of pier park pool starting next year, although it's a summer pool, so effectively it would be closed at the end of the summer. That's where things stand officially in terms of our budget. I've made a commitment to many residents of st. Johns, many of whom are here today to take a second look at that issue and see if we kind find the money, the \$80,000 a year to keep pier pool open. That's where things stand. I can't make any promises, other than to say you have my commitment to try to seek funding.

Adams: And you have my commitment to support funding to keep the pool open. So that's your second vote.

Leonard: I'll be the third.

Potter: I'm not sure we're voting, but it sounds like it. [applause] I think one of the things we need to do is to look at some of the information we received in terms of the condition of the pool. I think that will have a great bearing on what will be the -- the cost of continuing the use of the pool. So our commitment is to look at those things. Thank you folks for coming in.

*****: Thank you very much.

Adams: Thank you.

Potter: Going to move to the consent agenda. Do any commissioners wish to pull anything from the consent agenda? Commissioner Leonard?

Leonard: I think it's on the regular agenda, mayor.

Potter: Oh, ok. Commissioner Adams.

Adams: I'd like to -- i'd like to pull item 981, and with council's indulgence, if we could consider it ahead of anything else, given we have a construction crew waiting, that would be ideal. Be short, very short.

Potter: He said five minutes.

Adams: Is that all right? [inaudible]

Saltzman: I'd like to pull item 971.

Potter: Item 971 as well. Anything else? Does anybody from the audience wish to pull any item?

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*******:** 970.

Potter: 970? Roll call on the rest of the consent agenda.

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

Potter: Aye. [gavel pounded] we'll hear item 981.

Item 981.

Matt Brown: Thank you, mayor. My name is matt brown with the Portland department of transportation. We've been working hard with the zidell family over the last few weeks to open up some lines of communication and to gain some cooperation from them on the lower station of the aerial tram. We've negotiated a construction easement that Karla I believe has substituted yesterday, so you have the most recent version, a signed copy of that from mr. Zidell last night. So we're ready to go. The benefits of this in front of us is that it's going to save us \$250,000-plus on the construction of that lower terminus. About four to six weeks in time of construction, and it will be a higher-quality construction process as well. So what this means, and I appreciate you doing this now, is that we can turn around, sign this, and get kiewit on digging holes on this and get the project under way. They're working on the upper station right now, and get ready to go on the lower station.

Potter: Questions from the commissioners?

Saltzman: Is there a substitute? It's my understanding that there's some amendments to specific lines. There's a memo that was given to the council clerk on that.

Moore: They were delivered in your tuesday memo. Did you get them?

Saltzman: I have them right here. Sorry, I was looking right at them.

Adams: Thanks, matt.

Brown: Yeah. Thank you.

Potter: Call a vote?

Moore: We want to move those amendments?

Adams: I move to move those amendments.

Sten: Second.

Potter: Call the roll.

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

Potter: Aye. [gavel pounded] I can hear the steam shovels now.

Leonard: We have to vote on the ordinance now.

Adams: One more vote.

Moore: Did anybody want to testify? We didn't take testimony on this yet.

Potter: Did anybody sign up?

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

Potter: Anybody wish to testify on this matter?

Adams: I just want to thank matt and staff on the marathon discussions with the zidell folks and the fact that it's come to a positive conclusion. Aye.

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

Potter: And I also want to, in addition to the staff, thank zidell for their willingness to come in to this and negotiate. We appreciate that very much. Aye. [gavel pounded] we'll go to the time certians. Is that ok with the commissioners? The first one is for commissioner Saltzman.

Item 965.

Saltzman: Members of the council, mayor, buckman is one of those pools, too, 79 years old, indoor pool, serving the inner southeast community. This area is underserved in programmed park activities and the pool adds an important amenity to the surrounding neighborhoods. If you'll remember, the pool was proposed to be closed in the parks bureau's budget submitted to us under the 5% cuts that mayor Potter had asked all bureaus to submit as the beginning of our basis of subsequent budget deliberations, commissioner Leonard and myself oversaw the parks bureau

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budget deliberations and we in fact recommended, and council ultimately agreed, that we should keep buckman pool open. However, in that ensuing time, in may of 2005, it was discovered there were some problems with the pool, that water was leaking, and we had to close the pool at that time pending further exploration as to what the source of the problems were and what the nature of the repairs would be, and we did this in full partnership with our partner at buckman pool, which is Portland public schools, which actually owns the facility. So we have moved ahead, and there's been a lot of work with my staff, commissioner Leonard's staff, has been active, and Portland public schools and parks in identifying the nature of the problems and the cost of the repairs, and the contract that we're asking you to authorize today, the \$25,000 is sort of the first step in really quantifying the nature of the repairs that need to be done. We believe, and should probably knock on wood, that the repair costs -- ultimate repair costs should be in the ballpark of \$300,000, and the subsequent exploration will indeed confirm that for us, or tell us that we have something else to be concerned about. And so with that, I will turn it over to our parks bureau, janet bebb, the project manager, robin grimway our planning and development manager, and we also have pam brown from Portland public schools here as well to answer any questions we have or fill us more in on what I just covered.

Janet Bebb: Thank you, dan. Mayor and commissioners, i'm janet bebb, the strategic projects manager for Portland parks and recreation. I'll do a very brief introduction to this topic, pass it to robin and pam, and then we'll save time for the testimony, which I know we have today. In the audience, as resources for you today, we have richard bash, Portland parks staff architect, who knows the technical details of the buckman pool. We also have nancy roth, our aquatics supervisor, who can speak to the recreation value if you need that. We also have randy webster and lydia kowalski for your questions if we need them. As commissioner Saltzman introduced this, this is a pool from 1926. It's a relatively small pool. It serves a great community purpose. The attendance is about 23,000 a year. The operating cost annually is about \$84,000 a year. And you know the history of it being closed and opened. It has levy -- park levy funding as part of the considerations. In may, it was closed due to losing water, about 15 inches were lost. We analyzed what caused that loss, and we can go into that if you're interested. It does have to do with failed gutters system around the pool edge and cracks. We did some destructive testing to look to -- to remove the cement and tile layers, to look at the interior structure, to see how bad the cracking was. We found that it's preliminarily looks in pretty good shape, but we will not know what the full repair is until we can reveal the whole cement pool. That is what the -- the purpose of the 25,000 that we're requesting today to be transferred to Portland public schools to reveal the inner layer of concrete, to look at the magnitude of cracking on that. We've had extensive discussions with the community on this since may, since that problem developed. We've gone together with Portland public schools and addressed the community and the buckman pool heroes who are here to talk with you toe. We've had three dedicated meetings where we've dealt with technical details. We've heard about recreation priorities and service priorities. I think that we've -- we've shared a lot of information about city process and we've heard a lot from the community about their priorities on this pool. Some of the things that we've come to an understanding is that the community strongly supports keeping this pool open, that there is also a community interest in the long-term solution at Washington monroe, and susan lindsay of buckman is particularly keen on that. We -- in order to fully analyze the final repair solution for buckman, we do need to look at it -- removing that cement layer. We are also clear at this point that the full -- with the community, that we have solutions that will be possible without reducing the pool size or compromising the recreation value of it. That was a concern early on, was that if we had to repour an interior pool, it would reduce the size of an already small pool. So we have confidence that -- where that is not where we're going. Finally, we plan to come back to council in october, after we have accomplished the work that we're asking for

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today, and we have analyzed the final options for the repair and then we'll come back to you again with that solution. So that's my brief introduction. Robin has additional points he'd like to make. **Robin Grimwade:** Thank you, Janet. Robin Grimwade, Portland Parks. I'd like to add this \$25,000 allocation today is an important step. It enables us to keep the momentum going to bring Buckman back into operation if Council so deems when we have the full facts before us. What also is important to add is that pools are very dear to the hearts of many, many people within the city, and we're expediting a systemwide analysis of the city's swimming pool system, and that will give Council a clear blueprint for the future. In terms of understanding what the demand for our pools is, what are the options we have to respond to those demands, what is the condition of our swimming pool system, what are those cost implications, both in terms of capital and ongoing, and more importantly how we might fund those. And that's a report that will be coming back to Council before the end of this calendar year. And I'd like to know -- just hand it over to Pam Brown, who's our partner with Buckman pool.

Pamela Brown: Mayor Potter, members of the Council, I'm Pamela Brown, director of facilities and asset management for Portland public schools. I'm here to support the ordinance that will transfer the funds from the city of Portland to the public schools for work at the Buckman pool. The transfer of funds will mark an important step in what we hope will be the ultimate repair of this pool and return it to full use by both community members and schoolchildren and their families. The arrangement follows a partnership with the city of Portland, Parks and Recreation at the Buckman pool. It is a partnership that has existed for many decades, back to when the pool was constructed in 1926. Over the years, the Portland schools and the city have had a very cooperative relationship. Owned by the district and under agreement with the city, the Buckman pool is managed by Parks and Recreation for the benefit of the Buckman community and the residents of the city. Because it is located within the school, it is also accessible to Buckman students during the day. Under our joint use agreement school district funds have been allocated for utilities and maintenance. In addition funds from our capital program were spent for Buckman pool projects such as replacing the chlorine system, replacing the hot water system for the pool and the shower rooms, seismic upgrades, a.d.a. Improvements, painting, replacing radiators, nonskid flooring and dressing room improvements. The pool mechanical system, including the circulation pumps, piping and filtration systems have all been replaced with school capital funds. This has amounted to over \$268,000. Now we face the unexpected leak. We have faced the situation in continued partnership with Portland Parks and Recreation in a very productive way. We've done this by jointly assessing the cause of the leaks, jointly evaluating alternative approaches on how the leaks may be fixed, and jointly working closely with the Buckman neighborhood association and getting their valuable input, and that's what brought us before you today. This will be the first step that will allow us to remove the tile and the concrete backing and the basic problem is that this is a noisy operation. It is important that the district complete this work before the kids come back to school so that the instructional days are not disrupted. We've also concluded that our district maintenance staff can do the work quickly before school starts. The neighborhood agrees with this approach and its timing, and we've been working closely with the neighborhood to seek a solution that would allow the pool to reopen. The Buckman neighborhood association has been very cooperative and very patient in this process, given how much they're -- given how much demand there is for the community to keep this pool open. Following our past practices on pool maintenance, we wish the school district could fund repair of this school. However, you understand the reason without my elaborating on the school's -- school district's financial condition, such as the layoff of teachers last year. In addition, our own capital funds have expired this year, meaning that the school district capital needs are being paid for with precious general fund resources. We do not have the resources to put into this pool. Yet, we want this pool to reopen, and to continue to serve the community and our school kids and their families. We understand that use of this pool may be lower than other aquatic facilities operated by

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Portland parks and recreation, and this is because it's a smaller pool, and it's not open on the weekends. But we know that this pool is very open -- is very important to users who do rely on our facilities, particularly because of its year-round availability. We want to do what we can to support those users, some of whom are families of buckman schoolchildren. So thank you for your support of this pool. This will be a important step toward the ultimate repair. We promise to do the work and a cost effective manner and very efficiently. We will undertake the work now, not only to benefit children and teachers at the school, but to assist us in getting on with this project repair. Once final decisions are made as to the best approach. Thank you for your consideration of this matter and to the benefit of the future use of buckman pool.

Potter: Questions? I had a question. What is the source of the funds? Is it the park bureau's maintenance fund or what?

Grimwade: We'll be asking council to provide that through the contingency funds.

Potter: You don't have the money?

Grimwade: Not at this time, not without compromising other services.

Potter: What's the park commissioner's feeling on the funding source?

Saltzman: I feel this is an appropriate use of general fund contingency. This is an unforeseen circumstance that occurred, and as we were adopting our budget. So I feel this expenditure is -- meets the criteria for general fund contingency. That's my opinion.

Potter: Ok. Other questions? Thank you, folks. Anyone signed up to testify?

Moore: Yes, we do. Please come up three at a time.

Potter: Please state your name. You each have three minutes.

Patrick Curtis: I'm patrick curtis. Hello, high name is patrick. For three years I sam at buckman pool swim team. This summer I had to commute to dishman and had to miss a lot of practices because it's so far away. I like how well I swam this past saturday at the city meet, but I wonder how much better I would have done if I had practice every day at buckman. I hope you will give us the funding to save buckman pool.

Potter: Thank you.

Jamie Curtis: Hello. My name is jamie curtis. I'm his older sister. I just graduated from the university of Oregon and attending the university of Portland right now to get my teaching degree. I also am a graduate of buckman elementary school. I swam there as a kid. You know, taking lessons there and as mentioned before during the school year it's used so p.e. during the winter is at the pool, and I always thought that was so cool when I was younger. As I was a teenager, the role switched. I taught at buckman for three years, and it was amazing to watch the kids grow. The year buckman was closed, I taught at grant pool, which is a completely different experience. And it made me value buckman all that much more, although I love grant. During that summer I also helped the -- coach the buckman school swim team, which was held at dishman, when it was still the buckman swim team. And a lot of the kids back there, I helped coach. I've watched them grow and continue to swim. And let's see, I just want to say how much buckman has had an influence on me today. And that these kids are smart. They can tell, you know, when -- when there's an inequalities. And it's not fair. Sorry. I know buckman isn't a pretty pool. When I -- when I worked there, you know, we had an old teacher's desk and a cash box. Other pools, you know, had the computers and everything. We didn't care. You know, like we just want our pool back. And I don't feel i'd be the same person that I am today if it were not for buckman pool. So thank you for your time.

Potter: Thank you.

John Sullivan: Ok, mayor, i'm a little bit out of sequence, because i'd like to go back to pier park pool for a minute. I signed the wrong thing, if that's ok. I have a statement i'd like to read regarding pier park, if that's ok.

Potter: How long will it take?

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Sullivan: About a minute or so. I'm here to express my opinion regarding the council's decision to close pier park pool. I'm a resident of north Portland and own a tax consulting business in st. Johns and have owned this business since 1982. Also live on north willamette boulevard and reside in the university park neighborhood. I've lived and worked in north Portland all my life, throughout this period have been dismayed as to the uneven treatment of this area of Portland by elected officials of the city. I've always been concerned about the livability of north Portland. Now I see a decision made without adequate notice to the residents of the affected area that degrades the livability of the area, deprives both children and adults of the area from a recreation resource that's been in the community since I can remember. I would guess the pool's been in operation in the late 1940's. Now I understand it earlier than that. I understand the rationale for closing the pool is the cost of operating the facility. The city that expend money to repair other pools, upgrade pools in other areas, but can close this pool, is in my opinion not reasonable. Another argument presented in the pool is the pool's not sufficiently used to warrant the continuing operation. When I was a youth and growing up in st. Johns, the pool was heavily used with no admission charge. Now a child must pay \$1.75 in order to use the facility. I questioned this, whether or not this is reasonable. I question the priorities of the park bureau. The bureau complains about a lack of funds, however is planning to build skateboard parks throughout the city. How many youths are served by these parks as compared to a neighborhood swimming pool? The city wonders why many young families move out of the city. When the city takes away even basic recreational facilities it sends a message to the neighborhood. The message is a negative one. I'm asking for a review of the decision and a review of the criteria used in the decision to close the facility. Also feel a review of the spending priorities of the park bureau is warranted. Reasons presented to close this facility are thin in relation to the loss to the community. As a business owner, resident of the community, my decision to stay in this city is influenced by the levels of support and commitment of my elected officials to share the resources of the city in an equitable fashion. I hope the city can find a reasonable solution to this and support the citizens of the year. Thank you.

Potter: Thank you. Thank you for testifying. Thank you for being here this morning. When you testify, please state your name. You each have three minutes.

Lizzie Curtis: May name is lizzie curtis. I'm 14 years old. I will be attending cleveland high school next year. I learned to swim at buckman pool. I attended buckman elementary school, so I swam while I was at school there. And last summer I was on the buckman swim team, and I swam every single day it was open at the pool. And this year i've only been to a pool once the entire summer because the closest pool is dishman. It takes half an hour to get there. And there's just -- there's nothing close to us that we can really go to. And so i'd just like you to give the funding to buckman pool so that it can stay open.

Potter: Thank you.

Jim Curtis: Hi. My name is jim curtis. I am a resident of the buckman neighborhood, been there for 25 years. I would like to start by answering the first question that you asked at the beginning of the session, as you can see from the last three people that have testified, my children are quite well, and one of the reasons that they're doing so well is because buckman pool has been in our neighborhood, and it has been an integral part of an unofficial success academy in our neighborhood. And it has been a very important attribute to our neighborhood. All of my children have learned to swim there. The buckman swim team, because it's so small, has never won any of the big tournaments, but they got the sportsmanship of the year award at the city meet every year for the last five years that the buckman team was there. Last year we swam at a buckman team, but did our practices at dishman, and still did fairly well. This year there was no buckman team. Five of the original 20 -- or the normal 20 people from buckman did swim on the dishman team, but there were no new swimmers from the buckman neighborhood on that team, which means that the -- the local residents and the younger kids just aren't coming up there. In my neighborhood, on my

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block, there are eight children who are entering the school age, and these children will never have that access to that sort of -- of activity unless buckman pool is made available and reopened. And one other point that I would like to make is it sort of surprises me that this leaking of the pool is described as unforeseen when we stopped doing maintenance on the pool and the pool should be regouted about every two years. It's been over five years since that was grouted. If you don't do maintenance on something, it is inevitable you'll have to do something repairs later on. If we don't keep buckman pool open, we're going to have to -- we're essentially stopped doing maintenance on our children, and at some point in the future we will pay for that in terms of repairs as well. Thank you.

Potter: Thank you.

Martha Peck Andrews: Good morning. My name is martha peck andrews, 2533 southeast taylor street in Portland. There's a date cast into the terracotta on the face of the school and says 1921, although janet bebb lets us know the pool didn't come online until 1926. Some people look at those dates, and say, "gee, that's sure an old school and old pool." I say thank god for the wisdom of the school board and taxpayers in the 1920's, that they were willing to make such a tremendous investment in the education of their kids. Those people back in the 1920's recognized that Portland is a pretty watery world. We have rivers, lakes. We're not very far from the ocean. It's essential that people learn to swim. It's a life skill, as well as a fun thing to do. When buckman pool was about 60 years young, my two sons, like mr. Curtis' children, learned to swim at buckman school. Thousands of kids and adults still use that facility. That the pool has lasted over 80 years is a real testament to its original design and construction, and like all worthwhile investments, just like mr. Curtis said, and he and I didn't get together ahead of time, capital maintenance is really needed from time to time. I look at this incredibly beautiful city hall. It was at the same dilemma about a decade ago, and the taxpayers and the city council made the very difficult decision to fund renovation, repair, upkeep of this facility. It's wonderful. It was the right thing to do. Now is the time to make the same reinvestment in buckman pool. I might add parenthetically I just learned about pier pool today, but I would say that neighborhood deserves the same upkeep of their facility. Maintaining one of the public pools was one of the promises made in the most recent parks levy, and buckman pool was specifically cited that it would be kept open. It's time to make good on this promise. So I ask for \$25,000 for investigation and then to follow up for whatever is needed to properly maintain and repair buckman pool. Mayor Potter, you did open today's session asking how are the children, and the answer is the children of Portland will be a lot happier, healthier, successful adults if they can continue to swim in public pool facilities and especially buckman pool. Thank you.

Potter: Thank you folks. Thanks for being here today, gentleman. When you speak, give us your name. You have have about three minutes each.

Jason Yun: I'm Jason yun.

Sam Donohue: I'm sam donohue.

Matthew Malleon: I'm matthew malleon.

*******:** I've been on the buckman swim team for four years. And all I have to say is that it's a really great swim team. I think we've won the sportsmanship, yeah, every year, a sportsmanship award, because we're a small team, and we -- out of like 16 teams, we've always placed eighth or something like that, because we're not very small -- I mean we're not very big, but we have great team spirit and sportmanship and always nice to each other and stuff like that. We all love buckman pool. So --

*******:** You guys are cool --

*******:** So don't be a fool.

*******:** And save our pool.

*******:** In buckman school.

*******:** Save buckman pool:

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[applause]

Potter: I wasn't prepared for rap this morning, but -- [laughter] it was very well done, folks.

Adams: Thank you.

Potter: Karla?

Vern Kreutz: My name is vern kreutz. I've lived in the neighborhood for over 40 years. And my father, both of his brothers, myself, all my family, learned to swim at buckman pool. I would like my children to have an opportunity to learn to swim at buckman pool. When I joined the marine corps, they didn't ask me do I know how to swim. They asked me, did I swim in the clackamas river. They asked me, did I swim in the sandy river or the columbia river. I could never have answered of those questions if I did not learn to swim at buckman pool first. As I look around the room here, I see many familiar faces, some of whom have even patrolled in my neighborhood. I believe that we can probably serve our children better by keeping them off the streets and out of trouble versus being on the streets and roaming the streets at night or in the afternoons when they could be swimming at a public facility. And so I just hope you'll be able to find the time or the ability to think about what you're going to vote when it comes time to vote for our pool. It is for the children. We like it for the children. And pretty much everything we do in our neighborhood is for the children. So please remember that.

Potter: Thank you. Would you give us your name when you testify.

Ida Donohue: I'm ida donohue. I live on 18th street. I'm three blocks away from buckman pool. I've been on the team for three years. It's a really great team. It's small, but it's a good team. We've won like -- we've been in the top eight all the years that i've been on the team, even though it's much smaller than all the other teams. Umm, i've won a lot of ribbons, and I like the team. Thanks.

Potter: Thank you. What's your name?

Monica Yun: Monica Yun.

Potter: Did you want to say something, monica?

Kreutz: Just say what you feel.

Yun: I want buckman pool to open, because I don't want to go to dishman every day, because gas prices are going up.

Adams: Very good. That's very good.

Potter: Thank you. [applause]

Saltzman: Good ankle.

Adams: Cost conscience child.

Potter: How many more are there to call after this?

Moore: About seven more.

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

Christine Yun: Good morning. My name is christine yun. Thank you once again of the opportunity for petitioning you for funds for buckman pool, this time for repairs. And that would be by supporting the ordinance currently under discussion. When my husband and I were looking for ideal places to live, we were drawn to Portland because of its unique emphasis on dense, sustainable, urban living, and it's green lifestyle. We bought into this ethic wholeheartedly. We bought a house in inner southeast. We became anti-consumerists. We religiously followed recycling instructions, even while seeing the recycling company dumped everything into one bin. We minimized our driving and increased walking and biking. We've gone dumpster diving and tried to support the local economy as much as possible. After all this strenuous idealism, we have to have fun, too, especially since we have kids. But it feels wrong, after trying to minimize our footprint, to get in the car and drive to a swimming pool. That's where you come in. We are asking you to repair and maintain a much-needed recreational facility for inner southeast Portland, which is not just buckman neighborhood, but includes hand, kearns, and sunnyside, and even people from

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northeast are there. And we're asking you to do this until a long promised community center for inner southeast Portland can be built. Doing so shows your commitment to sustainable inner city lifestyle for all of its residents, but especially families. And I also want to add, in light of the pier pool testimony, that I understand and sympathize with their concerns. I hope you will reconsider all of these pool closures, because as i'd like to quote somebody said at a previous city budget hearing, a pool is an asset to the city, and a pool should never be closed. Thank you.

Joe Meyer: My name is joe meyer. One of the many reasons I love living in this town is I can come down here and speak to you, and I didn't have to give anyone the chicago handshake. I'm speaking in favor of buckman pool. I think there are two quick reasons. One commissioner Leonard came to one of our community association meetings and said very simply this area needs a pool. That's a simple reason. The other one is the parks levy. In my mind there was a promise made to the citizens. I walk around to my neighborhoods and campaigned for that. And I think that commitment extends not only to keeping it in the budget, but also maintaining it. When it's not maintained, to repair it. Thank you.

Potter: Thank you.

Linda Nettekoven: Mayor Potter, city commissioners, i'm cochair of the southeast uplift coalition board of directors. On behalf of our board, it's my pleasure to express our full support for commissioner Saltzman's proposed emergency ordinance to allocate funds toward the repair of buckman pool. As others have already demonstrated the buckman pool is a vital resource to the individuals and families of inner southeast Portland, an area that, as all reports indicate, is consistently, chronically underserved in terms of both passive and active recreation opportunities. Within the southeast uplift coalition, all 20 of our neighborhoods support a livable inner southeast Portland with adequate recreation facilities, and a couple of years ago we united behind the drive for the city to purchase land at the site of the Washington monroe high school for a future community center. The council embraced that challenge, and especially while we worked to make that dream a reality, it's important that the buckman pool become operational as quickly as possible.

We also strongly encourage the city to increase the urgency with which you work toward securing funds to pay off the loan that the city took to purchase the 4 1/2 acres from the Washington monroe high school site, and to begin identifying funds for the community center's future construction. As you recall, there are now only two years left to pay off the loan on the Washington high school property, and whether the council approved the ordinance to purchase the land they included a stipulation that a portion of the site could be sold off to pay the loan. This would compromise the integrity of the community center plan that the neighbors and businesses in the area have worked so hard to put together. So we urge the council to pass the ordinance before you today and to increase the city's efforts to identify funds for the development of a full community center for inner southeast Portland in the near future. Thank you very much.

Potter: Thank you.

C. Yun: I just have one thing to add. We collected some petitions at the kearns neighborhood picnic, so I will enter them into the record.

Potter: Thank you. Give us your name. You each have three minutes.

Lori Epp: My name is lori epp, and I live in the pier park neighborhood, in the st. Johns neighborhood. We bought a house eight years ago -- well, first of all, let me start out saying, of total respect for buckman pool. I understand the value of having a pool in your neighborhood. And this shouldn't be an either/or. They should both be open. We both need them. I moved in eight years ago. I had heard, many people had heard, about this up-and-coming neighborhood, that the city had slated for improvement. We're putting a lot of money into this neighborhood. Families should come here. It's one of the -- there were many, many reasons to come. One of them was the pool. That park -- that pool is nestled in one of the most beautiful, most overlooked old-growth parks in the city, and it is isolated, that community it's isolated. There's also -- as far as money, you

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know, low-income families, more and more families are moving in, and those families have money.

And if they have a choice, most of them want to spend money within their area and not have to drive across town. There hasn't been much advertising on the programs of the pool. I think the pool could make a lot of money. It's a big money-maker just sitting there, but the programs are outdated. The pool itself, I don't think, is -- is that shoddy. I think it's a beautiful pool for an outdoor pool. There's not any damage to the pool. There's no reason to close it, you know, as far as technically. The old adage if it ain't broke don't fix it. Well, if it ain't broke, don't close it. My children have just learned to swim there. The pool itself, the shape, is wonderful for little kids, because there's a huge area for the kids and parents to feel safe having their children play in this very shallow area that also, you know, gets deeper as they want. They don't to worry about them going out in the deep end. There's a wall there. I mean, it's structurally wonderful for children and families. There's also programs I think could be extended, evening swims, for parents that get off work, and they get to swim with their kids when they get off work. They love it. My husband loves it. Like everybody has said, swimming is important to Portland. And I just -- it has been said by dan Saltzman himself that it is a little bit unfair to slate that neighborhood. I've also heard columbia pool's on the chopping block as well. When these pools are gone, where are people going to go? Are these kids going to bus out and go to the other pools? We love the pool. We love the neighborhood. And we than the value of keeping pools open everywhere. And the reason i'm talking here is because we were told to talk at the -- we signed up for the buckman thing. We didn't know about the pier park. We were told that at a meeting last night. So i'm sorry for the redundancy.

Potter: Are the other two speakers here about buckman or pier?

*****: Buckman.

*****: I'm here about pier.

Potter: You know, this is out of order. We gave folks at the very beginning, and that we have a very busy calendar this morning. Could you please keep your remarks brief?

Dannee Kessler: Uh-huh. My remarks will be brief. I'm an eight-year resident of st. Johns. I also attend pier pool. We're just asking the council to find it in their budget to keep pier pool open in an effort to maintain the vitality that we have in st. Johns, respect the citizens of north Portland, and to honor the growth that's occurring in the area. Thank you.

Tisa Ambrosino: My name is tisa, and I go to buckman school. And I was on the buckman swim team for a year. And now I have to go to another pool. It's kind of far away. I don't go to dishman. I go to montavilla. And it was more convenient for all of the other kids to go to buckman, because we were part of the neighborhood, and now we kind of had to split up and go different ways and all of that. And if you've got to give -- well, if you gave \$3 million to wilson to remodel it, why didn't you give some of the money to buckman pool to fix the leaks? In my mind, it's -- we're not going to have a p.e. Teacher anymore because of the budgets, but our teachers are going to be teaching p.e., but that's not the same. And also, we won't have the pool, and that's also our other exercise. And to some people, swimming's more fun than recess for exercise. Thank you very much. I appreciate you folks coming in. Thank you folks. On the remaining people, this is an opportunity for buckman community to testify. And pier will be at another time. So if you're -- if you're coming up to testify on pier, please wait for the buckman people.

Moore: Our last person is katrina sarsson.

Katrina Sarson: Hello. I'm here to talk about the buckman pool. I'm a two-year resident of the kearns neighborhood and a community swimmer. I also volunteer a lot at buckman elementary. And I just wanted to say, to reiterate how important the pool is to many different people in the community. The pool is very important to buckman students. Because of cuts in the schools, they're not going to be a p.e. instructor next year. A lot of kids learn to swim in the buckman pool, and learn skills they take into other areas of their lives in the buckman pool. It helps them build

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both physical skills and social skills. It takes a lot of courage as an adult to come up and talk in front of council, but it takes even more courage as a kid. I've been impressed throughout this process with how many kids have been willing to come up and talk in a microphone to a group of impressive-looking adults about something that's so important to them. Swimming is also a life-long skill that can keep them healthy and involved in their communities as they continue to grow and live in importantly, or wherever they live. Buckman pool is also important to the community as a whole. I as a new resident to Portland have been so impressed with the organized response to what's been happening to buckman. There's been the buckman heroes is a nice name for a group, but there's been dynamic leaders who helped organize to get the levy passed years ago and are now keeping all of us on our toes, making sure that everything that's happened today is happening because of the organizational efforts of those people who care because of the communities. Many of them have kids in the buckman school, but they also just care about the quality of life in their community. And there was at the city meet last saturday, there was no buckman team represented. And that was kind of a sad moment. Buckman has a pool. It has had swim teams in the past represented, although small swim teams, and it was kind of sad to look at the groups that were there having a great time and realize that buckman was missing because the pool was closed. I also just want to add my voice saying that it's -- I think it's really important to maintain and improve existing facilities while also keeping our eyes on the prize of the future and what we want the southeast community center to look like. We want buckman pool there to be there for now, so when southeast community center opens, there will be kids that know how to swim to use it. We also don't want to let go of the bigger vision of what southeast can look like. That's all. Thank you.

Potter: Thank you very much.

Moore: That's all.

Potter: Ok. Is there anyone who wants to testify who didn't sign up about buckman? Ok. Any further questions from the commissioners? Please call the roll.

Adams: I want to thank commissioner Saltzman for bringing this forward. I want to thank the Portland public schools for your partnership on this. I want to thank the advocacy of the neighborhood to keep this issue in front of us. And i'm very happy to vote aye.

Leonard: I do really appreciate commissioner Saltzman's work on this, but the community shouldn't have to work this hard to keep a pool open. We shouldn't put people in a position to fight for something that I think should be a frontline service along and equal to the importance of keeping fire stations open and police officers patrolling our streets. I just see having recreational opportunities such as pools in neighborhoods as part and parcel of this council's effort to create an environment for kids to prosper and do well. We can do better as a city than I think what has brought us to this point, albeit a good point, and i'm happy that we're here, but I would hope in the future these kinds of decisions are made as a last resort. And I fear that it was not, but I am heartened by the leadership of commissioner Saltzman hopefully to turn this around for other communities particularly pier park next year. Aye.

Saltzman: Well, I want to thank the parks bureau, the Portland public schools and buckman neighbors for working together to get us to this point. And commissioner Leonard's office was very active as well, as was the entire council, in making a decision in the budget that we're going to keep buckman pool open. So I think, you know, the good news here is maybe lost in the testimony, but it looks like this -- this sounds like last may when we were having our budget hearings. We've decided to keep the pool open under our current estimates of what we believe the repair costs are going to be. Certainly if the repair costs balloon, that's going to require the council to make another decision. If we do the first step, and find out the repair costs are as we anticipate to be in the \$300,000, then everything's a green light and a go. Certainly if we encounter uncertainties, and once you start peeling away things and actually taking a look, sometimes your assumptions can change dramatically. If things do change dramatically, you know, we will be back here as a council

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deciding our investment in the buckman pool and to what magnitude and how does that affect our planning for the southeast community center nearby. As I said, right now everything is a green light and a go, but we need to be mindful of what we might find as we get into this further. There's been a good spirit of cooperation and understand on all sides, and let's keep that going as we move forward. Aye.

Sten: It's been a pleasure working with the buckman neighbors and swimmers and advocates. This is just a necessary step. I do hope the estimates come out in a way that we can keep moving and get this done. It's a pleasure to vote aye.

Potter: I too would like to thank commissioner Saltzman. And at one point also commissioner Leonard. At one point he was going to make the repairs himself. If this comes in high, we may want to take him up on that.

Saltzman: Yeah, we haven't ruled that option out.

Potter: I do especially want to thank the children who came in today. Thank you very much. You did an excellent job. That rap song will continue to go through my head for some time. I vote aye. [gavel pounded] [applause] please read the next item.

Item 966.

Adams: If will and his team would come forward. We're going to be brief, but we want to make sure that folks know what's going on in some neighborhoods around Portland. Over the past few years, a number of neighborhoods worked with pdot to identify ways of applying speed bumps to higher-volume streets while meeting the other safe goals. In 2004, the city council adopted a resolution allowing for three demonstration projects, and this resolution approves three neighborhood demonstration specific projects, southeast 21st avenue is what we're going to hear about today, and what's different is that these speed bumps are going to be on the higher-volume streets. For many Portlanders who might not have ever encountered a speed bump, they're going to be encountering them now in these neighborhoods. So it's a pleasure for me to highlight the good work that's been under way by will stevens at pdot and his team, and along with the great partnership of our neighborhood leaders.

Will Stevens: Good morning, mayor, commissioners. I'm will stevens with the office of transportation. We're here today as sam mentioned to discuss the southeast 21st avenue high-volume speed bump project. Joining me are southeast 21st avenue resident mark lees, one of the project's principal proponents, and linda nettacoven, vice-chair of hand, the hosford-abernethy neighborhood development group. We were anticipating a member from people's food co-op to join us today, but I don't believe they could make it. It's worth noting that they've played a key role in supporting this project. Before beginning our brief powerpoint presentation, i'd like to recognize an individual who could not be with us today. That's chris icamp. Former 21st avenue resident and former city employee, chris recently moved to germany to -- for a very unique career opportunity. I think mark and linda would join me in saying that without chris' steadfast, dogged leadership on this project, it simply would not have come to reality. Chris is owed much of the credit for the shepherding of this project and for it to get to this point and becoming reality. I'd also like to take this opportunity to recognize mayor Potter and commissioner Adams. Though the impetus of the project was launched on mayor katz and commissioner francesconi's watch, it was really your offices that got us to the finish line. We appreciate that. Thank you. As commissioner Adams mentioned, neighborhoods approached -- residents approached pdot in 2001 to address a real traffic safety issue. Unfortunately at that time pdot did not have a program, a policy by which we could fit the southeast 21st avenue issue into it to address it. The street did not qualify, because the traffic volumes exceeded the 4,000-vehicle per day volume cap, and that cap essentially was put in place as part of our streamline speed bump project -- program projects to ensure that other streets did not incur unintended consequences by shifting the traffic problem to adjacent streets. And the key point there is -- is to mention streamline. We have various different programs within pdot to

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address traffic calming services. Most predominant service that we employ is the streamline program due to staff resource -- limited staff resources and city budget. Most of these projects that come before you are either fully funded or partially funded by the neighborhood. This particular project is fully funded by the neighborhood. When we're asking neighborhoods to pay for their project, we simply -- and we have limited staff resources -- we simply have an inability to -- and for us it doesn't make sense to pass along very expensive financing of projects that are of much higher involvement level and have much more complexities. So we generally use a streamline approach when addressing these type of traffic safety needs. With that said, the neighborhood was not willing to accept that we didn't have the resources, nor the commitment to address their project. They approached city hall and they worked diligently with city hall to find ways to provide leadership, to solve their traffic problem, and to bring -- restore neighborhood livability. We also heard from other residents throughout the city that shared similar concerns. Folks from southwest palatine hill roads, southwest lesser roads and northwest germantown road. As a result pdot forms a working group of staff and residents to develop a strategy to address these ongoing demonstrated traffic safety problems. In august of last year city council adopted a resolution to allow for three demonstration projects under this high-volume street speed bump process. In those demonstration projects are the southeast 21th avenue project, southwest palatine hill road, southwest lesser road, and will bring back to council an amendment to add northwest germantown road, a project that commissioner Adams may recall. Let me tell you a little bit about the neighborhood. The neighborhood is a shared neighborhood. This is a neighborhood with an immense amount of -- of vitality -- business vitality. This is the -- if i'm not mistaken, looking north from powell, and you can see businesses on your left and right. This is the view from division looking south. Again businesses on your left an right. There's also businesses dispersed throughout the neighborhood down the street, principally by clinton street where peoples food co-op is located. And these are -- this is an example of the neighborhood businesses that share this neighborhood.

Leonard: You left out the most important one -- the clinton theatre, where "the rocky horror picture show" plays every saturday night at midnight.

Stevens: I did set an example. Thank you for pointing that out.

Leonard: You're welcome.

Stevens: What was the problem? What was it that we were trying -- that we in the neighborhood were trying to address? Quite simply speeds. We weren't attempting to address the volumes on the street. We don't want to shift the traffic to other adjacent parallel streets. We simply want to have the traffic that uses 21 to travel at a safe traveling speed. The 90th percentile in both directions is 32 miles an hour. That means that you have 10% of the traffic that's traveling over 32 miles per hour. Now, I think that's actually a more salient point. And the percentage of traffic that's traveling at 10 miles or above the posted speed limit, which is 25, and noted on the slide here, is 3.8%.

Potter: You probably meant woodward avenue, didn't you?

Stevens: Yes, I did. Yes, sir.

Potter: Ok.

Stevens: Yes, I did. And here's an example of what these speed bump projects mean to neighborhoods streets. One of the demonstration projects that i've mentioned is southwest palatine hill road. We recently implemented speed bumps on that street last year. You can see we've had a dramatic reduction in the traveling speed of vehicles on the street. Prior to the implementation of speed bumps, we had 39-mile-an-hour 85th percentile speed with 46% of that traffic going a minimum of 10 miles above the posted speed limit. After speed bumps, those dropped dramatically. Those numbers to 30 miles an hour for the 85th percentile speed, but more dramatically it was the 10-plus over at 1%. Why does this matter? It matters very simply because it provides safety for all travel modes. Motorists and bicyclists and pedestrians. If pedestrians are struck at 20 miles per hour, they have a 95% survival rate. If they're struck at 30 miles per hour,

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that survival rate drops -- or increases I should say -- or drops -- pardon me -- drops to 60%, and it drops even more dramatically to 10% when struck at 40 miles per hour. What's worth noting here, though, is that when struck at 30 or 40 miles per hour, you may walk away from the accident, but walk away with life-altering injuries. Your life will most likely change from that point forward. Our project -- those are very simple. They're to reduce traffic speeds, improve pedestrian and bicycle safety, and enhance the overall neighborhood livability of the project. The project went through a number of outward processes to get to this point. What's unique about this particular process is we've added several different layers of approval steps in the process. With the typical streamline process, we only ask that the residents that live on the project street sign a support petition. However, with these high-volume street process -- projects we ask a lot more of the neighborhood. We involve a larger shed of the neighborhood, what we call the potentially impacted -- potentially impacted area of the project street. We require that the neighborhood submit a neighborhood petition, interest petition, prior to launching a project. We need to understand -- the reason for that is we need to understand that the neighborhood is in support of initiating discussion and conversations around these types of projects, because they can be controversial at times. We also provide notification to residents within that large shed area of public meetings and the other approval processes, one that includes an endorsement letter by the neighborhood association, indicating their support for the project. The important point that makes is that neighborhood association doesn't just represent the residents on the project street, but they represent the larger neighborhood. And the larger neighborhood has an opportunity to voice their opinion and concerns in support of the project to the neighborhood association board. And that neighborhood association board endorsement letter is the mandated approval step of the process. In this particular case we did receive the mandated approval pieces, and it's worth noting that this project petition garnered an 80% approval rate. Our last and final step in the approval process is this hearing today with council here. Staff recommendation is to improve the southeast 21st avenue/division avenue project from division to powell, and allow the implementation of speed bumps.

*****: This issue received more than one briefing on this issue.

Adams: I'm hearing voices. I don't know about you.

Leonard: I didn't hear anything.

Adams: You're just jealous that the voices are talking to me. [laughter]

*****: Mayor and commissioners, i'd like to turn it over to them to provide comments.

Mark Leece: My name is mark lees. This is my second time before the council. We were here last august to petition for support of the pilot project. I've been working on this project with will and chris icamp for the last 4 1/2 years. We came to the city in -- in 2001 to talk about street safety issues and concerns for pedestrian, bicycle and car safety on southeast 21st. We learned quite a bit about the process. Some of the constraints around the process. And worked with will and the staff over the next three years to find a solution to handling traffic safety on higher-volume streets. Our - - you know, our goal here was to really provide -- it was a safety issue. It wasn't so much volume or anything else, but it was purely a safety issue. Southeast 21st, where I live, is very active pedestrian and bicycling street. We have many businesses in the neighborhood where people, you know, just walk from their residences. There have been recent development in the division area, new seasons opened up a new market about five blocks away, and so it's become more of a -- a center. There's a lot of -- you know, with that comes traffic, but also brings a lot of people by bike and car and other means of transportation. So with the city and will and mark leer, we've put together a -- or they did -- put together a plan, which now we've gone through the process through this pilot program and are here today to request the board -- or the council's support of endorsing the project on southeast 21st. We have broad support throughout the neighborhood. A few years ago we collected over 500 signatures during one weekend in support of this project, and I think that

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support is only grown as we've become much closer to implementing the project. So i'm here in support of the project, as one who's worked for many years with the city to get here. So thank you.

Potter: Thank you.

Adams: Thank you.

Linda Nettekoven: I'm linda nettekoven, vice president of the hosford-abernethy neighborhood association. Hand would like to communicate its formal support for the speed bump project on southeast 21st avenue between division and powell boulevard. Our neighbors, including several hand board members, have worked very hard for many years to collect signatures, hold meetings and fundraise to make this project a reality. As will indicated, members of our neighborhood association have also worked with the city to craft the high-volume speed bump policy, which allows the installation of speed bumps on higher volume streets such as southeast 21st, and appreciate the office of transportation's willingness to work with us on this approach. We are also very sensitive to our neighbors living along nearby streets who have expressed concern about our traffic -- about traffic diversion as a result of the speed bump installation, especially those living on or near southeast 25th and 26th. Because the policy -- because this policy calls for careful measuring of project impacts before and after speed bump installation, we are confident we will be able to pinpoint negative impacts should any occur. Item 17, project mitigation from the high volume speed bump policy states that regardless of any -- of project outcome, the city will not be responsible for mitigating any diversion impacts resulting from speed bump installation. We understand that as a result of our project, this particular language will be modified in the near future. We do not expect the city to give neighborhoods a blank check when it comes to mitigation burke we do feel strongly that the city and affected neighborhoods should be able to come together to find ways to address unanticipated problems resulting from speed bumps. For at least the past 10 years, our neighborhood association has worked to address traffic problems holistically. Our goal has been to avoid pushing traffic problems from one street to other or into adjacent neighborhoods. We're approaching the 21st avenue speed bump project from this perspective. Hand would like to go on record once again to express our commitment to work with our neighbors on southeast 21st, our neighbors on the nearby streets, and the office of transportation to ensure a successful project. We remain committed to help address any negative impacts should any occur. We would also like to take this opportunity to express our appreciation to will stevens from the office of transportation for all the assistance he's given our neighborhood with this project. Thank you very much.

Potter: Thank you.

Adams: Thank you very much.

Potter: Any questions? Thank you. Is there anyone signed up to testify?

Moore: There are. Thank you folks for being here. When you testify, please state your name and you each have three minutes.

Steven Austin: My name is steven austin. I've lived in the neighborhood with my wife for 25 years. And a few blocks away for 20 years. And i'm opposed to the speed bumps, and everyone on my block is opposed to the speed bumps. And their reasons are different from mine, but I should state their reasons. I live on southeast 25th, it's a north/south street, some of the traffic will inevitably be diverted to our street. That is their concern. I don't personally share that concern, because it seems to me the folks on 21st have as much right as the people on 25th. My concern is that when these speed bumps are installed, maybe if you're driving a full-size buick you can go over them at 25 miles an hour, but most of us in the neighborhood are driving toyotas and hondas, and when you go over these speed bumps you cannot do 25 miles an hour an get over the speed bump with your shock absorbers in one piece and your back in one piece. So what it means is that people have to slow down to 20 miles, 21 miles an hour, and then speed up to 25, hit their brakes, and slow down at 20 miles an hour. And the net effect -- and I understand from the people that presented just

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before me -- is not to reduce volume, but that is the effect. If you want to see it, just go to clinton or go to the lincoln/harrison corridor where speed bumps have been installed, and what's happened is very few cars are using those streets anymore. And the traffic has been diverted so that the already overcrowded streets of powell boulevard and division are now in worse shape than they had been before those speed bumps were put in. And the same thing will happen if these speed bumps are put in on 21st. There will be more traffic on 11th and 12th, more traffic on 26th. I'm not personally so concerned about my own block, but in helping the people on 21st you'll be hurting the entire community, because the overcrowded north/south corridors will then be further overcrowded and more and more cars are being diverted to fewer and fewer streets. Obviously the speed bumps will slow down the traffic, and obviously slower speeds means the kinds of things that we were told, but on the other hand if you lower the speed bump -- if you put speed bumps on powell boulevard you could keep people from getting hurt there as well. I mean, there's a point where reason has to be considered. I think the effect here will be to hurt the entire neighborhood, despite what we've heard mostly from people who have lived -- who live on 21st, who obviously will benefit, for the sake of benefitting the people that live on 21st. Thank you.

Amy Harwood: My name is amy harwood. I live on brooklyn street, just off of 21st. I don't actually live on 21st. I became involved in the project, in support of it, after watching a driver go fast enough down 21st, that when he compensated to almost hit a car, he actually flipped his own car, he was going so fast. So I watched that. I can see 21st from my house, and I watched that happen. I mean, i've seen people going too fast down that street before. And that was just sort of enough for me. So I actually just wanted to sort of mention the fundraising aspect of this project, that -- you know, there's so many reasons to put these bumps in. I'm quite sure, you know, it's -- I mean, you want to support the safe, you know, neighborhoods, and I just want to say that in terms of the fundraising it's been amazing to watch this community come together. And we have been working for the past few months to make sure that we actually can deliver on that fundraising goal, because it is pretty large. I mean, \$10,000 is small for a city budget, but pretty large for a community to come together and raise that money. And we have reached our goal through commitments from the businesses and neighborhoods around that area with effort, but a lot less than I think all of us anticipated. And it's been really exciting to see that come through. I think that it's never ideal to put that weight on a community, but when it gets to a point that it's gotten in our community, you know, I think people are pulling together, and it would be really devastating to have this not go through at this point now that we've put this much effort into it. So thank you so much.

Potter: Thank you.

Lael Easton: I'm lael easton. I would like to thank you for your previous support of this project, or all of the pilot projects for speed bumps. And thank you for letting us be here today. I am in support of the projects. I live on 21st. So i'm one of the biased people who lives on 21st. I also work on 21st. And there are lots of businesses and more are coming every day. If you've been to our neighborhood lately, we have several developments that are just about to get filled up with hopefully really cool businesses. People who live on 21st, but those that don't, and people are lucky we can walk to grocery stores, "rocky picture horror show," pubs, restaurants, etc. We've seen lots of things where people come out of these businesses, and especially honestly people who don't live on 21st are less used to the speeding, and they don't expecting the racing, the drag racing down 21st. There have been a lot of near misses that really kind of make the hair on the back of your neck stand up when you witness them. So i'd like to ask you to support this project. And we are happy to help work with neighbors who have concerns about other -- you know, problems that might arise, but really think the speed bumps will benefit everybody in our neighborhood. Thank you very much.

Potter: Thank you all for being here.

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Moore: That's all who signed up.

Potter: Ok. Commissioner Adams?

Moore: I'm sorry, was there a joe haggadorn? Sorry.

Potter: Please state your name when you testify. You have three minutes, sir.

Joe Hagedorn: Thank you. Joe haggadorn. And i'm a resident. I'll be brief. I think everyone's really covered the comments that I would like to make. I live on the north side of 21st. And what I think about this -- what's really unique about this neighborhood is it's very mixed. There are a lot of shops that are coming in, and as -- if you visit the neighborhood, you know that the neighborhood is -- has grown dramatically recently. But on my side of the neighborhood, there's also a good mix of renters, there's a good mix of -- there's some disabled people. A lot of elderly people on 21st. So it really is a neighborhood that has a good balance. And it also is a neighborhood that really relies -- it's going to be a great walking neighborhood. It already is a great biking neighborhood. And people are really committed to the alternative transportation. So I just wanted to echo the remarks that everyone else made and to thank you for considering this. And I just think it's a great project. Thanks.

Potter: Thank you. Anything further? Go ahead.

Adams: Well, just to answer one of the concerns raised, these are demonstration projects, and we will -- we have set up the demonstration projects in a way that we're able to measure displacement. And we'll be able to monitor that on a factual basis in addition to just the impressions that people have. So the reason we're coming to council is because there are concerns. I'm very supportive of this, but I wanted there to be no surprises to folks that use that street, or to the community as a whole.

Potter: Other discussion? Karla, please call the roll.

Adams: Again, I just want to thank the good team of pdot and the neighbors and businesses that have been involved with this. The folks that have stepped forward and funded it. This is not being paid for with tax dollars. Also just wanted to note that on october 4 we're going to be holding the city's first transportation safety summit that will include all modes of transportation and also look at dangerous intersections and streets around the city and come up with concrete action items to address those issues. So I look forward to that. That's being handled by this group of folks at pdot as well. Good work. Aye.

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

Potter: Did you say concrete ideas? [laughter]

Adams: There's more than one definition.

Potter: I think this is a great project. I'd certainly like to see more of these demonstration projects around Portland. I happen to live on one of the raceways in southeast Portland. And would love to have one on my block, but I think this is a great way to demonstrate to the citizens the value of these projects and certainly the hosford-abernethy area is a great partner in all of this and wish to thank everybody. Aye. [gavel pounded] ok. That's the last time certain. Move to the regular agenda. Commissioner Adams has asked to have the racc appointment folks come in and be appointed.

Leonard: Were we going to do the consent items that were pulled?

Potter: That goes to the end of the regular agenda.

Leonard: Oh, it does. Ok.

Potter: Ok. Go ahead, commissioner. We have to read the item.

Item 997.

Adams: If the designated appointees and eloise would come forward and take the chairs. And eloise, do you want to give a brief introduction and we'll go from there?

Eloise Damrosch: Sure. Thank you. Good morning, mayor Potter and commissioners. I'm the director of the regional arts and cultural council. I'm pleased to have two appointees with us today.

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Craig thompson was not able to join us. He's being reappointed, we hope, this morning. One thing I would just say, before I ask the potential appointees to say a few words is how really pleased I am that these three gentlemen bring to the board not only their passion for the arts and their experience on various arts boards, but also their connections to the business community to our very important partners like pova and northwest b.c.a. and all three of them have been active with those organizations. So it's -- it's not just what they bring to racc in their love for the arts, but their real work experience.

Jim Neill: My name is jim neill, one of your appointees. I'm a fifth generation Portland resident, all east side by the way.

Leonard: All right.

Neill: I've served on a series of different boards in the community. The arts boards have been the Oregon contemporary theatre, Portland civic theatre, rose festival association, friends of performing arts center, most recently the mount hood museum and cultural center in government camp, which I would tell you all to drop by government camp one of these days. You won't recognize it. My simple goal to be on this board is just help make a beautiful city even better.

Adams: And it was a close call, but you're a graduate of Oregon state university, is that right?

Neill: I am. From jefferson high school, Oregon state, and willamette law school.

Adams: So as a duck, we sort of overlook that for now. Thanks.

*******:** What was the question? [laughter]

Adams: Why you're interesting on serving on the racc board?

*******:** Oh.

Potter: Please state your name your name, sir.

Dennis Katayama: I'm dennis katayama. I was born in california, so i'm not a native Oregonian, but i've been here for over 35 years. I've had a picture framing business in Portland for 25 years, katayama framing, and always had a simple goal, and that was to make the very best picture frames.

I served on the racc grants committee two years about six years ago, and one of the things that I really thought was wonderful about racc was their ability to distill down the needs and wants of arts organizations and to give money to the needy and to allow them to become better and better. What i'm looking for in working with the board is to look at arts organizations in a little bit different way.

As an analogy, I volunteer for a nonprofit -- a brand-new foundation that was just started recently called urban gleaners, and their premise is to collect food from various grocery stores and restaurants around the city and to distribute that food to the likes of the blanchett house, who feeds the needy and homeless. Very simple, very important work. When I was working with racc, I felt like there was need for looking at arts organizations in a little bit different way, to look at them as organizations that are maybe a little oversized and to -- so my belief is that there's some simple solutions in arts organizations to find like urban gleaners, to be able to make things simpler and make them more efficient and to utilize their money better. And I think that through racc i'll be able to -- to do this.

Adams: Thank you.

Potter: Other questions? We need a motion to accept the report asking for the appointments.

Saltzman: So moved.

Adams: Second.

Potter: Karla, please call the roll.

Adams: Want to thank you for your willingness to serve and I want to thank eloise for your continued excellent leadership. Aye.

Leonard: Aye.

Saltzman: Thank you very much. Aye.

Sten: It's a great group. I'm glad you're joining us. Aye.

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Potter: I want to thank you folks for your willingness to do this, and eloise for bringing them forward. Aye. [gavel pounded]

*****: Thank you.

*****: Thank you.

Adams: Thanks.

Potter: Item 992, please read it.

Item 992.

Potter: I'm pleased to bring this forward, an ordinance today that will create a new revenue bureau.

In april we asked a group of bureau managers and council staff to a lot a series of outstanding questions regarding the proposal for the revenue bureau. That group completed their work and reported to me in early july. This ordinance was part of the process reached during the budget process, a way of achieving several goals. First, improving the city's ability to be more responsive and better serve the people of Portland, whether in person, over the phone, or via the internet. Second, creating in a sense one-stop shopping with easier, more centralized access for citizens, businesses and other jurisdictions to do business with the city. Third, consolidating and strengthening our ability to collect revenues in a timely, efficient manner. And third, or last, achieving ongoing savings in the city budget by streamlining how we do business. There's two major pieces of this proposal that have been discussed that i'd like to clarify. First, this new revenue bureau will exist as a bureau within o.m.f. and will consolidate our utility customers services work group. Our bureau of licenses and a portion of assessment and liens from the auditor's office. Most efficient placed to house some regulatory functions remain a question that we will answer down the road as we implement these changes. Creating this bureau will require we spend \$600,000 of one-time monies to fund immediately improvements to both licensing and the utility billing systems. That is \$200,000 less than originally projected and will allow us to fully operationallize at the end of this fiscal year. More importantly, this money will allow the system upgrades that will allow real improvements to customer service. I've asked tim grewe to provide more background.

Tim Grewe: I'm chief administrative officer for the city. Mayor Potter, you did a very good job of giving background, a summary of the actions before the council today, so I will be brief. You've had a long morning and more business to do today. I want to focus on the findings of the work group that the council asked be formed to go through issues that had not been resolved last time this issue came before council during the budget process. That work group consisted of the affected bureau managers for this bureau, and also consisted of the customer bureau managers, in particular the bureau of environmental services and the water bureau. And it also included labor representatives. They were the ones that sat down, discussed the issues, reviewed the options, and tried to come -- to a consensus, and I should point out that there wasn't always consensus in the form of 100% than but did try to come to agreement on how to move forward with this bureau. So let me briefly go through their recommendations or their findings. The group found that the initial bureau should focus on revenue collections. You may remember that was proposed that the bureau of purchasing would be folded into this bureau. The group feels that would detract from the overall mission of the bureau and recommend that we stay focused on the revenue responsibilities. They did say that we should review later on inclusion of other service areas in the city. A particular cable, the l.i.d. functions in the auditor's office and foreclosure, but those should not be incorporated at the outset of of the process. So those would be reviewed over the next two years to determine if there's benefits to including them in this organization. And they also concluded that we should go ahead and form the organization, and then deal with the matter of efficiencies, and also the transition of positions in the new organization, that the management team ought to be responsible for making those things happen. And on the efficiencies, it was recommended that the management team should be charged with coming up with efficiencies equivalent to what was recommended in the consultant's report that they thought could be achieved within this organization. So we would

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be charging new management team to do that on behalf of the council. And they did, as the mayor suggested, and although there wasn't consensus on this matter, did agree that it should be located in o.m.f., which was consistent with the mayor's executive order earlier in the year. I did want to talk a little bit about the one-time expenditures, because I think this leads to some exciting prospects, and I want to come at that from the viewpoint of the customer. What will be different after these improvements are done, in terms of how our customers are transacting business with the city. First and foremost we will finally be able to do automatic check payment for not just business licenses, but also our utility bills and probably other services within the city. So just like many people at home do, you will go in to your account at your bank, and designate an automatic payment to a particular account in the city. Thereafter, the utility billing system will automatically pay -- charge your account and it will be basically a paperless process from that point on. We will also have the capacity to do credit card payments. I want to footnote that. We need to be somewhat cautious as we move into that area, because every credit card transaction has a fee attached to it. And we're assessing other cities right now to determine the magnitude of the cost of implementing that, but regardless of that we're almost at the point right now of having credit card payments available for those who have no other means of paying their water bill. Another important thing we will have at the conclusion of these e-commerce actions is the ability to do online filing and payment of taxes. So think about business license. A business will be able to go on the computer and actually complete their application for a business license. We're also hopeful that we'll be able, in the near future, to request water services via the internet rather than having to come downtown, face to face, to request services or make a telephone call to do so. And we will also be able to provide online account access for our customers. So using business license as an example again, people who have made payments, want to make sure that payment got received, would actually be able to go into their account on the computer, and verify that the account has been paid. Or to get status information on their account. So those are the improvements we contemplate doing. The good news is we believe that those can successfully be implemented by the end of this fiscal year. And I should point out, when we did our analysis on the return of investment for these improvements, it's very clear to us that no more than 24 -- 24-month period we will be able to recover that initial investment of \$600,000. How? Well, one thing that happens here, when you go to e-commerce, is you transfer some of the workload to the customer. And the customer is ok with that, because it's more convenient for them to transact business. That means we have less hands on the transaction. It means that we have less paper. We have less printing of bills. And the list goes on from there. So efficiencies naturally get created that way. We will also be able to deposit funds for the city faster than we can do right now. There should be no reason, when we're doing e-commerce, that payments to the city aren't deposited within a 24-hour period. We'll make more interest on that money coming forward. The transfer of workload to our customers, efficiencies, and improved cash flow management should far exceed the one-time investment we're making on these improvements.

To summarize, we're asking you to basically take four actions through approval of this action. We're asking you to amend the code to create the bureau. We're asking you to authorize the adjustment of the budget to reflect the creation of the new bureau. We're asking you to authorize us to proceed with these e-commerce projects, and the action will also create the new bureau director position. I'll stop there and answer questions. I have staff available here to assist with your questions as well.

Potter: Questions from the commissioners? Thank you.

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

Potter: Is there anyone signed up to testify on this?

Moore: No one signed up.

Potter: Ok. Is there anyone who wishes to testify who didn't sign up? Ok. This is a nonemergency, and move to a second reading. You know, the date on that?

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Moore: Back next wednesday.

Potter: Ok.

*******:** Karla, i'm not sure there's a quorum next wednesday.

Moore: I have three people next wednesday.

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

Potter: Ok.

Adams: I'm gone next week, right?

Moore: Yes, you are, you're gone wednesday. You and commissioner Saltzman are gone.

Potter: Are you here next week? Ok.

Moore: So we will have brief council. Ok.

Potter: Read item 993.

Item 993.

Potter: It's the second reading and a vote only.

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

Potter: Aye. [gavel pounded] please read item 994. It's emergency vote.

Item 994.

Ed Rutledge: Good morning. Ed rutledge, labor and employees relations manager. This ordinance will ratify from the council's perspective tenants of agreement with local 483 that represents this particular bargaining unit of 84 employees. If you're one of those 84 folks, this is an important contract for you. The local 483 has ratified this agreement and so it's appropriate for council to take action at this time. We recommend that this tentative agreement be ratified.

Potter: Any questions?

Saltzman: Could you explain? It says that this agreement makes improvements in the administration of health benefits, further facilitates strategic response to escalating health insurance costs, increased city contributions, adjustments the mechanism for employee participation. Could you elaborate on those per our december 2004 principles?

Rutledge: Yes, I could. Thank you. What this tentative agreement does is takes us out to the end of 2006-2007. In 2006-2007 we're going to move from the status quo storm system that we have -- system that we have similar to what we just ratified with copia, and reflective of what is going on with the p.p.a., the police officers contract. What goes on after the 2006-2007 year will, again, have to be -- both council and the labor organizations across the board are going to have to get engaged in how we handle healthcare costs, and the split of those costs from -- in 2007-2008 and beyond.

Saltzman: So it's 95/5, and there's no splitting of the cost above the premium?

Rutledge: That's correct. For 2006-2007. 2005-2006 is the same system that we have right now with all the other organizations, except for p.p.a. P.p.a., as you know, is a 95/5 this year.

Saltzman: Council principles we adopted in 2004 I believe reflected a 95/5 split, but also a 50/50 sharing of the cost above the premium, right?

Rutledge: Yes, it did.

Saltzman: That's not reflected in this agreement.

Rutledge: That's not reflected in this agreement.

Potter: Other questions? Thank you. All right. Karla, is there anyone signed up to testify on this?

Moore: No one signed up.

Potter: Ok. Is there anyone who wishes to testify who didn't sign up? Now, this says it moves to a second reading. We vote today, don't we?

Moore: Yes, it is an emergency ordinance.

Potter: Ok. Karla, please call the roll.

Adams: Ed, thanks to you and your team. Aye.

Leonard: Aye.

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Saltzman: I roughly will vote no, because I do not feel that this has meaningful cost containment provisions for healthcare insurance.

Sten: Aye.

Potter: Aye. The vote does not carry?

Moore: Right, it doesn't.

Saltzman: You have four votes.

Moore: It's an emergency.

Ben Walters, Office of the City Attorney: It's an emergency ordinance. It has to be unanimous of all those present.

Leonard: We can take out the emergency clause and pass it next week?

*******:** Pass it.

Leonard: Do I have to move to --

Walters: The prevailing party in this instance would be commissioner Saltzman.

Saltzman: Move for reconsideration for the purpose of removing the emergency?

Walters: Right.

Saltzman: I would make that motion.

Adams: Second.

Potter: Karla, call the roll.

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

Potter: Aye. [gavel pounded] will this be moved to next week?

Moore: Yes.

Leonard: Wasn't that just a vote to reconsider? Now we have to vote?

Walters: Yes.

Moore: It's a nonemergency. It has to go to a second.

Walters: Right. He asked a separate question.

Moore: Sorry.

Walters: The reconsideration is passed. Now, yes, you need to strip the emergency clause.

Leonard: I'd move to take out the emergency clause.

Potter: Second?

Adams: Second.

Potter: Karla, call the roll.

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

Saltzman: This is just removing the emergency?

Moore: Right.

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

Potter: Aye. [gavel pounded] then this will move to next wednesday.

Moore: Second reading, right, next week.

Potter: Ok. Karla, please read the next item.

Item 995.

Potter: Commissioner Saltzman has requested additional information. This is a second reading. So commissioner Saltzman, did you want to make your statement?

Saltzman: Well, sure. I had asked for information that was provided to me from last week, asking if we were to consider removing the 15% affordability units to no less than 12%, how many additional two-bedroom units could we get, and I believe the answer was we would get two more two-bedroom units in exchange for giving up 10 of the affordable units. That was not persuasive to me. So I am -- I find myself in a position -- and this is no fault of trammell and crow, because they have complied with our city's policy, but I do believe our policy needs to be revised to be more family friendly for the affordability units. So I will be voting against this tax abatement, and I will also want to bring to council shortly, in consultation with my colleagues, a policy that would in fact

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reflect what is the state policy for tax exempt financing for affordable housing. And very clearly have a policy statement that low-income units must be equally distributed throughout the project and unit mix, and I think that's a pretty clear, concise policy, and I think that needs to be added to our tax abatement policy for multiple unit, and I will be working to bring that before us very shortly. I do think that, as again I think trammell and crow has gone by the rules here, but I do think that 48 studio units is not sufficient, that we really need to have, in our tax abatement policies, in order for me to buy the public benefits argument, there has to be something that speaks to the need for larger-size units. Our auditor, in fact, studied this issue as it relates to how is Multnomah county doing in terms of retaining families compared to our surrounding counties, and they found, and I think the progress board found this, between 1990 and the year 2000 we're not keeping pace with other counties in building larger-size units. In fact, 43% of the units built in Multnomah county, in that period, were one-bedroom or less. So we have to do a better job in making our public benefit clear that larger size housing, family-size housing, is going to be important in this affordability mix. And this proposal in front of me clearly doesn't do that. I think we're much better off to have this project built on the tax rolls and to generate tax increment, which we can then use for more affordable housing in south waterfront. As I said, I appreciate the work of trammell crow. I appreciate the work that you all have done, but that's where I come down on this.

Barbara Sack: I'm barbara sack from the planning bureau. This is john warner from p.d.c. John would like to speak to the family-size units. Also, we had some other information that council asked us to report back on, and we're prepared to do that. And i'd also like to bring up that there's some people that would like to testify. Commissioner Sten asked for the Portland business alliance to weigh in on this. And if it's the council's pleasure, we would like to ask you to allow public testimony.

Potter: Is that ok, folks?

Leonard: Yes.

Potter: Ok. Please go ahead.

John Warner: Thank you. John warner from p.d.c. One of the members of the public are here to testify today is homer williams, and he has a prior engagement at noon today. He asked if it would be your pleasure to let him speak briefly first, and then i'd like to follow up with answers to council's questions.

Potter: Come forward, mr. Williams.

Homer Williams: Homer williams, 1308 northwest everett. 2 1/2 years ago we all became signatories, except for our good mayor here at that time on our development agreement. Sam worked on it a lot. He had his fingerprints all over it. On an agreement, and what I did at that time, what we did, our. We did, our group, we believed to build a neighborhood that reflected the makeup of the city. We had a program for affordable housing, a program for condominiums, market rate, and we had a program that we all agreed to which included 10-year tax abatement for building market-rate apartments. It was especially difficult down there, we knew, because we were building vertically very tall buildings, very expensive buildings. There are 8,000 people that work on that hill that rent out of the 14,000 people. Not all of these people can afford a condominium, but not all of these people need help as far as public subsidy for their living, but their leaving them behind. And my fear here is that we're going to have everybody's worst nightmare. And this is going to be a neighborhood where if you're rich you can live there. If you're a worker, you're probably not going to live there, especially, you know, if you're someone that has to rent. As far as the affordable we're exceeding the land, there's going to be money, and even more money than we anticipated for affordable housing. Our agreement did not include affordable housing in the market rate. That changed. And subsequent to when we signed our agreement. In fact, we were never even consulted during that period. Having said that, we tried to build a market rate apartment. We

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couldn't make it work. Rob henin came to me -- and rob is one of our finest developers in the city -- and said, "homer, give me a chance." I said, "well, you know what the rules are." he said, "yes, I think I can meet those rules." now he's gone and he spent probably hundreds of thousands of dollars. He's met those rules. And those rules are different than the agreement that we all signed. So I don't know what it takes from our side to deliver what we agreed to if we can't have agreements that we can depend on. Now, if you've got a policy you want to change, that's fine, change it, but don't penalize the efforts of what we're trying to do down there. I don't want a bunch of just wealthy people in condominiums. You can't build a neighborhood that way. We need a balance. I think randy's plan of having a test for this stuff is terrific because if they don't need it they shouldn't get it. But, you know, I really think that we're expected to honor our side of the agreements, and I think we've done that, but I don't think the game should change when you go down there and you see what's going on down there right now, and with the speed of what's happening, to let this become a political football, I don't think is fair. So I feel pretty strongly obviously. And that's all i've got to say.

Potter: Thank you, mr. Williams.

Adams: Thank you.

Warner: Thank you. With that i'd like to proceed with a few brief responses to questions that council had posed last week. Again, i'm john warner, a develop manager with p.d.c.'s housing department. I just wanted to clarify, because I think there was some uncertainty in the outcome of the discussion with regard to the impact of the abatement on the district, the north macadam urban renewal area. Since the abatement occurs within the district, it's the u.r.a., urban renewal area, that foregoes the property tax revenues generated by the abatement and not local governments or schools. The tax increment has already been abated and foregone for those jurisdictions. This is just targeting of resources within the district per the plan. Secondly the urban renewal area was established with the expectation that mr. Williams was just describing, that block 39 would be developed as a market-rate rental project and would receive a tax abatement, and therefore granting this abatement will impact neither the urban renewal area's tax increment projection again, nor the local government or schools that we've been discussing previously. Third, a technical aspect of the presentation about the tax abatement that was discussed last week. Our report indicated that the \$7 million net present value of the taxes was being foregone by the city, and in consultation with the office of management and budget staff, we were concerned that there might be some confusion about what that really means. So I want to clarify that. The nominal or the actual dollar amount of taxes that are forecast to be abated over the 10-year period of the abatement is approximately \$10 million. That's the first year projected taxes with an escalation in those taxes of 3% for every year over the abatement period. Obviously there's supposition on our part that there will be a 3% escalation in taxes that might not be in fact the case. That's the limitation that's imposed I think under the measure 50 rules. So that 10 year period with escalation is about \$10 million. We traditionally apply discount rate to that projected revenue stream to bring it back to current dollars. Using the cities cost of funds which is approximately 5%. We use that discount rate in calculationg the present value of the abated taxes. So it was the present value of that abated taxes that we described last week as being approximately \$7 million in terms of the investment effectively the city would be making in order to achieve the development of this 319 unit market rate housing project. So I just wanted to make sure that that was clear for the record. Then lastly in response to commissioner saltzman's request last week we presented and you've all seen hopefully you have in your briefing packets some analysis regarding this abatement. And I gave karla copies of it just in case you don't have it in front of you that I'd like her to pass around to the council and mayor. I think that we at the commission have appreciated the opportunity to speak at length with both your staffs and yourselves in your offices as well in session about the tax abatement program. This truly is a teaching moment, if you will, for the public as well as for us, me in particular, about how this

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program is perceived by the public at large and how it actually operates. In response to commissioner Saltzman's question we prepared this analysis. I would like to talk first about the feasibility analysis sheet. You can see that for the project to be financially feasible without any tax abatement, as shown on the first box, the average rents in the project would need to be about \$2.28 per square foot for all the residential square footage in the buildings, from the smallest studios up to the penthouse units. But those rents are materially above market rents in the community which are shown in the second box. With the only the penthouse units have rents that are actually at or above that level that would be required for the project to be feasible. Given that the penthouse units are slightly above that level of feasibility there \$2.32 a square foot they are subsidizing to a small extent the balance of the project. The other 311 units have rents, market rents today that are below that level that would be required for the project to be affordable, to be feasible, I am sorry. It's not the 48 units in the project that are requiring the tax abatement. It's the 319 units, all the units with the exception of the penthouses that are infeasible without the abatement. The abatement is benefiting the majority of the project making it financially feasible. Trammell-crow in agreeing to the affordability restrictions we proposed has reduced from the income from the project a little bit below what current market rents would provide making the project even less financially feasible but it achieves feasibility through the provision of the tax abatement. The second sheet we have provided, entitled sensitivity analysis, looks at issue of changing the unit mechanics in terms of which units are affordable. As we have discussed previously the proposal is to make only 48 studio units be affordable units that are required as a public benefit for the project. We in response to the commissioners' requests looked at a different mix, a combination of studios and two bedroom units for the project. You'll recall that the current code requires 15% of the units to be affordable but the discussion last week said, well, perhaps if we reduced that percentage to 12%, but increase the mix of -- to include two bedroom units we might be able to find a happy median that provided both the family friendly objectives that the commission -- council was interested in as well as maintaining the project's feasibility. This exhibit shows two tables, one with 15% of the units affordable, one with 12% of the units affordable and shows a mix of studios and two bedroom unit affordability and it points out what I was discussing in my testimony last week that if we would require a substantial amount of the units to be two bedroom units it would create a situation where the tax abatement in and of itself is insufficient to make the project financially feasible. If we wish to stay with 15% of the project being affordable and if we wish to have half of the units that were affordable be two bedroom units then the project in addition to meeting the tax abatement would require over \$2 million plus of subsidy from the city in order to be financially feasible. And unlike our unusual investment of subsidy in projects which come with a 60-year regulatory restriction, this project because it's market rate project would not be able to handle those regulatory restrictions and still maintain financial feasibility. We would have to make basically a grant of \$2 million and have the affordability fall away at the end of the 10 year tax abatement, not getting the full 60 years of affordability that we typically get when we make a direct loan into a project. You can see there are other scenarios here with few or two bedroom units and that subsidy level falls substantially but the overall point here is that the shallow subsidy afforded by the tax abatement program is sufficient only to add a public benefit requiring affordability if it has a minor impact on the feasibility of the project. The small studios we proposed achieves that objective, delivers the project as well as providing some affordability to change that mix would really change the tax abatement program, changing it from a program that, without any direct capital outlay on the part of the city, allows us to deliver market rate rental housings. Instead it would require us to always couple effectively the tax abatement with a direct loan from the city in order to deliver projects that would meet the public benefit test that would require large units in that affordability requirement. I guess with regard to this project and looking forward to the requests you had for us to reexamine this project, the program in general, we need to be mindful we would be changing a program over the last 30 years

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has delivered market rate rental housing -- market rate rental housing successfully downtown, 5000 units, without any direct subsidy from the city and we would change it into a program that would require us to make loans in addition to making the tax abatement in order to continue to deliver market rate rental housing downtown and in the urban renewal areas. And that's certainly something we are willing to look at and in terms of our overall budget priorities for the use of tax increment financing we would certainly have to take that into consideration, looking forward to the chance to work with you and your staff over the coming months to craft a proposal to modify the program to meet the objectives you wish to meet. I just want to point out that with regard to this project, given the fact that all tax increment available for housing is programmed for low-income housing including family housing in the district, it has been our directive to date not to put direct subsidy into market rate housing and simply use the tax abatement tool so with that I will close my presentation and be happy to respond to questions. I think barbara has a few comments she would like to make and we have several other members of the community representatives of the Portland business alliance as well as the -- mark edlin from gerdin edlin development is here to speak to you briefly also about the program. Thank you.

Barbara Sack, Bureau of Planning: I just have one piece of information. Commissioner Adams wanted to see how the election units, the affordability of the units lined up with city housing targets and Karla has a handout that shows that. What this shows is that the majority of the units in this project are middle income units. There's 15% of them that are affordable to moderate income households and about 13% to upper income households so this shows how the -- helps fulfill some of the targets in the district for various income groups.

Adams: Thanks.

Sten: Thanks.

Potter: Thank you. Any other questions? Thank you. You say there's other people signed up? Did they sign up through Karla?

Warner: Since this was a second reading there wasn't a signup sheet. But in response to the questions council had last week p.b.a. and mr. Edlen are here to speak if it's your pleasure.

Potter: Will you folks please come forward.

Cameron Vaughn Tyler: Good morning. I would like to -- actually afternoon. I would like to thank you for the opportunity to speak this morning. My name is cameron vaughn tyler and I am representing the Portland business alliance. We support granting trammell-crow a tax abatement for their south waterfront development. The p.b.a. has long been a strong supporter of work house -- work force housing. It is critical that the city have a diversity of housing that includes market rate work force and affordable levels for all incomes. We worked with p.d.c. on a study which concluded work force housing is important to the city but that we don't currently have enough. The 15% affordable units built into this project help the city further the goal of providing units of households at 80% area median income. This development will also provide much needed rental housing in south waterfront a district currently being built out with condominiums. In addition this development is consistent with the city's sustainable housing policy and the comprehensive plan, the south waterfront plan and the north macadam housing development strategy. This project is critical part of seeing the goals for this district come to fruition. Of even more concern is the council's willingness to revisit their enacted policies on a case by case basis. The city's code and policies are in place to provide guidance and give some degree of certainty about the expectations of the city whether for a developer, a business owner or for a citizen. In this case, trammell-crow complied with the policy as set forth by council. Unfortunately, some members of council feel that as applied, the policy does not function as intended. If that is the case, council should revisit the policy but should not penalize this developer who relied in good faith in the city's code to guide their actions. Over the course of many months trammell-crow has developed this project consistent with the mandates set out by the city and was told by city staff that the project was in compliance

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with the policies enacted by the council. To move the goalpost at this stage of the game is unfair, arbitrary and sends a bad message to businesses and developers who must be able to rely on set policies as they interact with the city. We commend commissioner Sten for recognizing this necessity in last week's hearing. It is nearly impossible to foresee every outcome while developing policies. However, it creates an unworkable situation to change policies on an as-applied basis. We understand that council may have envisioned a diversity of units when it voted on this policy but the policy was not written as such. Again, if the policy does not function as the council intended, revisit that policy. It is critical that businesses be able to rely on the city, its staff, its code, and its policies. Voting no will undermine the credibility of the legal framework the city has had in place to guide the actions of businesses and may have the unwanted effect of discouraging businesses from continuing to invest in this city. We urge you to honor the policies that you have enacted like trammell-crow has. Thank you.

Mark Edlin: I'm mark edlin, 1120 n.w. Couch street, Portland. A couple points. Mirroring a couple of yours. Everything I have read and heard about this it sounds like trammell-crow certainly played by the rules here. And I am concerned about the message that will we will be sending to the business community both inside Portland and outside as well if that predictability as you put it should go away. I think it jeopardizes our credibility on bigger community, if you will. My larger concern is really what we are doing in the marketplace, should we decide not to go forward with this project or others like it. And that is that I think there's a demand for rentals such as this. I don't think it's condos versus rentals. I think there are people in the marketplace who for one reason or another either choose not to or can't afford to buy condominiums and a large concern that I have is that were, as I understand it, if this does not go forward, they will not build this as apartments, they will be built as condos and I am concerned we will be sending those renters to other markets, whether it's beaverton or vancouver, or wherever, which I have nothing against them but I would like to see those people stay in the city of Portland because I think it's people like that that make a more viable and exciting environment to live in. I am also concerned that should they go to another marketplace they will take the retail dollars with them. And rather than spending those as Meier and Frank downtown perhaps those will be spent at Vancouver mall or out at Clackamas town center. Which I think is something I would hate to see happen. I mention it's not apartments versus condos. And I have read in the paper that seems to be an argument that's been posed. I can assure you if there's demand for a thousand apartment or condo units in this marketplace we will build 1200 condominiums in this marketplace. If these are built as condominiums in essence what I think we will be doing is taking some of that condominium demand away and rather than having a gain of 300 units, whether it be condos or amounts, I think we will lose 300 apartments and in essence have the same number of condominiums built. So I don't see any real gain in going to condominiums versus apartments. The other concern I have is, I feel like we have, due to market conditions, and a very soft office market which I am not very optimistic about that office market turning around in the near future I am concerned we are losing one of the few tools that we have available us to in what I would call our urban quiver of arrows to create urban development. With us not having the ability to build office buildings due to market demand I think were really down to just maybe three product types, one being affordable housing which, of coursings we have to subsidize as a city which is a large expense; two, being the for sale housing product. We have all read about the prognostications of that coming to an end. Hope to god it does. And three is market rate apartments and I am very concerned if we take market rate apartments auto of that quiver we are really down to two tools to create a more vital urban environment which is really what I think the building environment is about. Thank you very much for the opportunity to speak today and good luck in your deliberations.

Adams: Thanks.

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Tom deCherea(sp?): Tom, deCherra I actually with trammell-crow residential. I am here to read into the record a letter from steve stadum, chief administrative officer of ohsu if I could. You have copies with the clerk. Dear mr. Mayor, I understand you and the city council are meeting today on the subject of rental housing in south waterfront. On behalf of Oregon health and sciences university we offer our support of the alexan south waterfront rental housing project. Ohsu is proud to be an integral part of the south waterfront redevelopment project. The largest economic development project in Portland history. The redevelopment of the south waterfront is expected to create 5,000 new jobs during the next decade and 10,000 during the next 20 years. Hundreds of millions of private funds have already been invested in the district. And up to \$2 billion more in total investment is expected by the time the project is complete. South water front was very attractive to ohsu for a number of reasons, including its proximity to our marquam hill campus as well as downtown Portland. The site will allow ohsu to expand its programs to meet growing demand to preserve synergy among education patient care and research and increase our connections to the central city. Under the current development agreement ohsu is building a 400,000 square foot facility and is planning to add additional development in the central district. We also anticipate focusing the future growth of our education infrastructure on the 20 acres that were gifted to ohsu by the schnitzer family. One of the additional benefits of the south waterfront site from ohsu's perspective is the likelihood that our employees will be drawn to this new neighborhood as a desirable place to live. The opportunity to reside close to work and ability to walk or ride the aerial tram to ohsu would in itself be very attractive to individual employees and would dovetail with our institutional commitment to promote alternative and mass transit. Of course south waterfront offers so much more to ohsu employees than reduced commute. There's easy access to downtown, a beautiful location on the banks of the willamette river, and an appealing mix of plazas, gathering space, retail services and shopping and green spaces and bike trails. It is important to remember, however, that ohsu is not just comprised of physicians, researchers and faculty members. With the work force of 11,500, we are Portland's largest employer and in some ways a small city on the hill. We have a broad diversity of employment opportunity and accordingly a broad employee income range. To serve all of ohsu's employees as well as students visiting scholars and the like it is vital that south waterfront offer a diversity of housing options, owner occupied as well as market rate rentals and low-income housing. The current availability of market rate and low-income rental housing on or around marquam hill is fairly limited, as you may know. In short we at ohsu believe the south waterfront can be at once Portland's next great neighborhood as well as an economic cornerstone for the coming century. To make it a truly great neighborhood, however, we believe that the diversity types at south waterfront should be as broad as possible and certainly should include market rate rental housing. Thank you for your consideration. Sincerely steve stadum, chief administrative officer.

Potter: Thank you. Are there other people?

Moore: Other people were interested in speaking. I didn't have a signup sheet because it was a second reading.

Potter: Want to hear the other folks testify? Ok. Go ahead and call them.

Jim Davis: My name is jim davis, land use chair of Corbett terwilliger lair hill neighborhood association. I thank you for the opportunity to speak to you even though this is quite unusual at a second reading. I would like to briefly mention that ohsu, although it's the largest employer in the city, the -- when you take out the administrators, doctors, and the other chiefs there, their average income which includes nurses, is \$18 an hour. When you take the income of the nurses out of it it's \$13 an hour. So I don't think there will be many, many people moving to this particular project when they are charging, now, \$2.28 a square foot. I did prepare some comments and basically, what I want to say is this. The argument is, trammell-crow went by the rules. They should not be penalized. Well, gentlemen, rules have a purpose. The purpose is, in this case, that there be

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affordable housing. No one that I know of thinks that there's going to be affordable housing in this particular building at \$2 a square foot or now \$2.28 a square foot which will make it the most expensive apartment in the state of Oregon. I talked to just before this hearing, I did mention to one of the people from trammell-crow that our neighborhood would be glad to work with them, maybe rejigger something so we can get affordable housing there. But this project will not produce those things which the rules were put into place to accomplish. That's our particular argument. And the six or eight or \$10 million that trammell-crow will be sending to texas really can be better used for our people out in the gateway area where right now, people are being displaced. We will need an awful lot of help from this city in order to have housing. I don't want to go any further than what I have said right now. I think we all know what the issues are but I do want you to consider that this is not going to produce affordable housing. The rules say it has to be affordable. And it has to be 15% or they can't have it. I think that you should go back, try to work with them, come up with a plan that will help everybody. That's the position of myself and our neighborhood. Thank you very much.

Warner: If it please the council, I could comment on some of I think areas that might need clarification with regard to mr. Davis's testimony. But it would be at your pleasure.

Potter: Go ahead.

Warner: He indicated that the project is going to have \$2.28 per square foot average rents. That's the rents that would be required in order for the project to be feasible without the tax abatement. The actual market rents for the project on average are \$2.01 a square foot. Those are the rents that are likely to be achieved in this marketplace with some assumptions on the part of the developer about escalation in rents in the market by the time the project actually comes online, obviously, it will take a while to build it. With the abatement, the proposed affordable units have an average square foot rent of \$1.69 a square foot. So those rents are materially lower than the average that's currently feasible in the marketplace and well below those that would be required for the project to be financially feasible and with regard to the abated taxes, the suggestion that six or eight or \$10 million would be sent to texas, I think this is an important point. The abatement allows the project to have more revenue that allows it to support more debt so the amount of equity that the developer has gathered to finance the project in conjunction with that enhanced debt that the tax abatement actually leverages up will make the project financially feasible. It's a misnomer to suggest I think the public is done a bit of a disservice in terms of understanding the tax abatement program to think that it's an abatement that actually gives the owner of the property more cash to walk around with. It really just helps them harness the economic power of the project to go to the lending community and the investing community and get them to invest more money in the project. So that extra revenue that's freed up through the abatement of taxes is really going to be used to satisfy the debt service obligations of the project to help pay for the increased debt that will help make the project financially feasible and deliver the market rate housing that the program was intended to create. Mr. Davis indicated that this program is about creating affordable housing. Well, it really isn't. For its 30 years history it's been about creating market rate rental housing in downtown and urban renewal areas. It was only last september that the council added an affordability requirement and this is the first project to come through providing that affordability. They met the letter of the code obviously we can talk about the unit mix in the future. But I think that there were some inaccuracies. I hope I have been able to clarify.

Davis: Mayor Potter.

Leonard: I think we need to move on. This is turning into an argument and it's not helpful.

Potter: Take 30 seconds.

Davis: Just 30 seconds. I have here is a document that was sent to me by the city. It's a preapplication conference agenda for this week. There is a -- they will be talking about a 42 to 48 large apartment units in the area. Your staff hasn't told you about this perhaps and certainly p.d.c.

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hasn't because these people will not be asking for any abatements or any help from the city at all. They will be financing it themselves and these will be a large apartments, a thousand to 3,000 square feet. Thank you.

Potter: Karla, please call the roll.

Adams: Well, I share the goal of having an element of diversity in south waterfront. And I also share the goal of providing predisabilitiability to developers and other partners who seek to work with the city. I ran for a year and a half, and have not changed my mind on tax abatements. I have stated concerns as a candidate. This issue came to my office last week. And if someone had approached me sooner I would have been able to provide them the predictability of how I would vote on this sooner. But I want to try to suggest something that might be helpful. And so I want to put an idea out there for discussion. And that is to work with commissioner Sten and the developers and p.d.c. on south waterfront and other developments, but specifically to this development, to earmark the taxes that would be generated by not abating this project and dedicating those proceeds, those taxes, tax revenues to worker or affordable or family-friendly rental units and to do so in a way that the city working with community based organizations would retain ownership. So we look at a possibility of, instead of a tax giveaway, to actually owning a piece of, having the public own a piece of the rock, so to speak in south waterfront. And whether this is done on sort of a condominium basis of a project that's going to go forward in terms of the city, community based organization owning some floors or whether we get a percentage of a project where I think that leaves us is fulfilling the development agreement but doing so in a way where, over time, taxpayers can get an asset. We have significant subsidy in this district with roads and streets and trams and streetcars. And I am supportive of a level of subsidy to see this neighborhood vision realized. But I also think for the extent that we can, that we should have as much equity, share in the taxpayers should share in the equity appreciation that's going to come with this neighborhood. And that's what I have heard. And I can't guarantee today that sort of the idea that I put forth will work. But I would like to pursue it with commissioner Sten and others on the council to see if there is any viability to it. So with that I vote no.

Leonard: Some have argued that money that would be abated in the project is money that would stay in the urban renewal area. That is misleading at best because the urban renewal area, as best described to me, when it reads, a certainly level of expenditures, the money or the water starts spilling out over the top to fund money that it would otherwise fund. Property taxes. The mistake that is made in the analysis of abatements is we can find the discussion to house them. We define the universe as well should we invest this in this area to create low-income housing or market rate housing? When, in fact, the discussion needs to include, and does influence my thinking, the other partners whose money we are spending for them when we grant an abatement and specifically those are the school district and Multnomah county. When we abated property we are not just foregoing the city of Portland tax revenue. We are on behalf of the schools and the county foregoing their revenue as well. So I appreciate commissioner Saltzman saying that he is going to put together a more comprehensive tax abatement policy and include each of us in doing that because I think our policy needs to include some very clear questions that should be answered before an abatement is granted. Those questions should include not withstanding laudable goals for the market rate housing that may be created with an abatement. Is that important more important than funding schools, funding county services? And funding basic city services? Those are not questions asked when abatements are granted and they need to be asked and I am really, really heartened by the discussion of this council today that is asking those kinds of questions. It's not fair, I think, for taxpayers to -- who I think actually ask these questions when they view an abatement of them self -- that we don't always ask and that is, why should I struggle to pay the taxes on a home that I live in to fund the schools and the county and the city when a person that can make as much as \$38,000 a year can rent a studio apartment in south waterfront? I know that everybody intimately involved in

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this debate is eager to discuss what I just said. But i'm telling you that is the question taxpayers ask.

And it is the right question. So we have to be mindful when we are spending money that would otherwise fund our schools, county services and city services that we are getting the highest and best use out of each dollar. I do not think that that is the case and this is no fault of the developer. I have said this consistently. It's through no fault of the development agreement. It is, I think, because in the past we haven't asked the right questions. And from this point on, I hope that each of us asks those questions and that commissioner Saltzman can include those questions in his new policy as we, I think, has been fairly pointed out, make a clearer statement to the development community what is going to take to jump over the hurdle with this city council to get an abatement passed and I would agree we need to be clearer about that but I think I have been since I first joined the council at least from my perspective and the concerns I have had with some of the abatements given here to for. No.

Saltzman: Well, I want to make certain it's understood that I am not, by any means, endorsing a blanket policy of denying multiunit tax abatements. I think they are an important element of market rate housing to the central city area and I will continue to look at each abatement as it comes forward on a case by case basis, what that's what I am doing right here, looking at it for what it offers in terms of public benefits relative to the tax abatement. And as I have spoken I want to change our policy if that's not the criteria I am using here. I do find that trammell-crow has gone by our policy, but I do not think there are significant public benefit to building affordable studio apartments. We are talking about households, households to me or more than one person and we want to make sure every household we can get in this city has children. Because that does support our school district in an indirect way, too, in a very direct way in terms of financial support. And I just don't feel that this project presents the significant public benefit there. And that's why I am voting against this abatement for this project. Again, it simply fails to meet the test. And I believe there is a test what has to muster support of city council. Otherwise, we wouldn't have written a policy putting ourselves here as the final decision maker in this. And we are hired to employ our best judgments and discretion in making often very tough decisions. This is one of those and this is my judgment. This is how I come down on it. As I said, I will work to revise a policy to make sure future affordability units do reflect the diversity of size of units in a proposed project but that is for the future. That's for tomorrow. And today I am just denying this abatement on the public policy benefits, not being significant. No.

Sten: Well, this has been interesting discussion. I find myself in a somewhat surprising and interesting position. I don't think this conversation, despite what everyone is talking about, is affordable housing and I don't think that I need to defend my credentials on that subject. This is about getting a mix of housing and it's about the overall -- it's about two things to me and just the friendly disagreement but I do disagree strongly with my colleagues and I think the council has worked itself into a circle. This is about what the council said it was going to do down in south waterfront and north macadam. The proposal is to build a very dense neighborhood that is unpopular with a lot of people, including my good friend jim davis for lots of reasons that I understand. That will ultimately contribute mightily to the economy. The ultimate destination of this is a tax creating engine we have not had in this town in a long time. It's jobs. It's research, it's high-end condos. One of the public policy goals we put into play and this is a 20-year project to put this neighborhood together. It is not a case -- it is not a one by one block by block strategy. And it was not easy. I was not happy with some of the pieces. The policy that commissioner Adams would like is already our policy which is that new, unexpected tax -- money that comes in beyond what the budget is dedicated to affordable housing according to city council policy right now and that was because, on the front end we didn't project enough money to get all the affordable housing. As that changes and I am totally for going back and putting that in stone again, sam. But it is the city's policy. And the city's other policy, which we are executing in the river district, is that when

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we build new neighborhoods, they will as best as possible reflect the entire income diversity of our city. And where we are headed with this decision by the council inevitably is that we have radically changed the city's policy, I believe, from where we are going to do everything we can to have a mixed income neighborhood to where we are going to have a rich and poor neighborhood. The history of this tax abatement which I am no huge champion of but I think is worth talking about just for a minute or two is that private property owners almost always build condos because they make more money than rental projects. There's a general sense by most people that having middle priced rentals, and that's what these are, their in the middle of the range, where you can play a lot of games with the -- with \$38,000, where is that on the income spectrum? You can throw it around but these are priced in the middle of what people buy housing for. Developers always build the highest end they can on their land for the same reason that people, any of us who owns a rental property or anything else rents for the highest we can. That makes the most money so the city is offered in the past 10-year tax abatements to middle income rentals in order to give a short-term incentive and these are 100 year buildings, keep in mind, buildings that will be there a hundred years and this is the only first 10 years only and to build rental properties. I have been gone back and forth on this over the years. I am really, do I care that much that we have rental properties so we should give away taxes? I am not sure. It's something I struggle with a lot of I was very proud last year had the council said, ok if we are going to do this we require 15% of these middle rate buildings be affordable at 80% median income and were going to require that the developer has to prove they didn't make the excessive profits I think have happened in the past. So this is a much tougher policy than the one that's been in play for the last 20 years that has got us some rentals downtown. What this council is saying essentially no matter how you dress it up this policy is dead. You know because you won't be able to make your numbers work. I understand housing numbers and basically this was the city's nondirect cash way to get that mix of incomes into the piece and a 20-year plan that's very well thought through in north macadam and I think, you know, we have pulled the rug out on that. I don't necessarily think -- you know, well, I think we had a better policy than I want to try and see how it works. If we can get the money put into low-income, I would rather have more low-income units down there but what we are going to get is a neighborhood that's very, very high-end condos and very low-end units and I think this was a decent strategy to try to get that middle ground. And if you put it in the context, I think of a long-term strategy to build a mixed income neighborhood and you view this as a 10-year indirect investment to get there it's very different than saying, hey, this is a stand alone project that was going to get built anyway. I am very much eager to go back. I hope I don't sound angry and mad at my colleagues. I just think that the depth of this change is fairly significant. And I do think that the council should be much, much more concerned about changing policies in mid-stream. I do believe that no matter what we say, this abatement says it will be granted if you meet the following criteria. Of course, the council has to sign off on it. It's like saying, you know, the police budget says you will have x-amount of officers. You can change that halfway through the year but it's fairly well expected once the council approves the budget it will leave that in place until the next budget. So in this case I don't buy the argument that, hey, this is just, this is just something that we should decide at a whim. This is something that we spent a lot of time putting this policy together and the first one that came through was a no so I think we should just say this policy is off the books until the council can really think about this. I am not going to be able to as the housing commission to meet with anybody who owns a piece of property and say yeah move forward on something like this. I have to say it's very, very uncertain what's going to happen in portland on these types of issues. I think that's where we are today. I am with having said that I am very eager to dig in on the ideas my colleagues have come up with. We always want to have the best housing policy that we can and so I am going to vote yes. And move on from here.

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Potter: Every since my friend commissioner Leonard taught me how to count to three, I realized that this is anti-climatic. And I had various advice from people on how to respond to it. And I think that my colleagues who are voting no on this make a very persuasive case. I have often looked at both as a citizen and now as the mayor, on how we use tax abatement and, in effect, who isn't being served when we vote in these tax abatements? And what other agencies and departments in this county are affected by our decisions? So I really pleased with the discussion. I appreciate what you folks have concluded and I can respect that. For myself, I see it that way but I also see that part of the purpose and function of this city council is to provide some certainty and some consistency in how rules are applied in the city so that the expectations of people walking in the front door can be realized, that if they, if they follow the rules we set out, that they will live with the outcomes. And I think not just applies to folks walking in the front door but applies to this council as well. I am glad this discussion is here. I am glad that we are going to do something that is going to raise the discussion in our community at this council about how we spend tax abatement dollars. However, having said that, the reason i'm voting yes is because I think it's important that whether you are a neighborhood, or a business, or just concerned citizens that come in here, that if you agree to our ground rules that we will honor that agreement. Whatever the outcome may be. So I vote yes but I will tell you I had a hard time coming to this decision. The other side was very enticing. But I have said it on other things that we have come before council that it's important that we follow the rules as well as citizens. Aye. [gavel pounded] Karla, please read the next item.

Item 996 and 1006.

Leonard: Mayor, can I request that we do 1006 simultaneous? They are linked items and would cause our proceedings to move faster.

Potter: Good. Could you please read item 1006.

Potter: Did you wish to make any comments?

Leonard: No. We have questions for staff.

Potter: Other questions from the council? Please call the roll.

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

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

Moore: The roll call on 1006.

Potter: Yeah.

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

Potter: Aye. [gavel pounded] Return to the original sequence of events. Please read the next item.

Item 998.

Moore: There's no presentation on this. This was a budget adjustment so it was put on the regular agenda.

Potter: This is an emergency vote?

Moore: Yes.

Potter: Ok. Is there anyone signed up to testify?

Moore: I didn't have a signup sheet.

Potter: Do the commissioners have any questions for staff? Ok. This moves on to a second reading. This is number 998.

Moore: We can do a roll call. It's an emergency.

Potter: Oh, I am sorry. You are right.

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

Potter: Aye. Please read the next item.

Item 999.

Potter: Commissioner Adams.

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Adams: You know the good work of this particular group so they are here to answer any questions that you might have and we will forego a presentation. But they are here to answer any questions that you might have.

Potter: Any questions? Thank you for being here, folks. [laughter] sorry to make you wait all this time. Ok. Karla, please call the roll.

Adams: Although we are on a fast track process here today, I want to underscore how much I appreciate the very good work that you all do and the fact that council is willing to fast track the decision here today just shows the amount of trust and respect they have for your work. So aye.

Leonard: Aye.

Saltzman: I too very much appreciate the good work you are doing. Aye.

Sten: I do, too. Aye.

Potter: Aye. [gavel pounded] next.

Item 1000.

Adams: Again staff is here available to answer any questions that you might have on this or if you want to have a brief, briefing on it I am happy to provide that as well.

Potter: Commissioners? Thank you.

Leonard: Efficient government. I like it.

Potter: This is a nonemergency. It's that correct?

Moore: Correct.

Potter: This will move to a second reading. Next item.

Item 1001.

Adams: You sound like darth vader.

Leonard: I think you sound like princess leia.

Adams: Staff is here to answer any questions on this intergovernmental agreement that moves forward to redesign hawthorne.

Potter: Any questions of staff? This moves to a second reading. Next.

Item 1002.

Adams: Important redevelopment project of naito parkway. Staff is here to answer any questions you might have on this project.

Potter: I'm just pleased they are going to fix southwest naito. [microphone feedback]

Potter: Moves to a second reading. Next.

Item 1003.

Potter: This is a second reading vote only. [microphone feedback]

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

Potter: Aye. [gavel pounded] next item. [microphone feedback]

Item 1004.

Potter: Second reading. Vote only any additional?

Adams: Thank you for your good work again. Aye.

Leonard: Aye. **Saltzman:** Aye. [microphone feedback] **Sten:** Aye.

Potter: Aye. [gavel pounded]

Item 1005.

Leonard: Mayor Potter, I would like to move 1005 back to my office for further work.

Potter: Ok. We have two items that were pulled. That's end of the regular agenda. Correct?

Moore: Correct.

Potter: We have two items that were pulled off the -- 971 and 970. Is the person who requested item 970 to be pulled here? I think that was richard koenig.

Moore: He had to leave.

Potter: Is mr koenig here?

Moore: He left.

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Item 970. Authorize an agreement with Multnomah county department of county human services for the city to continue to fund a portion of the salary of the county domestic violence coordinator.

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

Potter: Aye. [gavel pounded] item 971.

Item 971.

Moore: Approve settlement with richard barton, the Portland police association and the Portland police bureau for employment claims.

Potter: Commissioner Saltzman.

Saltzman: Mr. Mayor and members of the council, I apologize that I had to pull this today. But I've been trying to get a hold of this settlement agreement ever since it first showed up on the ordinance list that gets sent out by the mayor's office every week and this was scheduled to be several weeks ago. And my office has been unable to get a hold of it. So it's now in front of us.

Potter: You say unable?

Saltzman: Yes. As you know most settlements we get come through risk management and we get a memo about those ahead of time. My office was unable to get any kind of heads up on this other than we knew something was coming with respect to officer barton or sergeant barton.

Potter: Sergeant barton.

Saltzman: Ok. And I am not able to support this settlement. For a couple reasons. I believe that the termination process involved with sergeant barton had integrity, I believe the federal court has agreed with us on that so far. And I think the circumstances under which sergeant barton went under disability shortly before his termination proceeding began is the type of -- and this settlement before us is the type of gaming of the police fire disability and retirement fund that I and I think a number of taxpayers increasingly have no stomach for and I believe members of this council do not either. So that's why I am opposing this settlement agreement.

Potter: Other discussion? Robert king, will you come forward and testify on this matter. [no audio]

*******:** Some years --

Potter: Hang on just a second. Is robbert kingt's voice being picked up on the recording?

Moore: Sorry. How's that? Try that?

*******:** How's that? There we go.

Potter: Please start over.

Robert King: My name is robert king. I am a detective at the Portland police bureau and the president of the Portland police association and here today before you to talk a little bit about the settlement agreement that you have before you regarding sergeant barton. As you know some years ago he was terminated from his employment in the police bureau regarding allegations of a improper application for overtime. There was a lengthy -- there was a thorough investigation done by the police bureau and the federal government. They determined that many of the conclusions that were reached through the internal affairs investigation were, in fact, not valid, that there was not overtime that was approved and paid for to officers in the amount that was originally estimated which was about \$160,000 but that, in fact, if there was any overtime that couldn't be accounted for, it was under \$1,000 and that those could over a period of time be attributed to rounding errors. So we had filed a grievance on sergeant barton's behalf. And through a lengthy sort of discussion and process, have arrived at a conclusion to this which is similar to the agreement that we had arrived at previously involving a sergeant rocky balada and essentially the terms are that they are returned to work on paper, in lieu of a lengthy arbitration which in light of the evidence or the information that's become, we have become aware of, through this longer investigation, they are returned to work on paper, in this case, sergeant barton converts to from disability to retirement. And he is as a part of the agreement, paid the accumulated sick leave, which he had accumulated over the life of

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his police career. That money is placed into the retirement medical trust on his behalf. And it's available to be used for medical expenses. Now, I was called the other day by sam or excuse me, max bernstein asking me questions about this case. And I recognized that because of sergeant barton's disability claim, among other things, it would be something that would have the attention of the public and certainly the council. And I know that there are questions that are out there obviously very strong-held views by nathan thomas's family and perhaps others in the community but his disability was approved through the process under the rules that are in place. And really, his disability, for us, at least in terms of this settlement agreement, really doesn't play that significant a role. It's really more about, for us, anyway, a settlement of a grievance which had to do with his employment status. And so we are asking you to help us by resolving this. And voting in favor of this settlement which would mean, as I said before, that he is returned to his employment, really on paper, and that he converts to a retirement under fpd&r and he is paid out the remainder of his sick balance.

Potter: Questions to mr. King. Thank you. Other questions from the council.

Adams: Is there staff available to answer questions?

Potter: Is there -- no, I don't see any staff. I mean in terms of city attorney? Ben, are you prepared to talk on this matter?

Ben Walters: No, I am not.

Potter: Would you like to set this over so we can have staff come in and talk about it? Randy?

Saltzman: Well, I am fine with that. Actually, I won't be here next week but I do want to go on record that I do oppose this settlement.

Adams: Are you here next week?

Saltzman: For the reasons stated. I think we have prevailed in federal court about this being a lawful termination. I think this agreement by making retirement status retroactive to april of 2000 and also the situation under which sergeant barton went out under disability right before his termination are to my mind gaming the system. And so I am opposed to that but if I am not here next week I want to get my views on the record now.

Walters: Just to point out to the council that there will only be three council members next week and four is necessary to carry an emergency ordinance for passage.

Potter: What about the following week?

Moore: Yes, september 7 I show everybody in right now.

Potter: Let's set it over to september 7.

Adams: If I could add one thing to commissioner Saltzman's list is on the certificate of understanding approval of the treating physician, it's a psychologist, not a physician and I want to know more systemically do we allow psychologists to sign off on these things as opposed to physicians? You will have to get me an answer.

Walters: I'll let them know.

Potter: Ok. This is set over two weeks. Last item on the agenda. We are adjourned until 2:00 p.m. [gavel pounded]

At 12:57 p.m., Council recessed.

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Closed Caption File of Portland City Council Meeting

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

Key: ***** means unidentified speaker.

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[Roll call] [gavel pounded]

Potter: Please read item 1007.

Item 1007.

Potter: Ok. Staff?

Betsy Ames: Mayor Potter, commissioners, good afternoon. My name is betsy ames, i'm the assistant director for the bureau of planning. I'm here filling in for the program manager, who will be starting full-time in september. I'm here to present the staff recommendations to you on two measure 37 claims. To date the city has received 22 metro 37 claims. One of these claims was denied by the council in june, another was withdrawn by the claimant following discussions with staff. A number of currently incomplete or are under review. Several are so -- still active claims, however the claimants have extended deadlines in order to work with staff and the bureau of development services. We're optimistic that several of these claims will be resolved through the normal development review process which is occurring on a parallel track. Today we have two claims before you. Staff from the bureaus of planning, development services, and environmental services, the city attorney's office, and the office of transportation have been involved in evaluating these claims and developing recommendations for your consideration. They're here today to respond to any questions you might have. The first claim this afternoon is claim number 05-117098, filed by augustine calcagno on behalf of the augustine calcagno family llc and the lorraine m. Calcagno llc. The claim is for \$500,000 and preferred resolution is to have rh, high-density, residential zoning, restored to his property. The claim location is in the st. Johns town center. This is an aerial photo of st. Johns, the st. Johns bridge comes into the center, burlington runs roughly north-south connecting the center to the river. The water pollution control lab is here and the claim location is here at the intersection of north burlington and north edison. Here's a closer view. The claim is based on the recent rezoning of the property from rh high density residential, to r1d. As you can see, the property at the time of the current owner's acquisition on january 11, 2000, had rh zoning with an allowed floor area ratio the amount of floor area allowed in comparison to the site area, of 4-1. This would allow almost 80,000 square feet of floor area on the site. On may 26, 2004, the city council enacted the st. Johns lombard plan, which changed the zoning to that shown on the right. The current zoning is r1, residential 1,000 zoning, which allows one unit per 1,000 square feet of site area. The st. Johns lombard plan also applied the d, design overlay zoned the property. As part of the staff evaluation of this claim, we reviewed the date of current ownership and whether predated enactment of the challenge -- whether the regulations were enforced, whether they were exempt under measure 37, whether they restricted the use of the property and whether there had been a reduction in fair market value as a result. Our evaluation showed that the current owners of the property are the augustine calcagno family and lorraine m. Calcagno llc and the current ownership dates back to january 11, 2000. For enforcement, staff determined that despite they're not being normal development proposal on the site or a specific enforcement action, the change in zoning from rh to r1d provided sufficient evidence for the purposes of demonstrating enforcement. The st. Johns lombard plan zoning amendment were enacted may 26, 2004, and were in effect as of july 10, 2004. Staff determined that the zone change did not meet any of the

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exemptions outlined under measure 37. Further, staff determined that the reduction in density and height from the rh zoning to the challenged r1 zoning has restricted the use of the property. It is likely the development built at full capacity in rh zone could have more units of a similar size than would be allowed in r 1 zone. Staff also determined that the d, design overlay zone, did not restrict the use of the property. Finally, staff determined that it was more likely than not that the restriction use reduced the fair market value of the property. The claimant asserted a reduction in value of \$500,000. Staff disagree with this analysis, however, we did not get an appraisal done for the property to help determine the exact amount. As you know, metro 37 does not set any particular threshold for reduction in value. You may hear testimony today questioning whether there has been any reduction in value. Based on these conclusions, staff are recommending the council deem this claim for compensation valid and resolve it by not applying the aren't r1 zone to this property, allowing the current owners to use the property as allowed under rh zoning at the time of acquisition, january 11, 2000, and further, we recommend retaining the design overlay zone because it is not restricting the use of the property nor reduce the fair market value. Following council's direction at the conclusion of the hearing, staff will prepare the appropriate documents to formulize the council's decision. The council has stated its intent to follow the attorney general's advice that any decision to resolve a claim under measure 37 is personal to the current owner, not transferable to other owners. We have informed the claimant of this. In closing, staff from the city attorney's office, bureau of development services and the bureau of planning are available to respond to any questions you might have either now or following testimony. In addition, we have the official file for the claim available in the loom, as well as copies of the report for anyone who would like one. These are available with a couple copies of handouts on the table behind the city attorney, and the report has been available via the internet and upon request since august 12. Thank you.

Potter: Please come up and have a seat, sir. Thank you for coming in. When you speak, would you state your name for the record? You have 15 minutes to explain your side.

August Calcagno: Augustine calcagno, we bought -- we purchased the property, the wife and i, about 20 years ago, plus. We didn't buy it in 2000. I don't know where they got that figure. But anyway, we were both been in the real estate business for 35 years. After a couple years in the business you realize that as you get older, there's no pension plan in the real estate business. So either you invest your money wisely and try to get more money as you get older, or you're not going to have anything. So that's when we decided to buy some property, which we did. All we're asking for is give us back what we had, what we bought 20 years ago. That's all we're asking for. We're not asking for any money, we won't refuse it, of course, but -- and i'm also asking that -- to consider the idea of somebody that has held a piece of property or an investment for 25 or 30 years, how are they -- they're not going to be 21 years old anymore. They're going to be older. So the only way, just like the lady in tigar that won her case, she's 85. Well, she's not going to go out and borrow millions of dollars to develop her property. But if she sells it, the waiver comes in. Which I don't think is very fair. I know there's ways around it, you can stay into the transaction until the property is built and then sell out, but I don't see the use for the reasoning for that. That's about it. We'd just like to get back what we had, or what we bought.

Potter: Did your wife wish to testify, sir?

A. Calcagno: I don't know.

Potter: No? Ok. Does the the council have any questions of mr. Calcagno?

Saltzman: When did you say you bought the property?

A. Calcagno: About 20 years ago.

Saltzman: About 20 years ago. Ok.

A. Calcagno: As a piece of investment, hoping it will go up. We took the risk of maybe it will go up, maybe it will go down, maybe it's worth nothing.

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Adams: The document references they owned the property prior to the effective date of ballot measure 37, it didn't say when.

Saltzman: Ok.

Potter: Thank you. Is there anyone signed up to testify on this matter?

Moore: We do.

Potter: Thank you for being here this afternoon. When you testify, would you please state your name? And you each have three minutes.

Larry Stein: My name is Larry Stein. In 2000 Birchwood, 97225. My wife and I had built row houses for our two sons, kind of to get them going, they were recent college graduates. Anyway, they essentially live across the street, it's 8527 and 8531 North Edison. They essentially live right across the street from the home of Mr. Calcagno that was pictured in the metro section of the paper this morning. We've invested over \$350,000 to build those row houses in the neighborhood, and since we've been there, Mr. Calcagno's neighborhood contribution has been to rent the homes that he has to drug people, they've had I don't know how many drug busts there, registered sex offenders, anyway, that's been his contribution to the neighborhood since we've been there. We built the row houses for our boys and did that because the -- of the great views of the river, the St. Johns bridge, and Forest Park across the river. We thought that the -- we built decks on the front of the row houses so that they could enjoy the gorgeous views from across the river. Anyway, I just wondered whether -- if this is past, my understanding -- if this is passed, my understanding is that the -- when we bought -- that the limit -- height limit would be about 25 feet, which -- 28 feet, so we would be able to look right over the -- if it maintained the character of the neighborhood and what we were told that other row houses and that kind of stuff would be built across the street, that we would -- it would not impair our view. Anyway, if a -- my understanding is if this is approved, that five or six story type condominium would potentially could be built on that property, which would affect -- effectively make it so that our units would look into the side of a building instead of the beautiful view that it had. Thank you.

Adams: It's actually my understanding it could go as high as 75 feet. So up to seven or more stories.

Potter: Thank you, sir.

Paul Marker: Good afternoon, Paul Marker, I live in North Portland, I was born and raised there. I've been selling residential and commercial real estate since 1991. When I walked in here this morning, sat down, there was this thing going by up here that says "volunteer." "participate in the government." well, I've been active in my neighborhood association for a few years, and a few years back I was asked to represent the University Park neighborhood association on the St. Johns town center/Lombard street plan. Turned out to be a two-year thing. We had about 25, 30 meetings, we had some meetings at the design commission, planning commission, etc. During that process, I lobbied ardently for more density in the Cathedral Park neighborhood hillside area. This area that's in question today. I wanted more density and plan district. Mr. Palmer represented his constituents in the neighborhood, kept telling me they didn't like that. The compromise that came out was that it was zoned R1, and E.X., and there was place where the D was taken off the E.X. This was a process that went on over a period of a couple years. There was a lot of citizens volunteers put in a lot of time and effort. Nobody got exactly what they wanted. But there was a process. I believe -- and I believe in participatory democracy. I'm here today to ask that the Calcagnos be compensated for the difference, and that we not throw out a plan that a community and staff worked for two years on. You know, when you give up four hours a night a couple times a month for a couple years, you're not getting compensated, but you're doing it for your neighbors and because it's something you believe in, you've actually, you know, have an investment in your community. And Portland prides itself on that. And so what is the sense of doing all this if we go through this process, people give up all their time and energy, there's other things could I have been doing. Could I have been doing

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things with my grandchildren them nights. I was pleased to see in one of the articles in the newspaper that ms. Calcagno had accurately portrayed the value of the property in relationship to how many units are allowed. Which is in the Portland area, it varies between eight and \$12,000 per unit. Palmer growth and pietka are other reputable appraisers can give you that value, so i'm here to ask you to not approve the staff's recommendations today, and to compensate for the difference and keep the democratic process intact.

Erik Palmer: Good afternoon, everybody. I'm eric palmer, the land uses chair of the friends of cathedral park neighborhood association. I live on north edison, just down the block from this site. I'm here to advocate for denial of this claim. The basis of what i'm advocating is that the real property value, the real property value of this site has probably not been diminished much at all by the zoning change. I say that because in the case of this site the market has spoken. Approximately 25 years ago it was zoned rh, shortly after that a speculative purchase was made by the calcagnos, and nothing has happened on the site for more than 20 years. I think that's a signal that something is wrong with the zoning. That's what is wrong with the zoning, that it's really not possible to economically develop the site under that zoning profitably develop the site under the current -- under the rh zoning. This assertion of mine is supported by my discussion was developers who have said in north Portland the expense and the the market for doing the kind of development expected under the high density zone can restricts the profitability of projects quite a bit, and i'm here to argue that a money losing business plan should not be used as a valuation in this proceeding, it should be valued as zero. This is an interpretation that's consistent with the expectations of measure 37, which designs restrictions in property in strictly economic terms. There's no rigorous basis for the valuation that's been provided, and we don't really know what the real world value of this property is or whether it's been diminished. I can tell you there's no necessarily correspond -- necessary correlation between density and property value. I think any competent real estate professional will tell you that value isn't based on kind of abstract notions like the zoning or the exact size of the site. Value is based on location and surroundings, and that's particularly relevant in this case where we can see that prior to the st. Johns/lombard plan, adjacent sites were zoned in employment yards that allowed scrap yards, and those were allowed by right under the prior zone. It's unlikely the market would ever support high-value residential development next to such a scrap yard and have some illustration there's of what the properties look like in the handout. Those uses were zoned out by the plan, and they've boosted italy's -- at least partially the value of the property that the claimant is filing on. I also want to emphasize that voting to either waive or pay this claim sends messages to prospective claimants it says file away. There are a large number of potentially eligible sites in north Portland, some are owned by this claimant. Is council's goal is more claims, waive or pay this one. That would also be likely to promote more claims citywide. I'd like to echo mr. Maresh's comments a message that would be sent to engage citizens if you waive or pay this claim would be the following -- don't waste your time to planning. The st. Johns plan is subject to being dismantled by measure 37 claims, and there's also risks for other planning processes in the city, including the hollywood plan and the upcoming division plan. Thank you very much.

Potter: Thank you.

Jim Barnes: Good afternoon. Thanks for holding the hearing. Jim barnes, 6810 north baltimore. I'm going to try not to -- i'm going to try to hold on to my emotions here. I'd just like to echo what paul maresh and mr. Palmer said about citizen involvement and -- just about the investment that a lot of us had in this process. I was one of the people that was there at the very first vision workshop we had at st. Johns elementary there. Was a speaker from new york that came, and then we broke into groups and we walked around st. Johns, we walked down to cathedral park, and just brainstormed and made observations, pointed out things, and the process went from there. And like paul said, it was -- it's been at least two years of at least monthly meetings, and I know there's a lot more that went on in between the meetings. We'd get together in small groups and then there were

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neighborhood association meetings where we had to discuss issues. There was a lot of emotional investment in that process, but it was ---- it was the community coming together and doing this. And I never once saw mr. Calcagno at any of those meetings. And he has had that piece of property, he's got a lot more property in st. Johns, and he's tried to paint this piece of property as his retirement. And I just don't think that -- i'm here to refute that. And he hasn't made any improvements, like mr. Stein said. He's -- he just rented to anybody. I think i'm going to quit right there and -- that's all I have to say. Thank you.

Amanda Fritz: Amanda fritz. I'm testifying only for myself. I was a member of the planning commission during consideration of the st. Johns/lombard plan, and what I would like you to discuss is the value of neighborhood zoning, the value of neighborhood plans, and to consider whether to pay this claim instead of waiving it. And I don't see much of a discussion of the option of paying the claim in the staff report, and i'd like you to have a good discussion on that. The questions that you'd need to answer are, has the value decreased, the staff report would indicate that it has to a certain extent. But if so, we need to determine how much. What I would recommend to you is that you defer action on this and find out how much by ordering an assessment of the decrease in value. Because until you know that, you can't decide properly whether to pay or to waive. And there are some arguments for paying. There are certainly some arguments for not paying in terms of setting a precedent, however we do need to recognize measure 37 passed, and if there is a decrease in value, the city has an obligation to pay or waive if we paid instead of waiving, it would respect the neighborhood plan, it would respect neighborhood zoning, it would put some value back into all the millions of dollars we've put into neighborhood plans and say that, yes, for the common good, the public good, we believe the zoning was correct here and we're willing to compensate if indeed individual property owners have been damaged. Measure 37 in its title promised to pay rather than waive, that was what people thought they were voting for. And in this particular case, there is a mechanism to pay the claim. Because there are many properties in st. Johns which are increased in value that you could bond against and you know you're going to be getting increased property tax revenues from the upzoning that we did in the st. Johns plan. It was a balance. We did the same amount of upzoning and downzoning. So we know we're going to be getting more property taxes from the upzoned properties, you could bond against those and pay other claims,. It's similar to robert liberty's suggestion at metro, when you bring new areas n. You - - increase the value on those properties to pay the claims of those who have been impacted. This morning you had a discussion about tax abatements in south water. This work like an abatement. The tragedy of measure 37 is that it doesn't allow consideration of what the big picture, it doesn't allow you to consider what happens on the adjacent properties, or to put all of the properties around here back to the previous zoning, because then you'd have further measure claims of 37 claims. But please have that discussion, should we pay, because I believe there are going to be cases, maybe this one, maybe not, but there are going to be some cases where for the public good, the public should choose to spend -- for those who have been impacted.

Potter: Thank you.

Moore: That's all who signed up.

Potter: Is there anyone who wishes to testify who didn't sign up? Do you wish to ask the staff further questions? Please come back.

Adams: I do. Is the notion of reduction of fair market value, is the analysis a reduction of fair market value limited to the property in question, or is it some of the comments sort of spoke to fair market value based upon what has or hasn't happened on that piece of property and the surrounding pieces of property, or is it just on the zoning potential of that particular piece of property?

Ames: I believe the measure, and I could get a copy of it, speaks specifically to the fair market value being reduction being based on the regulation or the value of the property with and without the regulation. It doesn't speak to what the surrounding properties zoning is.

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Adams: And is there anything in the regulation that would give us a tool to -- the ballot measure 37 regulations, that would give us a tool to judge whether or not a particular property has been reduced in value because of a change in zoning based upon whether or not the potential for the original zone was pursued and achieved or not? Do you understand my question?

Ames: I'm looking to our city attorney for some help as well.

Adams: Some of the testimony sort of nodded to that issue as well.

Kathryn Beaumont: Measure 37 really doesn't go into that level of detail. It simply tells to you look at this property and look at the value of the property with and without the regulation.

Adams: So the fact a neighborhood hasn't redeveloped, we can't use that to judge whether or not the zoning hurt -- the new zones hurt compared to the old zones.

Beaumont: Not per se. I suppose if the property were to be appraised, that is something that an appraiser would take into consideration in evaluating the value of the property and whether there's been a reduction in value.

Ames: We'd look at the market conditions and the area.

Adams: And my understanding is that the st. Johns plan was approved in play of 2004.

Ames: Yes.

Adams: And ballot measure 37 passed in november of 2004?

*******:** M-hmm.

Adams: And the notion of private right of action, that the council clarified, we thought that was a right that an adjacent property owner, the condominiums across the street, for instance, if they feel like this ballot measure 37 claim, if it was to be approved, hurt the value of their property, the condominium owners across the street would have the potential to pursue a private right of action for the reduction in the value of their property. Is that true?

Ames: I believe they could pursue that directly in the courts against the property owner if they so chose.

Adams: And do you have any thoughts in response to amanda's notion of bonding against the upside of the upzoning, the upside of more taxes coming in on the properties that were upzoned?

Ames: I think staff would need to do a lot more work on that idea if the council was interested in pursuing that. We'd need to involve the office of management and finance and others. I believe that property taxes are not assessed by the county based on potential, but based on the actual property values or the assessed property values. So i'm not sure whether we would be able to capture that, but we could pursue that if the council was interested in pursuing that for this or other claims.

Adams: As improvements came online, were built more than before ballot measure 37, there might be some opportunity there?

Ames: I suppose there might be. I don't know whether those same anticipated revenues are already dedicated to other -- are already forecasted for other uses by the city and the county and other taxing jurisdictions.

Adams: In your department's opinion, does this gut the st. Johns plan?

Ames: I think it definitely runs counter to the decision that the council made last year on the st. Johns/lombard plan. There was quite a bit of work that went into that plan, the council and the planning commission both deliberated at length about the various trade-offs. At the time we did not know that measure 37 was passing and couldn't take into consideration this particular trade-off as well. We might have made a different decision a year ago had we known that these types of claims would be likely in the future. I think it's -- there's been testimony today saying that it's likely that the property won't be able to develop at the r.h density even if we do choose to waive the regulation, because the market in st. Johns and on the hillside is supporting the r1 type development, the row house development that has occurred in that area already. So that's a speculative --

Adams: Are we up against a clock on making a decision?

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Ames: We are not. This case actually -- there's 180 days in the measure after which a claimant may go to circuit court. That 180 days in this case does not expire until december. So there is time for us to consider this further if that's the the direction that council would like to go.

Adams: Thank you.

Ames: If the council is interested in an appraisal, we do have a flexible services contract with an appraisal firm, an appraisal would probably cost between \$6,000 and \$10,000, and as you know, we dedicate a small amount of funds through contingency last year to cover the cost of some appraisals. So there is some money, but not much to cover appraisals.

Potter: On page 8, under the analysis that you folks estimate that the sale would support a value above \$400,000 for the subject property.

Ames: Yes. There was a recent sale three blocks to the south, I can show you that property. This property here that's green and has a free in it, that was sold in february for \$219,000. They have a proposal to develop this property with eight row houses under the r1d zoning that is just starting to come into the bureau of development services for preapplication conference and review. So base on -- based on that, we would expect a property that's roughly twice the sides could be sold for \$400,000 or higher. Mr. Calcagno also brought up the ownership question, and we based our analysis on the current ownership in 2000 he and his wife both transferred their interest in the property to two separate limited liability corporation, so we didn't do further analysis because that date was before the date the regulations were enacted.

Potter: It's my understanding in addition to the waiver, there also -- they're also requesting that they be able to sell the property to another party.

Ames: Yes. As mr. Calcagno indicated, he would like to be able to sell the property with the waiver on it. The council in a resolution earlier this year indicated that they wanted to follow the attorney general's opinion that the waivers are personal to the current owner and nontransferable.

Potter: Does the council wish more information?

Adams: There's been no staff work done in the city anywhere that you know on the bonding idea?

Ames: Not that I know of.

Adams: And is there -- can you think of any reason not to delay a final vote on this to at least -- since this is our first one, right?

Ames: Yes.

Adams: Is there any reason not to delay a vote to at least allow staff to look at that option?

Ames: I don't think there's any reason not to.

Adams: Other than to make a decision.

Potter: I need a motion to accept the staff report.

Leonard: I move to accept the staff report.

Potter: Do we have a second?

Saltzman: Is that going with the staff recommendation?

Potter: Yes.

Saltzman: I'll second it.

Potter: Please call the roll.

Adams: I'm going to vote no, because i'd like to -- since there is no clock ticking, i'd like -- and there's been excellent staff work done up to this point, it seems to me yes going to have more of these in the future, and I want to exhaust all possibilities, so i'd like some staff work on the bonding idea. No.

Leonard: Well, we have been struggling here for the last few years to fund services in the city, and every year notwithstanding, our best attempts, we cut more money. Last year it was just under \$700, this next year up to \$8 million. We cannot afford to spend money that we do not have when we are trying to keep our fire stations staffed, we're trying to keep -- ironically the discussion this morning was trying to find the money to keep the pier park pool open. And to maintain our public

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safety we need the resources that we have for that. Measure 37 was not something I think anybody on this council supported, but it passed, and we need do what we have to do, but I don't think it's justified to spend taxpayer dollars to satisfy measure 37. Aye.

Saltzman: I think it is an unfortunate fact measure 37 will likely upset many neighborhood plans that have gone underway, and as commissioner Leonard said, for \$87,000 we could keep pier pool open. And there may be cases, and there probably will be, where we do choose to compensate under measure 37, but to me this is not one of them. I think the original zoning is going to probably not reflect what will actually happen on that property, so I think this is the wiser choice. I'm intrigued by the bonding proposal, I still would say this is probably not where I would choose to exercise those use of funds that would otherwise come to our city general fund for police, fire, parks. So I vote aye.

Sten: I agree, unfortunately I did not support measure 37, and think it was a mistake to pass it. I do, however, think we have to implement the law once it's passed, and I think this fits, though we can get to some -- you can work up some arguments to say there's a way for us to fight this, but I think to keep our -- I think it's important the council, on one that's fairly cleanly within the bounds of the law, even though it was poor policy limited, I vote aye.

Potter: You know, this is an issue, and I think commissioner Leonard stated it, how we spend from our previous discussion this morning about how we spend property tax increases through tax abatements and I could see that if we were to allow the bonding against future property tax increases to go forward, I think we'd have many more claims that would be filed, and it wouldn't just show how we pay for this one, but how we pay for the others as well. So I vote to accept the staff report. Aye. [gavel pounded] please read the next item.

Item 1008.

Ames: The second claim this afternoon is claim number 05112154, that of Jerry L. Ward. Mr. Ward's claim is for \$375,000, and his preferred resolution is removal of all environmental zoning from his property. Mr. Ward has requested that we postpone consideration of his claim until after the environmental review of his property, which is happening on a parallel track, is concluded. There are a number of ways in which you could respond to this request. You may choose to deny the request and move forward with the decision today. The claimant and -- the claim and environmental review are two separate processes, that should not have an impact on each other. In addition, we have sent notice for the hearing this afternoon to all property owners within 400 feet of the claim property and to the neighborhood association and coalition office, and I believe a number of people are here to testify today. You could also choose, if you desired to grant the request and postpone the hearing to a date and time certain in late November, this would allow for the full decision-making process of the environmental review to be completed, guaranteed to be completed. Your decision to do so would serve as notice to those in attendance, if they wish to testify, they would need to return on that date. Or you could choose to grant this request in part. We would recommend hearing the staff presentation, taking testimony today, since this time and date had been noticed to the community. You could then continue the hearing to late November for a final decision, at which time you would be provided additional information. And could take additional testimony from the claimant and interested citizens. If you do decide to continue the hearing, we would ask that the claimant formally confirm in writing the 180-day clock be extended to the first of December. As you know, the measure provides that claimants can't go to court until after 180 days have expired. September 18 is 180 days from the date that we deem Mr. Ward's claim complete. I believe Mr. Ward and his attorney are both here if you'd like to discuss the request for postponement with them.

Potter: Yes.

Steve Morasch: May it please the council, Steve Morasch, I'm an attorney representing Mr. Ward. One of the reasons we requested the postponement is that depending on the outcome of the

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environmental review, this measure 37 claim may become entirely moot and we might be in a position to just withdraw it after the environmental review is complete. But until that review is complete, we're not in a position to make that decision. We feel a postponement would be the most appropriate way to handle the matter. Particularly because of the staff report, it references the density that could be allowed under current code as one of the issues for whether or not the claim should be granted, and so we feel it's premature to make a decision until we know exactly how many units would be approved under current code. We won't know that for certain until the environmental review is complete. I'd be happy to answer any questions council might have.

Potter: Questions?

Saltzman: I assume you're willing to put in writing your waiver of the deadline?

Morasch: Yes, we're very willing to do that.

Leonard: I would actually like to go ahead with the hearing. People have been notified, and the claim has been filed, and we should dispose of it.

Potter: Other folks? One and one so far.

Adams: We would go ahead and have the hearing and make a decision?

Leonard: Yes.

Adams: And if we denied it he would have the right to reapply?

Leonard: I don't think so.

Adams: Or resubmit a claim?

Leonard: I don't believe so.

Beaumont: If you go ahead with the hearing today and make a final decision on mr. Ward's measure 37 claim, he -- you would be done. He would be done with the city process. His next step would be to circuit court if he desired.

Jerry L. Ward: May I make a comment? I'm the applicant, Jerry Ward. I entered in good faith with the planning bureau, environmental review team, to review my property for development of so many units. And I had over six meetings with them, actually more, before the measure 37 was filed. And the staff -- this came from Hanna Kuhn, Mayor Potter's office, she called me up when measure 37 was filed because we couldn't come to an understanding whether it's seven or eight units, when I could put 13 units on the site. And Hanna asked me if I would go back and talk to the environmental review team, which I offered to do, and I offered that under the condition that we have a letter of understanding that if we go through so many months of these kind of reviews -- meetings, that we have an understanding and the understanding was to be that we would leave the measure 37 concurrent, but I wouldn't pursue the measure 37 process if I was successful on working with the city on getting a certain amount of units, knowing where they're placed and all the other parameters. So I have entered in good faith with the city on this, and it would be best I think to postpone this and see what environmental review will turn out to be. We have a process where we -- we have to wait until people can appeal on this, so it might be a couple months, but staff has also informed me it was most likely they will probably endorse the environmental review, and when the staff does that, it doesn't go before council, it can be appealed, but it's a type two review. So I'd appreciate it if the council does postpone this.

Potter: You said there was a letter of understanding, or agreement or something that you --

Ward: It was a July 27 letter to me, it was -- Hanna Kuhn could testify to that. She's not here now, she left the city I guess, but that was our understanding, and that's what the letter of July, if you want me to look it up, July whatever --

Leonard: I've read the information, and talked with staff. I'm interested in hearing what you have to say, but arguably the regulations that have been adopted since you've owned the property actually have expanded your development opportunities, and I think we need to take these claims as they come. You filed it, it's here, you've notified the neighbors, you've done the things you have the right to do under the law, and I think we also have the public's interest to address as well as your

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own personal interest, and I don't support postponing this because somehow using these two processes might maximize what you're able to get, and that's all i'm hearing from you. We have a broader concern here, and that is the impact on the public, the applicability of measure 37, and I think we need to dispense with it.

Ward: The neighborhood association has land use committee just last week adopted -- voted unanimously for the environmental review and what staff is recommending, the 12 units, etc. With the site plan that I was there at their last week's meeting. So not that the neighborhood association represents all the interested parties, maybe, but that is I think already in the record the cth response.

Adams: And that's acceptable to you, what they approved?

Ward: The neighborhood association? Yes. It's the same thing as what's been submitted to the environmental review team, eric engstrom. Same information. It was that packet.

Adams: So you want the ballot measure 37 claim to stay open sort of as a fail-safe?

Ward: Yes. Because I don't know -- if it's appealed, i've got a developer very interested in buying -- we already have a letter of agreement, and all the paperwork is done, we're just waiting for a decision for where we can transfer money.

Potter: Mr. Ward, when were you notified of this august 24 hearing, and when did you request to have it set over?

Ward: Eric engstrom, it's in my -- do you want me to get you precise dates?

Potter: Yes.

Ward: Ok. There's a lot of documents here. I'll read what I wrote here. Eric asked for an extension of measure 37 claim period on 7-8-05. And he did that prior to that in meetings also, but in formally he asked me on -- I got telephone notes on that, even before that he had calls to me of whether I would be interested in doing that. And this request was made so that if more time is needed for e. Review, it would be possible to conclude review and not to have to proceed with a measure 37 claim, and see exhibit letter 721, 2005. That's when I grant the extension. I first wrote, I went on vacation, I first wrote it for 14 dennis erickson eric called me back, I was on vacation, left a message with my office saying they would like to have more time. And I said 21 days, and he said sure. So I wrote 21 days, and that letter is in the -- I don't know if it's in your file, but it's in the measure 37 file. So already a 21-day -- that makes it clear to october I think, october 52 that I was granting -- october 22, and back in early july and late june, we thought that would be enough time to get the environmental review resolved.

Potter: Could staff comment on this, please?

Ames: The council has directed us to send out notice to the surrounding property owners 30 days in advance of the council hearings. So we prepared a notice to send out on july 25, and we had to have that completed the week before so that printing a distribution could do all they do and get it out. We have received mr. Ward's letter saying that he would like to extend it by 21 days the afternoon of the 25th. And we have a copy of that in our file. It did indicate that it was faxed as well, but we haven't found it anywhere on fax, and I believe that eric engstrom did let him know that we had a time line we had to meet in order to get that notice out.

Ward: Here's a copy of that letter. The extension letter authorizing by may, if you want that.

Potter: You mean from eric --

Ward: No, from me to -- on july 21.

Adams: Is that staff's recommendation that we approve the request for delay?

Ames: We would recommend that you at least hear the staff presentation and take testimony today, since there are people here who would like to testify. And then at the end of that you can decide whether you want to make a decision today or continue it on to another date and time certain that people can return in and provide more testimony.

Leonard: Can you tell me how it would benefit the community to delay the hearing?

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Eric Engstrom: I think that mr. Ward was accurate in that he has been working with us in good faith to try and find a way to review the development he's proposed through the regular codes, so I guess by taking testimony today and then making a decision after we have an environmental review decision, that I guess would allow the standard process to play out and I guess that would just be an extension of good faith back to mr. Ward that he's worked with us.

Potter: I think we should go ahead and have the hearing, and then make that decision whether we should delay. I at this point tend to think we should honor the good faith effort at this point.

Adams: So we need a presentation.

Potter: So we need a presentation, and we need the testimony of the people who did come in today to testify and took time off from work and so forth. So let's go ahead and --

Sten: Are you saying we would make a decision today in your mind, or --

Potter: We would decide at the end of the presentation.

Sten: Whether or not to make a decision?

Potter: Whether to make the decision or delay it until such efforts of the environmental review have been completed.

Sten: I'm ok with that. I don't mind hearing from the public. I guess my question though --

Sten: I guess my question is. I'm on the edge, i'm inclined to give the delay. My sense is I come from the philosophy that setting as much precedent as we can of trying to work through these things is good, and frankly i'm not positive that given how sophisticated the testimony tends to be on these, that it will be that relevant compared to how it will look once the negotiation is finished, because we'll be in a different situation. So if the majority of the council is prepared to make the decision today, that's a different matter. I'm leaning towards delaying, and i'm not sure it's a great use of people's time to tell me what they think today, because I believe the situation will be very different when it actually gets back before us in a couple months.

Leonard: And if it is as commissioner Sten explains, we're going to take testimony and delay the decision, I would agree with it. But i'm prepared to make a decision today. We're not going to do that, i'd just as soon wait.

Potter: My concern is for the folks to have come to testify. Everybody else I know will be back at the next event. How many people are actually testifying on this issue? You, sir?

Sten: I'm not adverse to hearing from him.

Potter: Ok. Do you mind coming back at a later time for this? Or do you prefer -- .

*******:** No I don't. I'll come back.

Potter: I think in order to maintain the good faith, it's been identified by mr. Ward and certainly it sounds like the bureau is also recommending, it, I recommend we set it over. To what time, so that we extend the clock by that amount of time, unless it's there already.

Ward: Mayor, you understand if I prevail on the environmental review then I will drop the measure 37 -- ok.

Potter: Yes. But we have to prepare for either eventuality.

Ward: Yes.

Ames: To ensure the city's decision-making on the environmental review is complete, we would recommend a date in late november. The decision from staff is expected by the end of this week and would be mailed next week, and then there's a two-week appeal period, and then if the case is appealed, it would need to go to a hearing's office for a decision, that would be scheduled til mid october, and the hearings officer has a certain amount of time to make his or her decision as well. So we were thinking that by mid november we're guaranteed to have a conclusion to the environmental review and then we can schedule the measure 37 hearing after that date.

Leonard: Just to put my cards completely on the table, I feel a little bit like this is holding the hammer over the city's process of environmental review, and I don't like it. And that's why I wanted to dispense with the case today and have your review proceed based on the merits. And so I

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guess -- this is I hope appreciated by people listening to me say this, but I hope the staff doesn't do anything different than what they would ordinarily do in this case, because certainly my message is it needs to be decided on its merits, period. And I kind of resent this timing thing a little bit. I don't like it. It doesn't feel good.

Potter: It sounded like it was the city that made the recommendation to delay the measure 37 until after the environmental review. That was the suggestion made to mr. Ward. Is that correct?

Engstrom: I think that, yeah, we suggested if he would like to withhold the decision until we made that, that we were the initial -- made that initial suggestion. I think mainly just for the sake of the council's time, not wanting to schedule a hearing like this if we didn't have to.

Leonard: As I understand it, he sent the letter asking for the delay.

Potter: How do we -- do we make a motion to have this set over, city attorney? Do I hear a motion to have this set over until late november? Do we have a date we could select at this time?

Moore: I would say to get in before the holiday, there's a thursday the 17th at 2:00 p.m. available.

Potter: Is that sufficient? Is that extending the time line on the measure 37 claim ok by you, mr. Ward?

Ward: Yes, it is.

Potter: Will you put that in writing for us so we don't -- pardon?

Saltzman: I won't be here that day, but if there's a quorum, that's fine. My one vacation.

Ward: I may be out of town, but I have to change that.

Potter: We will alter it if we find it's an unacceptable date to the majority of people involved. So do I hear a motion? [inaudible]

Sten: So moved.

Saltzman: Second.

Potter: Moved and seconded. Please call the roll.

Leonard: No.

Saltzman: I believe in many of the council discussions we've had about getting our arms around measure 37, I think we had a very expansive discussion about we want to try to stare applicants towards environmental review rather than filing measure 37 claims, so I think that's exactly what we have here, and we should encourage that discussion. So I vote aye.

Sten: Aye.

Potter: For the very reasons that commissioner Saltzman stated, I agree. Aye. [gavel pounded] thank you, folks. That's the last item for the day.

At 3:07 p.m., Council adjourned.