



CITY OF
PORTLAND, OREGON

**OFFICIAL
MINUTES**

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 19TH DAY OF JULY, 2000 AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi, Hales, Saltzman and Sten, 5.

OFFICERS IN ATTENDANCE: Britta Olson, Clerk of the Council; Ben Walters, Senior Deputy City Attorney and Linda Meng, Chief Deputy City Attorney; and Officer Chuck Bolliger, Sergeant at Arms.

Item Nos. 1041, 1044, 1045, 1046, 1047, 1048, 1049, 1050, 1051, 1052, 1053, 1085, 1086, 1087, 1088, 1089, 1090 and 1091 were pulled for discussion and on a Y-5 roll call, the balance of the Consent Agenda was adopted.

1037 **TIME CERTAIN: 9:30 AM** – Portland Public School District Strategic Plan (Presentation introduced by Commissioner Francesconi)

Disposition: Placed on File.

1038 **TIME CERTAIN: 10:00 AM** – Amend City Code Drainage and Water Quality to implement revised stormwater management policies and the Stormwater Management Manual (Ordinance introduced by Commissioner Saltzman; amend City Code Chapter 17.38)

Disposition: Passed To Second Reading July 26, 2000 at 9:30 a.m.

1039 **TIME CERTAIN: 11:00 AM** – Adopt recommendations for the construction of permanent devices for the SE Flavel Street Traffic Calming Project between 112th Avenue and Deardorff Road (Report introduced by Commissioner Hales)

Disposition: Adopted. (Y-5)

CONSENT AGENDA - NO DISCUSSION

1040 Cash investment balances May 25 through June 30, 2000 (Report; Treasurer)

Disposition: Placed on File.

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1041 Accept bid of Snyder Roofing of Oregon LLC to furnish Kerby garage re-roofing project for \$713,864 (Purchasing Report - Bid No. 99943 Rebid)

Disposition: Referred to Purchasing Agent.

1042 Accept quote of Tice Electric Company to furnish emergency detection and control Division Street segment for \$48,888 (Purchasing Report - Bid No. 99976)

Disposition: Accepted Prepare Contract. (Y-5)

1043 Accept bids of Total Works of Art, Inc., Freeborn Construction, Inc., All Dry Gutter Service, Inc. and Brian Park dba Green Art Landscaping & Irrigation to furnish downspout rehang/relocation services for \$269,456 annually (Purchasing Report - Bid No. 100091)

Disposition: Accepted Prepare Contract. (Y-5)

Mayor Vera Katz

1044 Approve referral to voters a Ballot Measure to prohibit the payment of disability benefits to Fire and Police Disability and Retirement fund members incarcerated after conviction of a crime (Resolution)

Disposition: Resolution No. 35902. (Y-5)

1045 Approve referral to voters a Ballot Measure to change the Composition of the Fire and Police Disability and Retirement (FPD&R) Board by adding three citizen members and deleting three FPD&R fund member positions (Resolution)

Disposition: Resolution No. 35903. (Y-5)

1046 Accept the Community Outreach Plan and Construction Mitigation Plan for redevelopment of the Civic Stadium (Resolution)

Disposition: Resolution No. 35904. (Y-5)

***1047** Authorize agreement to clarify and modify easements with the Multnomah Athletic Club relating to Civic Stadium (Ordinance)

Motion to accept amendment: Moved by Commissioner Saltzman and seconded by Commissioner Sten.

Disposition: Ordinance No. 174709 as amended. (Y-5)

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- *1048** Authorize the continuation of negotiations for the acquisition of an easement required for construction of improvements at Civic Stadium and authorize the City Attorney to commence condemnation proceedings, if necessary, and obtain early possession (Ordinance)

Disposition: Ordinance No. 174710. (Y-5)

- *1049** Authorize execution of a Project Funding Agreement between the City and Portland Family Entertainment LTD and U.S. Bank as Trustee (Ordinance)

Motion to accept amendment: Moved by Commissioner Saltzman and seconded by Commissioner Hales.

Disposition: Ordinance No. 174711 as amended. (Y-5)

- *1050** Authorize execution of a Sale of Teams Agreement between the City and Portland Family Entertainment LTD (Ordinance)

Disposition: Ordinance No. 174712. (Y-5)

- *1051** Authorize execution of a Capital Reserve Account Agreement between the City and Portland Family Entertainment LTD and US Bank as Trustee (Ordinance)

Motion to accept amendment: Moved by Commissioner Saltzman and seconded by Commissioner Sten.

Disposition: Ordinance No. 174713 as amended. (Y-5)

- *1052** Authorize execution of a Stadium Use Agreement between the City and Portland Family Entertainment LTD (Ordinance)

Disposition: Ordinance No. 174714. (Y-5)

- *1053** Authorize alternative process for disposing of surplus Civic Stadium personal property (Ordinance; waive City Code Section 5.36.010)

Disposition: Ordinance No. 174715. (Y-5)

- *1054** Amend contract with Seder Architects AIA for the Child Care Center project and provide for payment (Ordinance; amend Contract No. 1022701)

Disposition: Ordinance No. 174668. (Y-5)

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- *1055** Create one position in Office of Management and Finance and change an established effective date of a classification (Ordinance)

Disposition: Ordinance No. 174669. (Y-5)

- *1056** Contract with Reward Strategy Group, Inc. to complete a classification and compensation study of City nonrepresented positions and provide for payment of \$141,640 (Ordinance)

Disposition: Ordinance No. 174670. (Y-5)

- *1057** Extend contract with Pinnell-Busch, Inc. to provide technical assistance services to disadvantaged, minority, women and emerging small business contractors (Ordinance; amend Contract No. 31398)

Disposition: Ordinance No. 174671. (Y-5)

- *1058** Pay claim of James Parks (Ordinance)

Disposition: Ordinance No. 174672. (Y-5)

- *1059** Pay claim of Serge Selbe dba Fishtales Restaurant (Ordinance)

Disposition: Ordinance No. 174673. (Y-5)

- *1060** Authorize the Purchasing Agent to sign a contract with SAS Institute, Inc. for annual software maintenance in the amount of \$65,920, without advertising for bids (Ordinance)

Disposition: Ordinance No. 174674. (Y-5)

- *1061** Authorize Disbursement Agreement with Metro for Convention Center improvements (Ordinance)

Disposition: Ordinance No. 174675. (Y-5)

- *1062** Authorize payment to the Oregon Historical Society (Ordinance)

Disposition: Ordinance No. 174676. (Y-5)

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- *1063** Intergovernmental agreement with Multnomah County to share and jointly own an existing conduit system (Ordinance)
Disposition: Ordinance No. 174677. (Y-5)
- *1064** Authorize Bonds and Lines of Credit for Transportation projects (Ordinance)
Disposition: Ordinance No. 174678. (Y-5)
- *1065** Issue Sewer System Revenue Bonds (Ordinance)
Disposition: Ordinance No. 174679. (Y-5)
- *1066** Authorize Oregon Convention Center Urban Renewal and Redevelopment Bonds (Ordinance)
Disposition: Ordinance No. 174680. (Y-5)
- *1067** Authorize Downtown Waterfront Urban Renewal and Redevelopment Bonds (Ordinance)
Disposition: Ordinance No. 174681. (Y-5)
- *1068** Amend contract with OPTEC, Inc. dba FirstWorld Northwest, Inc. in the amount of \$160,000 to upgrade or replace data communications equipment and systems (Ordinance; amend Contract No. 32314)
Disposition: Ordinance No. 174682. (Y-5)
- *1069** Authorize an intergovernmental agreement and provide payment to the Oregon Department of Fish and Wildlife to perform stream habitat surveys in several stream basins under the direction of the Bureau of Planning and the City Endangered Species Act Program (Ordinance)
Disposition: Ordinance No. 174683. (Y-5)
- 1070** Grant a ten-year property tax exemption to Innovative Housing, Inc. for new multiple-unit housing on the block bounded by SW Jefferson, Columbia, 12th and 11th Avenues (Ordinance)
Disposition: Passed to Second Reading July 26, 2000 at 9:30 a.m.

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Commissioner Jim Francesconi

1071 Accept contract with S & R Roofing, Inc. for roofing at Fire Station 45 as complete and make final payment of \$10,783 (Report; Contract No. 32642)

Disposition: Accepted. (Y-5)

***1072** Amend contract with Portland Freightliner, Inc. for the purchase of additional fire apparatus (Ordinance; amend Contract No. 40570)

Disposition: Ordinance No. 174684. (Y-5)

***1073** Authorize a contract and provide payment for remodeling at the Fire Bureau Training Center (Ordinance)

Disposition: Ordinance No. 174685. (Y-5)

***1074** Apply for a \$25,000 grant from the Federal Emergency Management Agency (Ordinance)

Disposition: Ordinance No. 174686. (Y-5)

***1075** Amend contract with Jan Glarum for an additional \$15,300 for continued development and coordination of a grant project (Ordinance; amend Contract No. 32649; waive City Code Section 5.68)

Disposition: Ordinance No. 174687. (Y-5)

***1076** Contract with David F. Weich Sr. for fire prevention, suppression and emergency medical response services for FY 2000-2001 (Ordinance)

Disposition: Ordinance No. 174688. (Y-5)

***1077** Call for bids for mass grading and erosion control for Jamison Square, authorize a contract and provide for payment (Ordinance)

Disposition: Ordinance No. 174689. (Y-5)

***1078** Amend flexible services contract with AGRA Earth & Environmental for additional scope of work (Ordinance; amend Contract No. 32128)

Disposition: Ordinance No. 174690. (Y-5)

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- *1079** Authorize execution of a Settlement Agreement and Release with Oregon Pacific Railroad Company and provide for payment (Ordinance)

Disposition: Ordinance No. 174691. (Y-5)

Commissioner Charlie Hales

- 1080** Accept contract with Leed Electric for ornamental street light installation on SW 3rd Avenue between W. Burnside and SW Washington Streets as complete and make final payment (Report; Contract No. 32370)

Disposition: Accepted. (Y-5)

- *1081** Authorize an intergovernmental agreement between the State of Oregon and the City to provide up to \$86,250 for the Tacoma Main Street Project, an approved Transportation Growth Management Program planning project (Ordinance)

Disposition: Ordinance No. 174692. (Y-5)

- *1082** Authorize an intergovernmental agreement between the State of Oregon and the City to provide up to \$210,655 for the Master Street Plans for Southwest and far Southeast Portland, an approved Transportation Growth Management planning project (Ordinance)

Disposition: Ordinance No. 174693. (Y-5)

- *1083** Amend and restate the agreement with Ater Wynne LLP for non-legal expert services related to the Lovejoy ramp removal and reconstruction project (Ordinance)

Disposition: Ordinance No. 174694. (Y-5)

- *1084** Authorize a contract and provide payment to install traffic signal preemption equipment for Tri-Met Line 4, Division Street (Ordinance)

Disposition: Ordinance No. 174695. (Y-5)

- 1085** Amend the fee schedule for land use applications and related planning services effective August 21, 2000 (Second Reading Agenda 991)

Disposition: Ordinance No. 174716. (Y-5)

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- 1086** Amend City Code to remove fees from Chapter 3, Administration, and establish a separate fee schedule effective August 21, 2000 (Second Reading Agenda 992; amend City Code Chapter 3.30.015)

Disposition: Ordinance No. 174717. (Y-5)

- 1087** Amend City Code to remove fees from Chapter 18, Noise Control, and establish a separate fee schedule effective August 21, 2000 (Second Reading Agenda 993; amend City Code Chapter 18.14)

Disposition: Ordinance No. 174718. (Y-5)

- 1088** Amend City Code to remove fees from Chapter 24, Building Regulations, and establish a separate fee schedule effective August 21, 2000 (Second Reading Agenda 994; amend City Code Chapter 24.10 and 24.35)

Disposition: Ordinance No. 174719. (Y-5)

- 1089** Amend City Code to remove fees from Chapter 25, Plumbing Regulations, and establish a separate fee schedule effective August 21, 2000 (Second Reading Agenda 995; amend City Code Chapters 25.05 and 25.07)

Disposition: Ordinance No. 174720. (Y-5)

- 1090** Amend City Code to remove fees from Chapter 26, Electrical Regulations, and establish a separate fee schedule effective August 21, 2000 (Second Reading Agenda 996; amend City Code Chapter 26.05)

Disposition: Ordinance No. 174721. (Y-5)

- 1091** Amend City Code to remove fees from Chapter 32, Signs and Awnings, and establish a separate fee schedule effective August 21, 2000 (Second Reading Agenda 997; amend City Code Chapter 32.03)

Disposition: Ordinance No. 174722 As Amended. (Y-5)

Commissioner Dan Saltzman

- *1092** Authorize a purchase order to serve as a contract to East Wind for the W Burnside at 1st Avenue emergency sewer repair project, Project No. 6851, for \$75,000 and provide for payment (Ordinance)

Disposition: Ordinance No. 174696. (Y-5)

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- *1093** Contract with CH2M Hill to provide technical and environmental oversight services during design and construction of the Willamette River West Side combined sewer overflow projects (Ordinance)

Disposition: Ordinance No. 174697. (Y-5)

- *1094** Amend agreement for services with Brown and Caldwell for professional engineering services for Columbia Boulevard Wastewater Treatment Plant lagoon reconstruction Project No. 6072 (Ordinance; amend Contract No. 32228)

Disposition: Ordinance No. 174698. (Y-5)

- *1095** Accept a grant from Multnomah County in the amount of \$39,086 for FY 2000/2001 to support the delivery of community services by North Portland Neighborhood Services for the Caring Community of North Portland (Ordinance)

Disposition: Ordinance No. 174699. (Y-5)

Commissioner Erik Sten

- *1096** Contract with Northwest Housing Alternatives, Inc. for \$60,000 for activities in the development of affordable rental housing and provide for payment (Ordinance)

Disposition: Ordinance No. 174700. (Y-5)

- *1097** Contract with Catholic Charities for \$23,281 to provide the Asian Youth Outreach Project and provide for payment (Ordinance)

Disposition: Ordinance No. 174701. (Y-5)

- *1098** Contract with Community Alliance of Tenants for \$36,933 for the Renter Stabilization and Education Program and provide for payment (Ordinance)

Disposition: Ordinance No. 174702. (Y-5)

- *1099** Contract with Low Income Housing by Native Americans of Portland, Oregon for \$60,000 for the development of affordable rental housing and provide for payment (Ordinance)

Disposition: Ordinance No. 174703. (Y-5)

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- *1100** Contract with ROSE Community Development Corporation for \$130,000 to support its community development activities and provide for payment (Ordinance)

Disposition: Ordinance No. 174704. (Y-5)

- *1101** Contract with Network Behavioral Healthcare, Inc. for \$60,000 for activities in the development of special need affordable housing and provide for payment (Ordinance)

Disposition: Ordinance No. 174705. (Y-5)

- *1102** Authorize a Change Order in the amount of \$365,282 with GeoTech/Stettler Supply for the construction of well site improvements for Well 35 (Ordinance)

Disposition: Ordinance No. 174706. (Y-5)

- *1103** Authorize a contract and provide payment for the construction of well site improvements for Wells 36 and 37 (Ordinance)

Disposition: Ordinance No. 174707. (Y-5)

- *1104** Authorize a contract and provide for payment for the construction of the conduit isolation and improvement project at the Larson's Intertie (Ordinance)

Disposition: Ordinance No. 174708. (Y-5)

REGULAR AGENDA

- 1105** Establish Noise Control Task Force (Resolution introduced by Mayor Katz, Commissioners Hales and Saltzman)

Motion to accept amendment: Moved by Mayor Katz and seconded by Commissioner Hales.

Disposition: Resolution No. 35905 as amended. (Y-5)

Mayor Vera Katz

- *1106** Lease space at 2115 SE Morrison Street for the Police Bureau Multidisciplinary Team (Ordinance)

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Disposition: Ordinance No. 174723. (Y-5)

- *1107** Amend intergovernmental agreement between Multnomah County Community Justice and the City for use of Juvenile Accountability Block grant funds (Ordinance)

Disposition: Ordinance No. 174724. (Y-5)

- *1108** Authorize settlement and Consent Decree with Emerald Outdoor Advertising (Ordinance)

Disposition: Ordinance No. 174725. (Y-5)

Commissioner Jim Francesconi

- *1109** Authorize agreement for acquisition of 42 lots in the MacGregor Heights Subdivision on Clatsop Butte in the Pleasant Valley Neighborhood for park purposes (Ordinance)

Disposition: Ordinance No. 174726. (Y-5)

Commissioner Dan Saltzman

- 1110** Resolution regarding FAA report to Congress on effects of nonmilitary helicopters on individuals in densely populated areas in the continental United States (Resolution)

Disposition: Resolution No. 35906. (Y-5)

- S*1111** Amend City Code to revise sewer and drainage rates and charges effective August 1, 2000 (Ordinance; amend Code Chapter 17.36)

Motion to accept substitute: Moved by Commissioner Sten and seconded by Commissioner Saltzman.

Disposition: Substitute Ordinance No. 174727. (Y-5)

Commissioner Sten

- S*1112** Amend the water rates effective August 1, 2000 (Ordinance; amend Ordinance Nos. 173388 and 174507)

Disposition: Substitute Ordinance No. 174728. (Y-5)

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City Auditor Gary Blackmer

- 1113** Assess property for sidewalk repair by the Bureau of Maintenance for billing processed through June 1, 2000 (Second Reading Agenda 1032; Y1039)

Disposition: Ordinance No. 174729.

Communications

- 1114** Request of Daniel De Maris to address Council regarding zoning enforcement (Previous Agenda 990)

Disposition: Continued to August 2, 2000 at 9:30 a.m.

FOUR-FIFTHS AGENDA

Mayor Vera Katz

- *1114-1** Authorize execution of an agreement between the City and Portland Family Entertainment LTD for assumption of Civic Stadium naming rights (Ordinance)

Disposition: Ordinance No. 174730. (Y-5)

- *1114-2** Authorize a labor agreement between the City and Portland Police Commanding Officers Association relating to terms and conditions of employment of commanding officers in the Portland Police Bureau (Ordinance)

Disposition: Ordinance No. 174731. (Y-5)

Commissioner Dan Saltzman

- *1114-3** Authorize a contract with Robinson Stafford and Rude, Inc. for professional services for value engineering services for the West Willamette Combined Sewer Overflow relief projects (Ordinance)

Disposition: Ordinance No. 174732. (Y-5)

- *1114-4** Authorize agreements for the conveyance of one property from Clayton Johnson to the Bureau of Environmental Services, subject to certain conditions being fulfilled and authorize acceptance of deeds and payments of expenses (Ordinance)

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Disposition: Ordinance No. 174733. (Y-5)

- *1114-5** Authorize a purchase order to serve as a contract to Nutter Underground for the NE 47th and Oregon emergency sewer reconstruction project, Project No. 6860 for \$65,000 and provide for payment (Ordinance)

Disposition: Ordinance No. 174734. (Y-5)

- *1114-6** Authorize an intergovernmental agreement with Portland State University to conduct a weight study of residential disposal and recycling services in the amount of \$83,198 (Ordinance)

Disposition: Ordinance No. 174735. (Y-5)

- *1114-7** Amend the contract with Brown and Caldwell for design and services during construction of the 105th and Holman pump station, Project No. 5369 (Ordinance)

Disposition: Ordinance No. 174736. (Y-5)

- *1114-8** Amend agreement with CH2M Hill to increase scope and compensation for instrumentation and control services for various services at the Columbia Boulevard Wastewater Treatment Plant (Ordinance)

Disposition: Ordinance No. 174737. (Y-5)

- *1114-9** Authorize a contract amendment with Carollo Engineers PC for Sullivan, Stark and Holladay Basins Predesign, Project No. 6073 (Ordinance; amend Contract No. 32170)

Disposition: Ordinance No. 174738. (Y-5)

- *1114-10** Authorize a contract and provide for payment for Johnson Creek and Crystal Springs Creek FEMA flood insurance re-study (Ordinance)

Disposition: Ordinance No. 174739. (Y-5)

At 1:17 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 19TH DAY OF JULY, 2000 AT 6:00 P.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi, Hales and Sten, 4.

OFFICERS IN ATTENDANCE: Britta Olson, Clerk of the Council; Ben Walters, Senior Deputy City Attorney; and Officer Larry Siewert, Sergeant at Arms.

- *1115** **TIME CERTAIN: 6:00 PM** – Grant a temporary, revocable permit to OAB Networks Oregon LLC and establish terms and conditions (Ordinance introduced by Commissioner Sten)

Disposition: Referred to Commissioner of Public Works.

- S - *1116** Grant a temporary, revocable permit to RCN Telecom Services of Oregon, Inc. and establish terms and conditions (Ordinance introduced by Commissioner Sten)

Motion to accept substitute: Moved by Commissioner Sten and seconded by Commissioner Hales.

Disposition: Substitute Ordinance No. 174741. (Y-4)

- *1117** Grant a temporary, revocable permit to WideOpen West Oregon LLC and establish terms and conditions (Ordinance introduced by Commissioner Sten)

Disposition: Referred to Commissioner of Public Works.

- S *1118** Grant a temporary, revocable permit to Western Integrated Networks Oregon Operating LLC and establish terms and conditions (Ordinance introduced by Commissioner Sten)

Motion to accept substitute: Moved by Commissioner Sten and seconded by Commissioner Hales.

Disposition: Ordinance No. 174741. (Y-4)

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- *1119** Grant a temporary, revocable permit to Metromedia Fiber Network Services, Inc. and establish terms and conditions (Ordinance introduced by Commissioner Sten)

Disposition: Ordinance No. 174742. (Y-4)

At 7:20 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 20TH DAY OF JULY, 2000 AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Francesconi and Hales, 3.

OFFICERS IN ATTENDANCE: Britta Olson, Clerk of the Council; Linda Meng, Chief Deputy City Attorney; and Officer Chuck Bolliger, Sergeant at Arms.

- 1120 TIME CERTAIN: 2:00 PM** – Amend Planning and Zoning Code to establish minimum and maximum parking ratios as required by Title 2 of the region's Urban Growth Management Functional Plan (Previous Agenda 673; introduced by Mayor Katz; amend Title 33)

Disposition: Continued to August 31, 2000 at 2:00 p.m.

REGULAR AGENDA

Mayor Vera Katz

- S-1121** Amend Title 33, Planning and Zoning, to modify how height is measured on lots that slope downhill from the street and remove a reference in the odor standard (Second Reading 1035; amend Code Title 33)

Motion to accept substitute: Moved by Commissioner Hales and seconded by Commissioner Francesconi.

Disposition: Substitute Ordinance No. 174743. (Y-3)

At 3:40 p.m., Council adjourned.

GARY BLACKMER
Auditor of the City of Portland



By Britta Olson
Clerk of the Council

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

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Closed Caption Transcript of Portland City Council Meeting

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

Key: == means unidentified speaker.

JULY 19, 2000 9:30 AM

Katz: Council will come to order. Please call the roll. [roll call]

Katz: Because much all the changes, you're going to—you and ben are going to have to stay with me step by step on this. Between substitutes and pulling things off the consent agenda, and remind me that we have ten four-fifths items we need to deal with this morning. I'm to be arbitrary in terms of some procedural decisions. Not too arbitrary. We do need to get our work done, though. All right. Let's start with the consent agenda items. I know there's a request to pull 1041, 1044, 1045, 1046 to 1053, 1085, 1086, 1087, 1088, 89, 90, 91. Anybody else have any ones they want to pull off? Okay. Any other members of the council want to pull off any consent agenda items? If not, roll call on consent agenda.

Katz: Mayor votes aye. Let's try to go as quickly through most of those items. I know one is going to require some discussion, but let's try to go as quickly as possible through the others. 1041.

Item 1041.

Ron Berg, Interim Director, Bureau of General Services: interim bgs director. We request this be referred back to the purchasing at so we can explore additional lower cost options.

Katz: Okay. Anything for lower cost options. Any objections? Hearing none, so ordered. 1044. 1044 and 1045.

Items 1044 and 1045.

Katz: Let me just say a few words before I turn it over to our guests this was a discussion that auditor blackmer and I had in light of some renditions on the fpd&r board, and there was also an interest in making changes. The reason that it's before you today is just because of the schedule, vacation schedule of the council. This is going to be our last opportunity to put anything on the ballot. So I pulled it off consent agenda because I thought it was important to have some discussion, and I know commissioner Saltzman has an amendment. And let me do this. Commissioner Saltzman, don't discuss the amendment, but make sure everybody knows what the amendment is so they can respond to the amendment during their testimony. If that's—

Saltzman: Do you want me to go through the amendment now?

Katz: Yes, you might as well do that now. Hold on, you two.

Saltzman: Thank you, madam mayor. My amendment amends the same section of the charter that the current resolution before us addresses with respect to denial of benefits for those who are incarcerated. My amendment to the charter governs the manner in which stress or mental disorder disability benefits will be considered by the fpd & r board. This amendment is a proactive approach. This design to help police officers and firefighters confront the impacts of critical stress incidents and hopefully resolve them for their own benefit and for the benefit of their loved ones and colleagues. At the same time, it makes the fpd&r board more accountable to the public to decrease the possibility of misuse of stress-related disability claims. The amendment establishes a mandatory early intervention process that will identify and provide for appropriate treatment of stress or mental disorders related to critical stress incidents. Under the amendment, the fpd & r board shall adopt rules mandating early intervention for police or firefighters involved in work-related events that may cause psychological or physical injury. Such interventions shall include critical stress debriefings immediately after the incident, and initial and follow-up evaluations. Under the amendment, a member's participation in the early intervention process, including the ongoing follow-up evaluations by a physician or psychologist

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would be a condition precedent of the filing of a stress or mental disorder disability benefit claim for a specific work-related event. Finally, upon termination by an officer or firefighter or a licensed physician or psychologist, that the member has a stress or mental disorder, the charter minute provides a one-year time line for the member to file a stress or mental disorder disability benefit claim with the fpd & r board. That's what the amendment does. I'd like to speak—

Katz: Not yet. I just want—let me tell you why i'm doing this. I don't want to delay this, I want everybody who's going to testify to at least hear of the proposed other language to this so they can comment on it, and then the council will make— then i'll give you an opportunity to make a case for it. All right?

Saltzman: Okay.

Katz: Okay. Sorry. Gary and charlie.

Saltzman: I want to add there are copies of the amendment behind our attorney over here.

Charles Rosenthal, Citizens Committee: good morning. Thank you for this opportunity to address you, although very briefly. The committee that was appointed by the city council met to address the issues that you were interested in. That is, means for improving the effectiveness and the efficiency of the fpd & r board of trustees. And i'm here because the chair of the committee is not able to attend, although there are two other members who are here, tom chamberlain and leo painten are in the back and can reinforce whatever I say, or not. Effectively we are responding to the council by submitting a resolution—submitting resolutions in two matters. The first is one which prohibits payments, disability to members who are incarcerated at the time that the disability would be payable. Although the—there is an option to—not an option, but a direction that would say that beneficiaries, dependents would be paid half of the disability payment. The second issue was one—

Katz: Beneficiaries not incarcerated?

Rosenthal: that's true. The second alters the composition of the board so that citizen representatives would be on the board, reduces the membership by combining the two positions held by the fire and police chiefs to one, and reduces the participation of active fire and police membership by one each, and then adds three citizen members. So total membership of 11 remains the same, but alters the composition so as to introduce citizens. The committee also considered the issue of stress as councilmen—councilman Saltzman has mentioned, and what we felt was that this was a complex medical issue, one which our committee did not have adequate medical knowledge about to judge this particular issue, that it would require more information to set up any kind of regulation, and so we felt we could not do anything. Furthermore, it was our understanding that a citywide regulation, which would govern all employees, might be a better approach than to isolate the police and the fire for this kind of medical condition. So we left that out of any proposal that we had. And so you have before us the two-part amendments to the statutes.

Katz: Gary?

Gary Blackmer, City Auditor: let me talk a little bit about commissioner Saltzman's amendment. I appreciate his concerns about trying to modify the system to improve it. I think we all agree that none of us want to turn our backs on police officers or firefighters who are psychologically injured in the course of their work. And we want to prevent members from receiving payments for false stress claims, and we also want our ballot measures to be well crafted solutions to the problems. As we've worked with commissioner Saltzman, he has been—he's been open to improving the amendment that he's proposing, and you see before you version three, and each one I think is an improvement. However, i'm concerned because I feel like it still needs a little more work and a little more execute any to make sure we don't produce unintended consequences. Our goal in putting this issue before the citizen committee was that we felt like a change in the board composition was a fundamental and the most significant change we could make that would provide safeguards into the future. One of the problems is we had a very short time line. We thought we had until august 16th to bring something before you, but unfortunately we're here today because of absences. And we would have brought in

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expert advice and had a much more in-depth discussion with the citizens, and I think we could have crafted something, but unfortunately at this stage we are up against deadlines. As a board member, as a trustee, I would apply these rules if you approve it, and if the voters approve it. My biggest concern is trying to interpret them and fit them to the cases that we see before us. Because they're varied, they're complex, and in most cases they're a very difficult decision to make. I don't know that these rules have succeeded actually in accomplishing what commissioner Saltzman intends. When we think about the sergeant barton case, we don't know that it would have prevented that from happening. Now, in the future, with the employee assistance program and the monitoring, those cases could have—could be prevented, but it won't work retroactively for many of the members. And I guess my biggest concern, though, is that I would hate to turn our backs on any psychologically injured firefighter or police officer because he or she missed a deadline that we set of one year for certain requirements. So I feel like it's been a good process up to this point, but it needs more work, and I would really urge you to consider alternatives to putting this into the charter, such as directing the bureaus or the bureau of human resources or some agency to develop, as charles rosenthal recommended, some citywide policies for providing immediate intervention on stress cases and monitoring beyond the first few weeks, or directing the fire and police retirement board to do something. I guess with that i'd close, but i'm willing to discuss it in more detail.

Katz: Why don't you discuss the—the two amendments that --

Blackmer: sorry, the—they were responses to those cases. The first one was a police officer who was incarcerated, he was a sentenced felon, and was receiving disability payments. We looked at other systems, and identified some that had put limitations on disability payments to members, and we patterned our language after that. The other—the other broader issue is the membership, and we met with the members of the fire and police several trustees and looked at options and looked at ways that we could alter the membership to provide more input, to provide a different balance and introduce a citizen perspective. And through a lot of discussion, and I thought very fruitful discussion with the citizen committee, we came up with a proposal that I think provides a more of a balance, in that we have currently five—currently there are eight beneficiaries of the fund on the 11-member board, and three nonbeneficiaries. Those are the mayor, me, and the and the treasurer. This changes it so there are five beneficiaries, the joint police fire chief position, two fire trustees, two police trustees, and three citizens. One citizen would be nominated by the mayor and approved by council, one citizen would be appointed by the city—by the city firefighters and police officers, the trustees, and the third citizen would be appointed by the whole board. So the ten members would choose that 11th citizen. So that means we'll have three citizen, we'll have the five trustees, we'll have three administrators. So the composition is what I would call more of a plurality in that it's going to take some consideration by all of them in order to get a majority.

Francesconi: I just have one question. Does the board have the—it's a great idea to have early intervention. And i'm surprised we don't do it already, frankly. Does the board have the authority right now to adopt rules mandating early intervention and treatment and access?

Blackmer: i'm a little confused about the language there too. I'm not sure who they're mandating.

Francesconi: Currently does the board have the authority?

Blackmer: that would be mandating the police bureau or the fire bureau to do it, or that they would simply do it themselves?

Francesconi: Either way. I guess do it themselves.

Saltzman: They can do it themselves.

Blackmer: sure.

Katz: There is a requirement on the police bureau that they make one contact with the employment assistance program, but the monitoring of it and the consistent attention to it currently isn't there, but it is something that both the board is interested in and the bureau is interested in as well. I didn't know what tom—tom mentioned the fire bureau doesn't have any of that. What we'd like to do is take it a

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look at it for both police and fire, and I think Gary is right, we have city employees who also come under stress issues, and we ought to probably take a look at doing the entire city—

Blackmer: we have a maintenance worker buried in—dirt fell on him, and it conceivably could have been a stress-type issue. A life-threatening issue like that, it's potentially could fall outside of public safety workers as well.

Francesconi: I think that's a good idea, but—and I represent other bureaus besides the fire bureau, but comparing what the fire bureau does and what some police does on a regular daily basis, at least—let's at least start with those bureaus to make sure there's something in place.

Katz: Okay. Thank you. Anybody else want to testify? Chief, come on up. Anybody else? Come on up.

Mark Kroeker, Chief, Police Bureau: thank you very much, and just a few words—

Katz: Identify yourself for the record.

Kroeker: I'm chief of police of Portland police bureau, Mark Kroeker, and I'm very pleased to bring a couple of items of input here to this discussion, and some concerns. First of all, I want to make it very clear that I'm concerned about the post-traumatic health, well being, welfare of our people in a genuine way. We want them not only to be safe and to prevent or—incidents of trauma, but when they happen, to actually have our people lead productive lives, get back to their work, and—in a proper way, so that down the road where the symptoms actually start erupting months or even years down the road, they will have a proper resistance and a proper and healthy response and a productive life in the organization and later as they leave it. Second I'm concerned about the appropriate resolution and dealing with the medically diagnosed conditions that exist in the authenticity of the claims that are there so that we can make sure that the proper resolution of these are handled under very forthright, honest and truthful approaches to the matter. So that we can reserve our limited sales for those who truly are deserving. And care for them properly. When in the early part of this year I was reviewing this, and we had discussions about the various things we were going to do in the future, it became apparent that this is an area where we need a systemic improvement. And I think this discussion that we're having is very useful and helpful. As a matter of fact, when in late spring two officers were involved in the fatal—officer involved shooting at very close range, and it became apparent as I personally talked to these officers sometime after that they were dealing with the effects of this. We want our officers to respond sensitively to these situations, to not be immune from an effect of taking another human life. Nevertheless, there's a treatment that is appropriate and a follow-up that's necessary, and a project that I signed as a result of that shooting, I specifically asked for a report about the condition and welfare of those two officers involved in that shooting. Secondly, I wanted to launch a study and then development of a system that will be in fact a long-range approach to dealing with this from the standpoint of the accountability of the police bureau and its managers in dealing with the officers who have been involved in a stress situation. Subsequent to the assigning of this project and discussion with managers, I have asked for them to look at this from the stained point of national literature. The national experience that is out there. I have to tell you, thus far as we've looked at it, there's very little that is actually being done in organizations to deal with this on a long-term basis. Most organizations have in the first 30 days very clearly articulated policies about what you should do, and so forth. But in the depictions of the diagnostic and statistical menu of mental disorders, DSM IV, a very specific list of the diagnostic criteria for PTSD, they talk about reactions that are months or years down the road. That being the case, we need in fact to develop a system that is in the organization, that has specific flags for points along the way so that we can document the level of treatment that the officer has—employee I should say has received, the dates at which that took place, the condition of the officer, the medical report and so forth, so we have a chain of history and a clear documentation on one side, and on the other hand, so we're properly and appropriately responding to this condition of post traumatic stress recovery, which is not to be done in just putting a band-aid on the situation, but a long-term approach. So I think it's good that we're having this discussion. I think it's time. I do think

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that the accountability should be in the police bureau. I will speak for the police, not the fire. This is the responsibility that we have in leadership for the safety of our people, and to send that out to the pension board is—is an approach, but I want to maintain the accountability of the review mechanism in the police bureau, and I want to hold managers accountable for ensuring this system is appropriate. When it comes up later in a discussion in front of the fpd & r as to what has happened, we need to be able to show what management steps were taken, what supervisory decisions were made, and an articulation of that, along with the medical history that substantiates it so it's not just sent off to the pension board to handle, but it's a management responsibility to take care of our people. So that's my concern. Now, the charter amendment, I got in my hands actually yesterday for the first time. I have to say I haven't had time to compare notes as to what it means, the longer range impact to consider what the implications would be of this. So I can't tell you that it would be harmful. Certain lit it sounds like a positive step. I just have this concern that we study that and maybe there's an amalgam of that with certain parts that are fpd & r and certain parts police accountability. Not speaking for fire bureau, but for police, or not the other city agencies where incidents occur, but for my slice of the situation. And that's the police bureau.

Hales: It's a question both for you, mayor, and the chief. That is, i'll try not to talk about particular cases, but these issues aren't just about private medical decisions or administrative practice, they're also about the expenditure of tax dollars. And I think the question that's in my mind, probably in other council members and maybe the public, is without—well, let me put it this way—how confident are you that with the passage of the change in the composition of the board that's in front of us this morning that the pension board will make decisions that pass the straight-face test? Because every time we make a decision in the public sector that in general parlance would seem ludicrous, it harms the credibility of government. We had a little glitch here not long ago where one of our land use hearings officers, in a land use case, and sort of a throw-away provision in the case said, we're going to restrict the amount of church attendance at this particular church. And that caused national media storm and a roomful of people, and a huge controversy, which we were fortunately able to settle in a very amicable way, and thanks particularly to the mayor and to harry our balk, we ended up with a better result than we possibly could have hoped for. So that had a happy ending. But when the pension board makes a decision that the public winces at, it hurts us all. So I think what commissioner Saltzman was trying to do in his amendment was to make sure that didn't happen. So my question really for you and the mayor is, with this change in the composition of the board, how likely is it that we're going to see a case that doesn't have the straight-face test?

Katz: I'm not sure that—I'm not sure this amendment does that.

Hales: I'm not either. I'm saying changing the board—

Katz: The change in the board let me respond to that. In all fairness to the board, and hopefully you'll hear testimony—most of the cases that are voted on are unanimous. Both management and the citizen representative, gary, myself and david, on most cases vote very similarly. There are differences, and they're not necessarily differences along management and officers or firefighters side. They vary. There are times the votes sometimes are rather strange. At least one had a lot of publicity. And there has always been some discussion about one, should the mayor be allowed to vote that. Vote was given by the board. Two, should we have additional citizens so you can regain that sense of trust that you identified, and the reason that we're here today is because we truly think that the change in the board composition will have that impact. In addition to that, nobody quite knew about the incarceration issue, and I have to tell you that under pers they still would receive a benefit. But we did want—didn't want it to continue under our system. And so those are the two issues we brought forward. We did have a discussion on the stress issue, and quite frankly, it is a very complicated issue. We are being educated daily on it, and it—there was—it was the sense of the group that we need to look at it, and we need to come forth with rules, whether it's the fpdr board, whether it's the police and fire bureau or combination of both, and really be very careful in how we structure it. And it may be

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the language before you, but quite frankly, we didn't have that conversation. So i'm trying to respond to that.

Saltzman: A couple points. Chief kroeker, what you're saying and what I understood you told the people yesterday, we need to improve this process when an officer or firefighter is involved in a critical stress incident. I couldn't agree with you more. That's exactly what my amendment does. I welcome your initiative, because it's precisely the mandatory, ongoing stress and mental disorder evaluations called for by this charter amendment i'm proposing. I don't believe changing the board composition alone without the framework of this amendment, that leaves the stress claim process in its current condition with questionable disability benefit payments being made by whatever majority of the board shows up for a meeting. I would just point out again those controversial decision—the most controversial decision the board made this year, that claim was grant order a 5-3 vote with three board members absent. The meetings are long meetings. We're talking about three citizens being involved. I really doubt they're going to be able to be there the eight to 12 hours these meetings can go on. You need the board composition changed and you need the framework for dealing with mandatory stress evaluations that my amendment proposes.

Francesconi: I think the issue is how do we take care of our own employees, especially police and fire in a humane way as good managers, as chief kroeker's talked about. At the same time as we keep our credibility with the public, as commissioner Hales has mentioned. What will make it even worse with the public is if we represent that we've got a solution that in fact is not a solution. Commissioner Saltzman, I think your intent and your effort was good and your motives are great, but as I read your amendment, which I just got yesterday, there's two problems with it. Number 1, the management practices that we should be doing anyway, as I read your amendment, are not a condition of a stress claim itself as I read the statute. Contrary to what you said a minute ago. The second problem is the statute of limitations could be as much as 30 years, 40 years, 50 years. In fact made no difference in my opinion from this case that's in front of us. Because it's a year later date of a year from the date of diagnosis. It's my understanding from the facts of this case, which i've not reviewed, that that's exactly what had happened. So there's no ultimate repose statute. There's no ultimate as there is in the state workers' comp system. So therefore, if we hold that out to the public as a solution when it's not a solution, that will hurt our credibility greatly.

Saltzman: I'd like to walk through—

Katz: I'll give you an opportunity to do that, I promise. I just want to finish with the testimony. Dennis?

Dennis Merrill, Captain, Police Bureau: dennis merle, captain of the police bureau. I don't have anything to add other than what the chief stated in terms of where we want to go in terms of management prerogatives and beginning to manage the process, in terms of taking care of our officers and employees.

Kroeker: and also passing the straight-face test when it comes to allocation of public dollars. And the disbursements that sometimes have people wondering what is going on. In that one sense to answer your question, commissioner, on the composition of the board, what I had been looking at, I don't really have any argument with the composition, I question why the fire bureau and the chief—and the police bureau votes have been reduced to a half a vote. In other words, is that because we're too busy? I don't think i'm too busy to work hard on something that is of that magnitude. Is it because we may not pass the straight-face test if we have a full vote? I'm willing to take the accountability for the votes I take there. I think it's an important decision, and i'd rather keep a vote in that composition.

Katz: Thank you. Okay. Who else wants to testify? Come on up. Let me—jeff, did you want to say anything? Okay. Who else is on the board of trustees here that's here? All right. Leo, do you want to start?

Leo Painter, President, Portland Police Association: officer leo painten with the Portland police bureau. I also represent the Portland police association and i'm a trustee on the fire and police pension

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disability retirement board. The first thing i'd like to say, i'm disappointed in how this work group went the second time around. We'd been working since may with this work group on the funding issue, and some of these other issues were discussed. Then a decision was made that we needed to look at the governance of this board, and we were told originally we only had until july 31st to make that decision, because of deadlines. We had our first meeting in june and once again I was disappointed because the one person that had the most concerns about the government issue, another trustee on the board, could not be there because he was on vacation, yet we went ahead and had the meeting anyway. At the second meeting in july, the staff then came in and said, your july 31st deadline is gone. It's july 14th. Because of vacation conflicts with the city council. This whole process has been rushed. I don't see the need for the rush. We seem to want to get this on the ballot in november along with very many other issues, and I think we need more time to look at this. I have not had time to take all these issues before the executive board of the Portland police association. I will tell you I believe in concept, they could support some of these issues that are before us right here, but we haven't had a lot of time to be able to discuss them. I do have a board meeting on thursday at which these items will be discussed, but it's before you now and we haven't had a chance to talk about it. I'd like to give a historical perspective about how the police bureau has dealt with stress issues and officers' use of deadly force, which seems to be the major one. It took nearly six years for the Portland police association to drag the police bureau to the new general order that covers this issue. They didn't seem to agree with our concepts about it, and we finally got them to do so where they agreed there would be a requirement that a police officer who was involved in the use of deadly force would have to be seen by a psychologist or psychiatrist. They would also be a mandatory three days off or more if necessary. It took us six years to get to that point. Now we're rushing this particular issue regarding stress claims. There is an inherent distrust of management in how they deal with these things. I applaud the new chief for some of his concepts, but we need more time to look at this. The eap program is moving forward. Both in the police and the fire bureau. It has been put over under the fpd & r program and is making progress. I hope it will continue to do so. I don't see any problem with management making requirements in how deadly force issues or those kind of stressful issues are handled, but I think the care for that person needs to be put over in the eap program, outside of the bureau. Originally the eap program was established and it was put on the 15th floor in the personnel division of the police bureau, where an officer had to walk by the chief's office and walk into the personnel division to tell somebody he was having a problem, in an open cubicle. Not in a closed office. So we've made great strides to improve that and get to the assistance to our officers that are needed. Mr. Francesconi talked about early intervention. I think it's very important, but I think it needs to be under the eap program and not handled within the police bureau, where there are I guess people who have other issues regarding what happened in a particular incident, and there's always cause for discipline or other charges or criminal charges being brought, and I don't think it should be within the bureau that those things are talked about. I'll turn it over to mr. Chamberlain.

Francesconi: There is that question of physician-patient privilege, and I guess are we waiving that? Who selects the physician? I was assuming it's the worker, not the employer, and that there's privilege involved. Am I right?

Saltzman: A lot of these issues the board—the board will adopt the rules under my amendment. So you are raising good questions, but my amendment does not address that level of specificity. I have my own opinion how i'd like to see things go out, and I can tell you about them, but this amendment sets the framework for mandatory early intervention, for helping officers—

Katz: Later on.

Saltzman: Okay.

Tom Chamberlain, President, Portland Firefighters Association: i'm tom chamberlain, president of Portland firefighters association. I want to applaud commissioner Saltzman. I believe what he's done is get to the crux of the problem. The composition of the board isn't the problem. There have

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been 1728 votes over a ten-year period. Of those votes, all but 57 were unanimous, and of that 57, only one was split along police and fire and management. And at that time I believe we had two members who weren't in attendance. What is the problem is how we handle stress in the police and fire bureau. Frankly, the police bureau is light years ahead of the fire bureau. The most progressive thing the fire bureau has done of late was to contract with the Portland fire and police disability fund to administer it, and it's grown by leaps and bounds, but there's still a problem. And what makes a good firefighter or a police officer is exactly why they don't seek out help. You want them to be tough, you want them to take care of the problem, and because of that it's very difficult to understand that perhaps the problem is within them. Everything that chief Kroeker said today I agreed with. But there is nothing in this amendment that would stop the police bureau from doing exactly what they're doing. There is nothing in this amendment that would stop the police bureau from working with the Portland fire and police disability fund to come up with rules. What it does do is take a progressive approach to a complex problem. What happens if a member isn't treated for stress? We pay for it. The fund pays for it. What this fund doesn't do, it has nothing in it that's preventive. This gets ahead of the curve. Let's try to get rid of—let's try to take care of the problem before it becomes a problem. And no one can sit here and tell you that if we had this program in place it would have helped officer Barton, but then again, they can't tell you that it wouldn't. We'll never know, because it wasn't in place. It's a good, common sense approach.

Saltzman: Are you recommending we pass—

Hales: Are you recommending we pass this amendment?

Chamberlain: yes.

Francesconi: I'm confused for a different reason. Why doesn't the board just do this?

Chamberlain: we don't have the authority. There's nothing in the charter that gives us the authority. By us adopting this, putting it in the charter instead of the police and the fire bureaus paying for the psychological exams and the follow-up, the board will be paying it just like it does every other medical expense. Nothing in the charter allows us to do this.

Hales: Do you agree with that? Do you recommend we pass—

Painter: no. I agree with the concept. I'm not comfortable with what has been put in writing in version three, which I only got this morning. So I'm not comfortable, but I am comfortable with the concept itself.

Saltzman: You're saying the association has not taken a position—either of these three proposed amendments. Correct?

Chamberlain: that's right in concept they're okay with it, but we haven't had an opportunity to discuss it.

Katz: Are you finished with questions?

Hales: This last exchange, I'm still digesting. To put you on the spot the same way I did the chief, we're talking about administration and substance here. Let's talk about politics, going back to a seemingly irrelevant example, the same kind of track record in the land use hearings officer. The public doesn't know about that. They know about the one case that seemed off the wall. And we're living at a time where you mentioned the credibility of management where the credibility and effectiveness of government is under attack. If you need proof, look at your November ballot or turn on the AM radio dial. Constant attack on the credibility and effectiveness of government. A few bad decisions, and—in that environment, or a few decisions that the public scratches their head over, and great damage, I believe, is done. I think you'd agree with that. The question is, how likely is our batting average going to be, even better? You've just described a batting average that's wonderful, but in that environment it's got to be darn near perfect. And so the decisions that don't pass the straight-face test do great damage to us as an institution. How confident are you with or without this amendment that we're not going to be in that position in the future?

Chamberlain: I think you're on pretty dangerous—uncomfortable ground for me.

Hales: Me too.

Chamberlain: because when you're at the board, public opinion shouldn't sway your decision. Medical evidence, the rules of the board, that's what sways your decision. If you bring in public opinion, let the city—let the citizens vote on each claim, because that's not our responsibility and that's not what we're there to do. If changing the composition of the board is going to do what you suggest to pass the sniff test, you're 180 degrees where you should be at.

Hales: I understand what you're saying, but every now and then the public decides that we're incapable of making decisions. It used to be cities conducted their own annexation decisions. Now, in 35 cities around the state citizens have said we don't trust our city councils to do that anymore. We're going to vote on every annexation. If you describe that to someone ten years ago, they would have said that's crazy.

Chamberlain: you're going to have the same problem with the workers' comp board, any board that has to base decision on medical evidence.

Hales: I understand. But i'm trying to make a point about the world in which we operate that puts a great burden on you on the pension board. I'm on a high horse here, I realize it's a tough job to be on this board and to make sound medical decision that's aren't going to cause a tidal wave of public disagreement.

Painter: I would just tell you ptsd is a new disease, and it's particularly new to the law enforcement community. There isn't a lot of national information on this, as the chief said. People are starting to look into it, but there isn't a whole lot out there. I made a comment at the board one time after a management comment that I disagreed with, that when I took the job as a police officer, I had to make a decision whether I had to take another human being's life. I made that decision and became a police officer, but I cannot sit here and tell you how i'm going to react if and when I ever have to do that.

Chamberlain: I think commissioner Saltzman's amendment gets you closer to where you want to be, because it actually changes the rules, how we do business and lessens the likelihood on a stress or a mental disability claim which always, always is the most controversial.

Katz: I'm going to stop this. If the—is—does anybody else want to testify? I'm going to bring the attorneys up. This is the problem that I have. We haven't had time for discussion with the attorneys on any of this new language. So i'm—if the council is interested—if the council is interested in adopting this amendment, i'm going to bring the attorneys up. Do you want to say something now, go ahead.

Saltzman: I wanted a chance to walk through how this amendment would work. Because the question I get asked the most, the debate seems to be the officer barton situation, the nathan thomas shooting. I want to walk through how this amendment would have worked in those situations. Earlier this year, the board approved a disability claim by an officer involved in the death of 12-year-old hostage nathan thomas in 1992. One officer claimed a stress-related disability because of his involvement in the child's death. The officer submitted the claim eight years after the incident. At the same time he was being investigated for abuse of overtime pay. At the present time, this officer is receiving disability pay after having been fired from the police bureau. As nathan's parents have written to us in support of this amendment, quote—we feel timing of his disability claim was a cynical use of the circumstances of nathan's death for his own financial gain and to avoid discipline, closed quote. Under my amendment, this disability claim would likely have been deemed invalid and rejected by the fpd & r board. Under my amendment to be eligible for a stress-related disability, this officer would have had to participate in the mandatory, ongoing evaluations over those intervening eight years in order for a claim eight years after the critical incident to be deemed valid by the board. A determination by the officer himself or a physician or psychologist at any time during those eight years that the member, that the officer has post-traumatic stress syndrome, would have started a one-year time line for that officer to file a stress-related disability claim. He could not have filed a valid stress disability claim eight years after the fact. Unless and only unless he had participated in the mandatory

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evaluations and been determined by a physician or psychologist in year eight that he indeed did have post-dramatic stress syndrome from the death of nathan thomas. That's how my amendment would have worked in this situation. Sure, it's not air tight. And sure, a claim like that would not have been prevented, but it sets up a process where the officer does not participation in the evaluation process, he's on thin ice to come up with a claim eight years after the fact.

Francesconi: The problem i'm having, one, where does it say in your amendment that you have to go through that process in order to have a valid claim? I don't see it in your amendment.

Saltzman: Are you looking in the underlying language on section 6.

Francesconi: Is this version 3?

Saltzman: Yes. You go to the—i just want to talk about version 3.

Francesconi: I have read it. Where does it say that?

Saltzman: The language, taken in conjunction with the legislative intent I believe gives the board the clear directives on what it needs to do.

Francesconi: I'm not—well, I am a lawyer— [laughter] but i'm trying to act independent—i can't separate that. Your language says that claims for stress is timely filed by the later of the following dates. And then it builds in a presumption that the worker is not discovered it until told by a licensed physician. So exactly what you said the opposite effect would happen. So your intent is good, but intent doesn't—

Saltzman: I disagree—

Katz: All right.

Francesconi: We don't get to intent.

Katz: Yes.

Saltzman: I disagree that's what it does. The language coupled with the intent gives the board clear understanding of what the mandate, and reaffirmed by the voters—let's let the voters --

Katz: Wait a minute.

Francesconi: You don't get to intent when the language is clear.

Katz: Okay. Is the council interested in adopting this amendment before I call up the attorneys?

Hales: I'm not interested in adopting it today. I think this—there's some legitimate questions about its efficacy. I'm concerned about the issue. I don't think anyone in the council isn't. But dan, I think jim is right. When you're talking about charter language or statutory language on—particularly on technical issues like this, nobody gets to check our intent. If we want to communicate intent to the board, we can do that.

Katz: Okay. Commissioner Saltzman? Is there anybody else that wants to testify? Okay. Go ahead. Have the final say.

Saltzman: Why—i think we have to pass our own straight-face test with ourselves and with our public. Circumstances, politics, and publicity have produced an unusual opportunity to ask voters to adopt charter reforms to the fpd & r system. Such alignments do not happen often. We can talk about further study, more process and then we'll refer to it our reform on stress or mental disorders. But I ask you, how realistic is that? How many other pressing matters are on the backlog of things we want to get done as a city council? Who wants to devote the time and political energy to take another run at this charter reform in 2002? It's more realistic to assume this will be the one and only opportunity the members of this city council sitting here today will have to refer charter reforms on the fpd & r to voters. The last reforms happened ten years ago. I say if you have doubts about this proposal, I urge you to err on the side of letting the voters decide. Don't stop at public discussion and—our voters are up for it. They're savvy enough to understand the complexities of this issue, and I guarantee you I will be out there campaigning to make sure they understand the complexities, not only of my issue but of the board composition and the death benefit issue. I urge you to vote to refer this important charter amendment to Portland's voters.

Katz: Okay. Did you want to say anything?

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Sten: My opinion, I think commissioner Saltzman, going in the right direction. I think we need to have some sort of mandatory system to make sure people get counseling, but I just see too many potential flaws in this. As I read it, if something stressful happened, and let's say I was the officer and I went into that mandatory program and after six months I was diagnosed as having stress-related problems, which is almost going to be guaranteed, given somebody's—you're under stress, if I didn't file for full disability within a year, I would give up my claim. If I read this right. And I may not be fully disabled, but I may be suffered from stress. So I think there's a lot of ways this thing could play out. We might have an explosion of stress claims under this system because there's a year countdown before you can't claim it, if I read this right. And I actually agree that officer barton—he hadn't been taken—taking counseling or shown any belief there was a stress issue, it at least raises the specter that—of financial gain. I'm for a council program, but mandating it in this way, I just I may be wrong, but I see enough loopholes that I don't want to put this into the charter without a lot more thought.

Katz: Roll call on 1044, then.

Francesconi: I'm going to make my comments on all of them. I'm going to vote for this. One reason, credibility with the public to vote for the two amendments recommended by the committee. The first issue on credibility with the public is the makeup of the board. It is terrific, and I think the public doesn't understand what a great job the board is doing. I think the statistics given were good by tom, and we need to get that message out. And tom, your response was very compelling, and is the base of our judicial system, your response. But the other basis is there has to be an appearance of fairness of the decision-maker. That's very important for the credibility of the decisions. Even if the—they're the same decisions, it's important that you have more citizens on the board, in other words. Not just the stakeholders in the system. And that's why that amendment is very important. The second, we haven't talked about this, but prisons, you know, that's important, that disability stops if you're in prison. The second point is, i've already made regarding the problems with the amendment. Why I can't support it. But the third point I want to make is the spirit of what commissioner Saltzman said, and the powerful testimony we heard from the working folks, people representing the working folks. I've not done my job on this. Let me speak as fire commissioner. We—tom shouldn't have had to say what he said. We should be doing a better job in management of providing stress relief and counseling early on. And I don't need any amendment to tell me that. And that's my management responsibility to do that. And i'm going to do it. So you need to come back and see what we do. I wish chief wahl were here. He would say the same thing. We will put something together. I do think it's worth some conversations with the board, because if you can pay for some of that and we work out clearly what is our responsibility as managers, and your responsibility, and we work together, we just come back. It's not that—we can come back with a joint approach if we have to amend the charter. But we need to go through a process to get there. On this occupational disease thing, the last thing we need to do is say we've solved the statute of limitations when we have not.

Saltzman: I'd like to vote on my amendment.

Katz: You're interrupting a vote. If you want your amendment to be recorded, I will then ask the council to vote on your amendment if you have a second. You're now interrupting a vote. Let's continue with the roll call.

Hales: I think this discussion, although a little chaotic and that's unfortunate, is very worthwhile, and we need to have more of it. I appreciate the good work that the committee has done and the mayor to bring these proposals forward. The reasons for my uncomfortable questions to the chief and the two other pension board members are, I believe we have to do a very, very good job in the administration of this particular fund in order to win that difficult battle for public credibility that we as a public organization are under right now. There are -- 100 years ago there were scan dalles of personal enrichment, where politicians gave contracts to their cronies, and there was a wave of public revulsion that created the commission forms of government and the initiative and did a lot of other things

because the public said, this is outrageous and we'll have no more of it. We're not in anything like that right now, we're actually in something different, we're in sort of an epidemic of private entitlement, not private enrichment, created by boards and commissions that most citizens have never heard of. The fire and police pension and disability board. Who is that? The pers board, steve is sitting here, he spent more time on that board in the last three times than he's spent with his family. It's a good thing, because that board, which most citizens have never heard of, has just raced the cost of doing business in Oregon by a lot of money, and most people don't even know who those people are. The civil service system in Portland produces a case that makes you wince every now and again. Every one of those costs us as an institution. And the credibility of the government and the willingness of the public to support what we do. Although there are all these technical matters, like what constitutes a stress claim, what is the composition of the board, I know tom bristled at my suggestion that the pension board has to pay attention to public opinion, I say we do. Every function of government has to pass the straight-face test, regardless of how obscure it is. Because if it doesn't, eventually the public support for what the public's agencies do will erode. Dan you're on the right track philosophically, not procedurally. We have to make sure we meet a high standard of decisions in this board and the other things we do. These two are responsible forms. We may need more. Aye.

Saltzman: One—what am I voting on?

Katz: Item 1044.

Saltzman: As I said, I do— would like to have a recorded vote on my own amendment, but i'm happy to vote for 1044. Aye.

Sten: I'd like to thank mayor Katz and gary blackmer and all the representatives of police and fire and citizens who work order this. It's a nice piece of work, and obviously this charter amendment will not solve all of the issues, but I think it will give us a better set-up to solve the issues, and I think that's what the amendment is about. I don't think you can legislate your way through these questions that will come up, and whatever system comes up it will have unexpected problems. But I think you've done a nice job of coming together, and I want to thank the union representatives. It was very harding in to see the kind of stance you're taking on these issues, and it's clear that you are sincere about your members' benefits and about giving out these benefits when it's appropriate to people who have earned them and unfortunately are disabled and need them. So I really do think it's—we have to worry about how to get rid of the problem cases, but let's keep in mind there was a split vote on the problem case and I haven't studied it. I don't know what the facts are, and I think it is important to put into perspective of thousands of cases and most of them are the vast majority are clear. But I think this will make a more accountable system. The extra representatives will help people understand this, and I think it will be better for everybody. I do think commissioner Saltzman's on the right track with this issue, but i'm not ready—i don't think the language is where it needs to be. I'm delighted to support this, and I hope all of us can do our part to make sure it gets passed in november, otherwise we're back to where we are now. Aye.

Katz: Mayor votes aye. The commissioner Saltzman would like to many record a vote on his amendment. Usually we get a second. There is no second. But he insists on the—on having it recorded. So i'll ask for a roll call on his amendment.

Francesconi: No. **Hales:** No. **Saltzman:** Aye. **Sten:** No. **Katz:** No. Amendment fails.
Item 1045.

Katz: Approve a referral to voters a ballot measure to change the composition of the fire and police disability and retirement board by adding three citizen members and deleting three fund member positions. **Francesconi:** Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye. **Katz:** Mayor votes aye. Thank you.

Katz: I'm going to take the next set on the civic. I'm going to wait for the fee because we have guests from the school board, and I want to get I want to dispose of this group as quickly as possible. I

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pulled them off because I thought it was important enough to have some discussion on it for the public. Okay. Let's read item 1046, 47, 48, 49 do we actually have to read them?

Ben Walters, Senior Deputy City Attorney: yes.

Katz: That's what I thought. 1050, 51, 52, 53. Britta?

Items 1046 through 1053.

Tim Grewe, Chief Administrative Officer, Office of Management and Finance (OMF): mayor Katz, tim grewe, office management of finance. With me is linda from the city attorney's office and john acker. There are two substitutions I need to bring to your attention. Item 1047, having to do with the easement—there's three substitutions. Perhaps I should turn this over to linda so she can explain the nature of the substitutions.

Linda Meng, Chief Deputy City Attorney: we have a substitution on 1046 --1047, which is the agreement to modify the easement with the mac club. 1048 is the ordinance to authorize condemnation. We have both of those before you today, but in 1047 we have reached agreement with the mack. We haven't been able to get it signed. We have some exhibits that have to be completed so we're going to ask you to actually authorize both, the agreement—authorize condemnation in the off chance something happens and this doesn't get done by monday when the closing takes place, because we need one or the other. Steve from the mac club is here and supports this amendment that would be all substitution of this agreement in 1047.

Katz: For the public could you describe the amendment on 1047?

Meng: the amendment is relatively minor. It changes the termination date and the conditions under which the easement takes effect. And it makes a minor—

Katz: Do you want to hand them out?

== i'll do it. You can explain the substitutions.

== the amendment on—

Katz: Before you get to that, I need a motion on 1047 to substitute [amend]. **Saltzman:** So moved.

Sten: Second.

Katz: Hearing no objections, so ordered. 1048.

Item 1049.

Grewe: 1049 has a substitution [amendment]. This is the project funding agreement. This agreement is between the city pfe and the trustee who will actually handle the money for the construction draw payments. It's the technical description of how the money—how the approvals for the construction draws will happen and how the money will actually flow. And we've been working on this until the last minute. The changes are, again, in the procedures for how the money will flow, how the city's line of credit money will be paid. And how the trustee can draw upon that money if needed.

Katz: Do you want to pass those out for the council? I need a substitute on the amendment.

Saltzman: So moved. **Hales:** Second. **Katz:** So ordered.

Item 1051.

Grewe: the other substitution [amendment] is in 1051. There's a revised agreement. This is the capital reserve account agreement, and the change that was made in this agreement had to do with the termination of the agreement in the capital reserve account for the stadium, and the change—the agreement had provided that pfe had to agree to that at termination, and that's been removed so that the city—if the agreement is terminated early the city can withdraw that money itself. So it's a fairly technical amendment.

Katz: Do I hear a motion for an amendment? **Saltzman:** So moved. **Sten:** Second. **Katz:** Hearing none, all right.

Grewe: would you like me to briefly go through the other actions?

Katz: Briefly, and if a representative from the mac club is here, i'd like to give them an opportunity to say something. But before I do, in all the thank yous that we had, we forgot one lady sitting next to

you. Linda has been there at the table with all of us. She doesn't have the luxury like we do to roll her eyes or make critical or snide comments on both either representing the city or pfe, or any of the investors or anybody that's at the table. She does her work very professionally, and comes up with solutions even to the most impossible situations. So linda, thank you very much. You did wonderful work on this. Okay.

Grewe: i'd like to—in large part we wouldn't be here today if it hadn't been for linda's very hard work. Many others, ken rust, as well. 1046, the community outreach plan and mitigation plan. Let me say that all of these are items that are covered as we told you last week in the redevelopment agreement and in the operating agreement. And these are all conditions of closing. 1046 is a condition of closing that pfe had to develop a community outreach plan and a mitigation plan. What these simply are, are the rules of the game as they go through construction and how they're going to stay in communication with the public. Both of these plans have been reviewed by the neighborhood associations and they have commented on them and they have been incorporated. 1047, 48, was the easement of the mac club linda referred to. 49 is the funding agreement, how we're going to get the dollars processed as the requests come in. 1050 is the sale of teams agreement. This requires pfe to have their teams play at civic stadium. It's a legal document that makes it clear that their teams will play there under any circumstances. 1051 was a capital reserve account. We required a \$250,000 be paid by pfe into a capital reserve account. This simply lays out where that account will be, establishes a trustee account for u.s. Bank for the deposit of those funds. 1052, stadium use. I'm sorry, I made a mistake. 1050 was sale of teams. I improperly referred to that as the stadium use agreement. Let me backtrack. 1050 of sale of teams. This lays out what happens if during the course of our agreement pfe sells a team to another owner. Teams will still play in civic stadium, but we'd have a transfer in ownership. So this lays out what happens in that event. 1052 is a stadium use agreement, which requires the teams to play at civic stadium. 1053 is disposal of surplus property. We're asking for a waiver of the code here. We have to have the surplus equipment at civic stadium removed very promptly so we can begin construction. We've already published for sale of this equipment, and we'll be receiving bids and we'll sell the equipment to the highest bidder. This simply allows us to move fast tore allow construction to proceed. Then later today you'll be reviewing a four-fifths item relating to naming rights. But that will wait until later.

Meng: on item 1052 on the stadium use agreement, there is one change that's not in the agreement now that we would— will be making, and it has to do with resolution of a dispute if we're not able to resolve the terms of an agreement going on. I'm concerned about what's in here now is that the—an arbitrator would make a decision on an ongoing agreement, and i'm concerned about the legality of that. So we're working on a change that would give the city another option in that event.

Katz: But you still want us to vote?

Meng: yes.

Grewe: i'm authorized to make that change. Council has given me the authorization to make that change.

Katz: All right. Who's here from the Multnomah athletic club? There you are. Any questions? All right. Thank you. Anybody else want to testify on these items? I'm sorry that the—our school friends have to wait, but this is going to be done in the open. Roll call on 1046.

Francesconi: It's one thing for us to make the decisions, and just for the public's sake, we have made the decisions, but it's another thing to execute them. It takes terrific staff to execute them. So thanks. The only thing i'd add, I disagree with one thing the mayor said about linda. I've caught her rolling her eyes a couple times. [laughter] I have. Aye. **Hales:** It's no accident that she's looking this way when she's rolling them. Aye. Good work. **Saltzman:** Aye. **Sten:** Aye. **Katz:** Well, if she did roll her eyes, it gives me even greater faith about lawyers. Aye. 1047.

Item 1047.

Francesconi: Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye. **Katz:** Mayor votes aye. 1048.

Item 1048.

Francesconi: Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye. **Katz:** Mayor votes aye. 1049.

Item 1049.

Francesconi: Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye. **Katz:** Mayor votes aye mayor votes aye. 1050.

Item 1050.

Francesconi: Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye. **Katz:** Mayor votes aye. 1051.

Item 1051.

Francesconi: Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye. **Katz:** Mayor votes aye. 1052.

Item 1052

Francesconi: Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye. **Katz:** Mayor votes aye. 1043.

Item 1053.

Francesconi: Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye.

Katz: Mayor votes aye. 1054. Oop. That's the wrong 1. All right. Thank you very much. You'll be back—we've given you the authority to deal with that issue that linda raised, and you'll be back on the four-fifths, which is at the end of our morning session, which will probably be at the end of the afternoon one, but since we don't have an afternoon one, it's in the morning. All right. We are going to set aside the—we probably need to amend the code on that too, because we didn't have those. We'll wait for the fees and we'll go to time certain, which we're a little late. 1037.

Item 1037.

Katz: I'm not going to say anything because of the time constraints. And we have a lot of guest that's waited here. I'm going to pass it to commissioner Francesconi.

Francesconi: Thank you. If I could call up these people to begin with, let's call up debby menashe, the chair of the board, merced flores from the district, who will present the plan, debbie will introduce it. Phyllis edmonson, from the corps team, the citizen team. And i'd also like susan dire, could you come on up? There you are. Come on up, susan. I know this wasn't—this part wasn't expected. I'm going to introduce this this way. This council has always been tremendous on the issue of school funding. I think the mayor may have been the first one who was kind of from the—always has been concerned about funding for what and the quality of education. I think the council has come along on that issue, and we have because we also funded the performance audit that—and we've been looking at that question. At part—as part of giving money to schools, we've asked for regular accounting on how that money is used. It was a privilege for me to be part of this core team. What ben canada had the guts to do and the school board had the courage to go ahead with and the foundation, whose idea it was, fund and pushed it, was to bring 30 citizens from diverse perspectives to form the strategic plan and direction for the school district. Two-thirds of those folks were outside the district. It would be like—they have a plan that's going to translate into a job performance with appraisals for the superintendent set by two-thirds of people outside the district. That took enormous courage, and I have been part of some efforts, and i've never seen anything like this. The council, as an aside, could learn some things from how this was done. Now, in terms of—there's three issues that have emerged that are going to be presented, but the issue of closing the achievement gap, the issue of how you reverse and have the district actually support the schools with a common mission and focus, and the issue of Portland public schools to accomplish that are three important strategies to accomplishing the objectives of the school district, which they will talk about. For the council, part of this presentation is just to share what was one of the most wonderful experiences actually not only in my professional life, but my life. But also if we could focus on the accountability side and what is our role to supplement what we can do to help, make sure there is follow-through on the execution of this. And then the other is, what partnerships—and we do a lot already—can we bring to the table to help execute this? Because there's not enough resources, and i'm talking about volunteers, to execute this by the district themselves. So that's why I wanted to bring this. So before I turn it over to debbie, I would like—it's

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my privilege to introduce susan dire. Let me describe her this way. She's like felicia frader, tim grewe and maybe gil kelley all wrapped into one. She's come here from st. Louis all academics will report to her, and you are going to be—you have quite a job on your hands. So susan, do you want to say something? I wanted the council to meet you.

==Susan from St. Louis: honorable mayor Katz, commissioners, i'm excited about being here in Portland. I just can't get over the response that i've received after coming here. I've just been here two weeks, and I know this is an awesome task. But you are—ought to be extremely proud, what you're doing, working with the schools and working hand in hand with us. I haven't seen that in many of the places that I have worked in these 30-plus years. So you are trail blazers. And i'm really excited about being here. And I know, as I said before, I have an awesome task. But i'm ready. Because I know i'm not going this road alone. The days of the lone ranger are gone. We have to focus on working together, to close the achievement gap to educate all students, and we're going to do that. And with your help, we can get there much faster than trying to do it alone. And again, thank you for graciously opening your arms to me. I will do you proud. Thank you.

Katz: It's nice to have you here. I know you know that we have been partners. It's not always been easy, and we do ask for some results. And as one individual, i've watched—i want to say this, and I think the rest of the council may feel the same, but I can't speak to them on their behalf. I watched your hearings when you had a demonstration in your chambers, and I just want to say that I have the highest regard for the messages and the work of the black united front, and ronnie herndon's work in making sure the school district actually makes those promises happen. So that's your challenge, and I just wanted to let you know that I think the entire council feels that that's a top priority as well as keeping youngsters up to the standards. I needed to say that.

Saltzman: It's the top priority from my perspective, to reduce the achievement gap between minority students.

Katz: So you need to know that this council, though, doesn't directly manage this strategic plan, has strong feelings about how important it is to make sure those promises aren't broken again.

==Susan: i've been in education 30-plus years, and I know how important and—the issue of partnerships will be on the plate, and it's very important. School-to-work is included in the money, \$150,000, that is in the budget. And we will be nurturing and we'll be coming to you for support in Portland public schools. I come with a pretty extensive background in working with corporations to develop partnerships. So I plan to work with those individuals here to continue this to provide services for children to support the academic achievement.

Katz: Okay. Madam chair?

Debbie Menashe, Chair, Portland School Board: thank you. My name is debbie menashe, chair of the Portland school board. Thank you very much for the invitation today. Also especially for your unwavering support of all of Portland's school kids. Portland public schools and this new strategic plan. I do, I appreciate your message, and that's important for us to hear. It's important for the staff to hear as well, because this partnership with the city is significant to us, and is effective in getting things done. So with your partnership, I look forward to meeting those promises. Thank you for saying that. Thanks to the efforts and perseverance of not only us sitting here, but hundreds of individuals, both inside and outside the district, we have a strategic plan. A new road map and foundation for the future of the district. And as commissioner Francesconi said, special thanks has to go to the Portland schools foundation for its funding and organization efforts of the beginning of the plan, getting it set up. The president and executive director are here today and we appreciate their help and their partnership just as we do yours. As the chair of the school board, i'm here today to assure you and the entire community of Portland of the school board's full support for and commitment to the strategic plan, its principals, including closing of the achievement gap, among the other tenants, and it's implementation. As you know, we adopted officially as a board action the mission core values, objectives, strategies, and end results. This package that I think you have. Of the plan, as a foundation for the district at our

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school meetings on June 26th. We've also connected Dr. Canada's performance evaluation and compensation to implementation of the strategic plan, and in there with special emphasis in those performance goals, special emphasis on achievement, gains for all students in the Portland public schools. We'll also continue to see—oversee implementation of the plan through regular staff report, review of all board policies, and budget and fiscal oversight of the district. The board of education is truly inspired by the basic tenants of the plan, and I also agree with you, Commissioner Francesconi, that there really are three general areas I see. That's first and foremost high and full achievement for all students in the district. A culture that encourage effective instruction, flexibility, creativity and respect, among all. And fostering organized and effective partnerships with the larger community, including parents, neighbors, government, business, faith and service organizations. So it's particularly encouraging and exciting to know that as we embark on this new focus road map that we call the strategic plan, we have in you, our city leaders, willing and able partners. Critical friends as well. On behalf of the board of education of Portland public schools and there are four of us here today, Sue Hagmeyer, Doug, and myself, and those of us who aren't here, we look forward to working with you as we worked to implement the vision of the strategic plan for Portland school children. Thank you. Now, for more perspective and ideas from the staff of Portland public schools, I'd like to introduce Merced Flores, chief of staff. You've already met Susan Damon Stoudamire, who is our deputy superintendent, and Merced may want to introduce the other staff members.

Francesconi: I was about to introduce the school board, so I'm glad you did. Sue, I was thinking on behalf of the core team and the board, you should come up with Phyllis so I just—so you should be ready, is what I'm saying. Go ahead, Merced.

Merced Flores, Chief of Staff, Portland Public Schools (PPS): good morning, Mayor Katz, members of the council. My name is Flores. It is a great opportunity to be in front of you to be able to talk about our strategic plan. Thank you also for providing the financial support and also for just the support that we need as partners in this whole effort. Because of our efforts, I believe the plan itself will grow out of the efforts and the minds of the many people here in town. I believe that this plan has been made possible by the visionary might of this community, working for many years with the state I've found if you come to Portland, everybody likes to get involved in the process, and people will not let the process go unless they get involved in it. I believe that this effort has been one of community members, business community, our school staff, our parents, and many, many people. In fact, when you look at the plan itself, this was put together by many, many different people over hundreds of people that came together in community forums, core team memberships like Commissioner Francesconi talked about, our action teams who spent hundreds of hours putting together the words and messages in this plan, and also just involving many, many people in this process. But I also would like to say that we will not get anywhere, we will not touch upon any parts of student achievement unless all of us are involved in this process. And I believe that all of us know that student achievement is our number 1 concern, and eliminating the gap is going to be something all of us have to get behind. I'd like to draw your attention to our strategic plan, and you do have a copy of it. If you'd like another copy, I have others with me here. But one of the things I would like to talk about is the core values. And as Commissioner Francesconi talked about, the 32 members that were selected from this community, this cross-section of this community that put together the core values, and talked about the values of Portland public schools and the community, how we believe, how we have the ability for all of us to learn. The basic needs that all of us have. The collective responsibility of putting together something that all of us can hold. And also adult behavior. Because the way we set up our adult behavior determines also how our children will succeed and also act in the future. Putting these core values together we were able to put together a mission, and the mission itself, you read the mission, it says the mission of partnership is to support all students in achieving their highest potential to inspire in them an enduring love for learning and prepare them to contribute as citizens of a diverse multicultural and international community. Those words are enough to get us going, because it's—

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they're powerful words, words that all of us can rally around and go forth. We also developed objectives, because we felt it was necessary for us to make sure we had high expectations for all students. Of course we know all students are not at the same level all the time, but we must be able to develop high academic standards for all students. High expectations. Make sure we have goals for them to achieve, and at the same time when they come back to develop contributions to the community. The strategies that were set up for the plan were developed into action plans. Each—we had seven action teams that looked at a specific strategy. For example, we looked at culture and how we needed to develop our school culture. The culture we currently have is probably not something that we can really work under, or live under at this point. We need to develop a culture that all of us are safe and also at the same time we can all learn under. At the same time to develop partnerships. I believe we've talked about partnerships and our abilities to communicate and collaborate with one another. Employees and how we value employees is another strategy. Looking at number—our fourth strategy, achievement disparity. That is a big, big, big issue for us. Not only for the city of Portland, but all over the state of Oregon and across the nation. This has been something all of us have had to tackle. Regulations and legislation is something that all of us have been involved with in the past, but now we have to put a greater emphasis on it because it does mean that if Salem is providing us dollars to fund our schools, we must be a stronger partner with our legislative process and at the same time to be able to develop those opportunities for everyone to support us. At the same time, flexibility that we must be able to provide the flexibility to our schools, and to allow them to do the things that they do best and that is teach. Many times we have rules and regulations that tie us from doing the things we need to do, and I believe that looking at flexibility, we will become a better learning community for our students. And lastly, our seventh strategy is to develop systemwide standards that all of us can rally around. Lastly in this whole strategic planning process, we must be able to develop delimiters. They basically say we must not develop any new program unless it is close to our mission, or it abides to our mission or aligns to our mission, and at the same time is consistent with kids and also our teacher and learning activities. So in a nutshell, that is the strategic plan. But I want you to also notice that in each of these seven strategies, we have developed results, or end results. These are the actions that will take place as a result of the strategy itself. And those are in your packet, I believe, for example the first one talks about the culture that we will create a systemwide culture that respects an ethic of service, excellence and respect. It talks about how will we get there. And there's a result number 1, number 2, and so on. So it does provide some very specifics on how we need to address the issue. Many times we have—we get into discussions like this, and we put together a grand plan, but many times we also forget the implementation process. And as Dr. Canada has promised the school board and also the rest of the community, we will have an implementation plan by the end of August. And this would be a process that will not only be involved, will not only involve our school community, but also our general community in essence. We must be able to address the issues of being able to know what we're going to be doing, who's doing it, and what is our time line. So we will have that information to you by the 28th. There are some other packets, or other parts of information that I have provided to you. There is Dr. Canada's remarks to the school board on June 26th that basically outline some of the activities that will take place in even of the strategy areas. And if you don't have copies of that, I would be happy to provide that to you. Also a time line of how the activities will take place until we get to the August 28th date of presenting that information to you.

Katz: Let me add that I also hope that as you begin the implementation plan that you set some benchmarks for yourself in terms of what you call demonstrate growth. I don't know—I know what that means, but I don't know what that means. And I think that's where you probably get your largest criticism in terms of—so what does that mean? Are you satisfied with this much, or are you satisfied with this much growth in terms of achieving the standards? So we have been—Portland Multnomah progress board has benchmarks, I hope you do too. So keep that in mind. Otherwise you'll never know whether you've achieved anything.

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Flores: yeah. Thank you, mayor Katz. I know one of the things we plan to do is provide report not only to the core team, but to our school board and back to the community. Because we need to report back to the community to make sure we're online, that we're on target, and at the same time that we know what we're doing. I believe the feedback we get is very important for us to follow this process through.

Francesconi: In introducing phyllis, I forgot to tell you she's also the dean of education at Portland state.

Katz: Did you want to say something?

Saltzman: I have a question. I can wait.

Katz: Why don't we finish. I didn't see benchmarks. I just wanted to add that. Okay.

Phyllis Edmonson, Portland State University, Dean of Graduate School of Education: i'm phyllis, dean of the graduate school of education at Portland state university. And i'm a patron of the Portland public schools. And a citizen of the community. It's a pleasure for me, mayor Katz, and members of the commissioner, to speak on—I don't know that I can speak for, but I can speak as a member of the core team. The work of the core team began with some clear inquiry into what should be the focus and mission of this large comprehensive school district as we move forward into the 20th century. It became clear to us that we need to set an agenda because we know agendas make a difference in what gets done. That we needed to provide standards for rigorous accountability, to move all children in the district, and I want to assure you that throughout the conversations of the core team and as it has continued to move forward, the achievement gap was very much on everyone's mind. We also recognize the need to embrace the complexity that is the Portland public schools. And recognize that changing an organization that is the complex and positioning it for the future will not be easy, will not be smooth, and will not be without its bumps and grinds along the way. We recognize the importance of partnerships. And you'll see throughout the planning document that partnerships are emphasized and attended to. And I want to speak on behalf of Portland state university, particularly the graduate school of education, because I can do, and will speak for the school in saying that we intend to be very much a part of the ongoing improvement efforts in the Portland public schools. As we intend that the Portland public schools will be involved in the ongoing improvement efforts of our work to prepare teachers, school administrative jurors and counselors who can contribute to ensuring that all children have access to knowledge and are able to achieve their very highest potential. As we think about the strategic plan, I hope we'll continue to return to the mission of the school. And that is high achievement, lifelong love of learning, and full participation in the community. Because when we use that as our touch stone and when we establish clear objectives, good benchmarks and bring together this community to work for these ends, we will indeed be successful. And as nasa said one time, we cannot fail. We must do this. And we will.

Saltzman: As far as i'm concerned, reducing the achievement disparity between low-income minority students is the number 1 priority of this city commissioner. We will eliminate the disparity, number 4, of low-income children, children of color in relation to district standards. My question is, when—what's the target date for eliminating that achievement disparity?

Katz: That's the benchmarks I was referencing.

Saltzman: What's the target date envisioned in the plan for eliminating the disparity? When—by when will the district have eliminated it?

== one of the targets is the year 2005. We're looking at trying to—I think the effort is going to be from all of the community, not only the Portland public schools, but at the same time we're looking at the year 2005 that we'll have achieved the gap. Now—

Saltzman: 2005.

== that's going to be an effort.

Saltzman: I understand that. I just wanted to know what the time line was so I can get some sense of the priority and urgency. I don't deny it's going to take a lot of effort. We're here to help you.

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Katz: It's only 14 years after the reform legislation passed.

== commissioner Saltzman, i'd like to also introduce one of our assistant superintendents, dr. Pat burke. Pat has a history in the district and also as one of our world-respected district employees, pat is in the audience and if you have any questions regarding achievement, he would be happy to answer any of those also.

Francesconi: I wasn't going to call him up. I'm going to call up another group so we can move this along. I do want to say to the council and to the audience, I actually invited the crisis team here, but they've chosen not to come. They have some very valid points that are being addressed, and susan is looking at them, the whole board is looking at them. The issue of curriculum, the issue of how you get the good principals and teachers in the toughest schools, the issue of how you get those that are not quite there out of those schools, the issue of pay incentives, et cetera, are all issues that have been raised, and their frustration, which is shared by the core team and the strategic team and the district that this has been a problem around for 30 years, and progress not adequately been made, hopefully all of us will get there. I just wanted to know—let folks know hi done that. The next group is sue, again on behalf of the core team, and the school board. The foundation, cynthia and john pias, I think you can come up together. And one partner who can give us whose been there is greg van pelt, and I don't know if don, you want to come up, but providence—the reason I ask, there's already great examples of partnerships out there. The question for us is, how do we ramp these up even more? So if we could have this next group come up, and i'm sorry to do this to you. First i'm sorry you had to wait so long, and i'm sorry to have to tell you to be brief on the most important issue facing the city.

Sue Hegmeyer, Portland School Board: first i'd like to thank the city for supporting the cim summer schools. I'm sue, member of the school board. I want to thank the city for support of the cim summer school, an example of everyone involved in addressing the achievement gap. Those smaller schools during the summer, add on to the school year with smaller classes, smaller targets, it turned object to be very effective, and last week we had 91% attendance, and they end for the summer this week. What i'd like to say is that having lived here all my life and seeing the issue of the achievement disparity come up in repeated iterations, that in previous times that plans have been created for addressing that, those have been add-ons to the operation of the district. They've been, whether it's a desegregation plan or the may 8th resolution, those have been add-ons. What's different this time is the idea of embedding that effort into the entire effort of the district, changing the cultural of the—culture of the district to require that that difference be eliminated. And I think that's a real change in direction, and a real difference in how we view that as a priority of the district operation. It's also true that whereas over the years there's always been a back and forth about whose fault it is, finally we're saying, it doesn't matter whose fault it is. The schools are probably the best place to do something about it, so it's time to do that. And that's all I have to say. I really got a lot out of that core team experience, as I know you did, jim, and look forward to the ongoing monitoring of the implementation.

Francesconi: Thanks for your effort. You cared about it for a long time and you're playing a role trying to make parties move along and come together. I appreciate it. Cynthia or john?

John ==, President, Portland Schools Foundation (PSF): i'm john pias, president of the board of Portland schools foundation. On behalf of the board, i'm here to thank all of you, especially mayor Katz and commissioner Francesconi for the strong support that you've given to this year-long effort to create the shared five-year vision and strategic plan. As you know, I think the impetus for going after an aggressive program to get high standards for our schools really came out of the kpmg audit report, which the city commissioned and funded and was completed in september of 1998. One brief quote I think sets up the need that they pointed out for a strategic plan. "it is imperative the district show positive and meaningful action to restore its credibility in this community. The district in its current financial state and uncertainty may can likened to a ship that has taken on water. It's time to right the ship, chart a course and sail on to a new and better destination." One of the recommendations that came out of that report was to begin a strategic planning process that would engage parents,

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community business leaders, students and any passionate and committed Portland community member. Superintendent Canada and then chair of the board Ron Saxton approached the Portland Schools Foundation to take a leadership position in putting the strategic plan together. We were delighted to be asked to do that, and we did it. One of the areas of leadership that we provided was in raising money to fund this project from day one through completion and that was about 250,000 dollars that we raised from members of this community. We are really pleased with the support we got. The first to step up to the plate was the Portland Association of Teachers, \$25,000. That was followed by Fred Meyer, with another \$25,000. Our largest contributor was the Washington Mutual Foundation, with \$75,000. And others who stepped up to help out or—were U.S. Bank, Wells Fargo, Standard Insurance, Regency, Blue Cross/Blue Shield of Oregon, all of them stepped up to help finance this program. We publicly wanted to thank them, and there's no truth to the rumor we're going to take space on an electric billboard to do it. But we did want to publicly thank them. Again, to thank all of you for your continued support.

Katz: Thank you.

Cynthia Guyer, Director, PSF: the schools—Cynthia Guyer, director of Portland Schools Foundation since 1996, when we were founded, and parent of two small children in the schools. The schools—the we commissioned a major poll. The response was the—from the likely voters in this city was that our public schools and the education of our children is by far and away the single most important issue facing Portland. As we move forward. Like the mayor and the entire council, we have worked as hard as we possibly could during the last rough five years to respond the aggressively and proactively to the school funding crisis in Oregon. As it is—has affected the city schools. In addition, over these last three years, as the mayor knows, because she's been out into the schools with us, we have raised and invested well over \$2 million directly into high performing vibrant and strong schools. Particularly in our high poverty neighborhoods. We have seen remarkable 20 and 30% gains in student achievement. And we have celebrated the amazing accomplishments and talents of principals, teachers, parents, families and community leaders who are working towards that goal of the resources we together have leveraged and raised directly for Portland public schools and the amazing work in the set of schools that we are directly supporting has given us great pause. It's caused us to think far more deeply to get to scale with this promising work and figure out how to better align the system and the systems resources so we can ensure everyone of our children and every one of our schools becomes a successful high performing school. This question is the one that our board felt must be addressed. Through the development of a long range coherent and comprehensive strategic plan for this school system. In closing, two points. The other belief that guides our work at the foundation is that these schools are the community schools. Our schools. And that there is the most extraordinary talent, passion, and all kinds of remarkable resource that's will need to be mobilized if we are to realize the promise of this vision and of the strategic plan. Steve, who hails from New York, and led the strategic plan as the lead consultant and Katie Hickock who runs a trust, figure out what it's going to do in September differently to close the achievement disparity, have both said that they have never seen an—in America a community like Portland, where. is so much knowledge, talent, understanding much what needs to change and what needs to be done differently to create the schools that we want to build. Keeping this community engaged in strategically tapping into the enormous talent which exists in Portland will be critical if we ever see the level of change called for in this plan. The democratic process that we use to create the plan has created an incredible constituency that is calling for reform and change. We need to keep that alive. Second point is the mayor, you, yourself and your leadership and the entire council in our opinion, has a responsibility as we do at the foundation, to remain engaged and involved in ensuring that the plan comes to life and is implemented with great clarity, focus and purpose. I think this is especially true in this first year of implementation, and on the issues that Dan, you spoke to, and Mayor, you spoke to. I know Ben Canada has asked the core leadership team, which helped to accept the plan, to remain intact and become an oversight community-based

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committee. And the mayor has asked jim Francesconi to continue to serve on the core team for at least this next year. I hope that each one of you will work closely with jim to make sure that your concerns and your ideas are connected to the work of the core team, as it monitors the first critical months in the first year of the implementation of the vision. Thank you again for your continuing support of the passion that we have collectively to ensure that every child in this city receives a quality education and to the vision that actually we here in Portland could really create one of the finest urban public school systems in the nation.

Katz: Thank you. Let me ask you a question. You—sue really raised the issue of how in the past this was an add-on. I've always maintained, no, it's inherent in how you put together a curriculum. In looking at schools of the same demographic, and noticing that some of them have done so well in terms of moving to close the gap while others have not, has anybody shared the information with the public as to what were the factors that allowed the that kind of closure of the gap in some schools, and not in others? I'm not sure it's the money, so if—and I don't know if it's just a variety of 'important I of programs in one school and a focus of—in another school. Help us out on that.

Hegmeyer: i'm not sure how directly I can get to that. Until at least one case I can think of it's a culmination of a three-year effort that's finally paying off, and that's one of the hard things we deal with, is a certain amount of latency in the efforts we put in. I was listening to jeff pratt, who was another consultant who came in to speak with the crisis team last week, and he was—he was questioned about a school that he made dramatic changes in the course of I think it was two years. His message to us about that was that the school that he turned around in two years, as soon as he left, it reverted. And he said if you want long hitch term change, it is a five-year plan.

Katz: Was this the principal?

Hegmeyer: this was a principal of a school. This was referring to a school in montana, I believe, and he's now in michigan. And his point was it's a five-year plan if you want to main ethnic albanian that. After the leader leaves. I think that the schools that have turned around, it has depended on good leadership from the principal. But what we expect from that is that that principal be able to also institutional eyes that change and also help us replicate that—whatever those things he or she did, replicate that elsewhere in the district. Without we hope depending on unique and rare personality to be able to do that. It's a hard thing. You can always get things done quicker with somebody who can—who by force of their personality makes things happen, but as a school district we can't depend on that, so we're trying too look at some of these things that have culminated in real change, and analyzed what those differences are and replicate them elsewhere. In some cases we may need only import part of that to another school, and in other cases the whole thing. It's a very complicated process.

Katz: Cynthia, do you want to comment on that?

Guyer: I think that's a lot of what the district is doing this summer, is trying to get very specific about what those five or six elements that make an effective school even an effective school in a high poverty community are. Certainly principal leadership and strong teaching, quality teachers, something the trust speaks to, are—a rich and proven curriculum, in whatever level of school, and collaboration. We've got to get out of the old era, which is teachers close the door and work in isolation, and build a culture where teachers and parents and community supporters are working with their principal to build a strong school for kids. Everyone has a role to play. And being very focused about student achievement. So I think in education we know what works, and in fact you're right, we have a number of schools in Portland who have 70 to 90% kids in poverty, and who are achieving incredible results, 70, 80% to standard. Why don't we have not just the 14 schools that ronnie is concerned with, but the 30 low-achieving high poverty schools in our city of 100, all on a trajectory of success. And that's when you need to start systemically thinking about it, and as sue says, the tragic plan is probably the most promising framework along with community pressure to create movement on all those issues.

Francesconi: I want to get it to greg. I'm worried about time.

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Katz: I'm sorry. Go ahead.

Greg Van Pelt, Providence Health System: mayor Katz, members of council, thank for just a couple of minutes to spend with you this morning. I'm greg van pelt, with providence health system. Jim asked me to speak just about a few minutes about some of our partnerships. I'm going to spend a minute on why we do it, and then don brown will speak of how. The why is really a simple answer. It's the right thing to do for several reasons. Talking about the right thing to do in the context of relationships we have with the schools, youth programs, and other public agencies. First it's an opportunity to introduce further colleagues to a great field. Multiple stories of volunteers and maybe some of yourselves that served as volunteers or candy strippers that go on to become physicians and nurses. It's a great opportunity for us and for young people. It's the right thing to do in terms of kids, adults, students and teachers and employees. In this time of tremendous change and changing family structure, it's an exposure to work ethic, mentors, maturing experiences, and new ideas that come from our students. Our employee satisfaction is positively impacted by this—these relationships. We think of ourselves as a learning organization, and lifelong learning starts early and continues throughout one's work life. Most importantly is the dignity and self-esteem that comes with work. It's also finally the right thing for our community. Being in health care, question have learned many times the value of employment with respect to crime, violence, poverty and health. In fact, today marks the 125th anniversary of one of our hospitals, st. Vincent, in this community. And to us partnerships like this are perhaps the greatest contribution we can make to being good organizational citizens. With that, don brown is the director of what we call providence academy. It's the internal infrastructure that we have set up to do these kinds of partnerships, and i'd like him to spend a minute on the types of partnerships we do and the work that we're trying to do in terms of being a catalyst for other companies to set up the same kind of relationships.

Katz: You're going to have to change places.

Don Brown, Providence Academy: thank you, mayor Katz and council. I'm the director of providence academy. We—five years ago a teacher called us and said, can we get beakers from the lab? We said sure. What also can we do for each other? From that simple request, we now have a five-year, ongoing, fully integrated partnership between providence Portland medical center and laurelhurst elementary school, one of the few in the country that is so fully integrated. It's integrated to the extent that we don't know who leads the partnership. We don't know everything that's going on. I think that's ideal. We have teachers directly in line with managers to the point where if a teacher comes to a particular point in the curriculum in which they'd like live demonstration on some application, some setting for this particular piece of academic learning, they call up the manager, they've already met there, and they say, could you do this for us? We've also looked at the school partnership as being an opportunity of what schools can do for us, so we force that question all over the time. What can we do for each other? It's a mutual thing we've forged that we're pleased about. We went on from that. We now have a two-year partnership with fernwood middle school, and as of last week we now have a partnership starting with grant high school, particularly in the science department with science department, so we now are offering kids who start their kindergarten experience, 12 years of possibility of having contextual learning experiences with providence. We believe that's essential. Our biggest challenge now is to upgrade the rigor of the contextual learning experiences to the point where our managers not only teach and demonstrate to the standards and benchmarks, but they're aware of them to the degree that they actually develop their experiences based on the benchmarks and what these kids are desirous of learning. So at fifth, eighth, and tenth, we're looking at how our learning situations and activities and projects help students meet those standards. It's very exciting for us. It's a real challenge for us, but we need to involve now these managers and all of the people involved in our partnership activities, make them aware of these standards. What it also has, then, is the potential of involving our employees to the degree where they as parents go home and ask their children who might not be going to our schools what their schools are doing in terms of partnerships to

help them with contextual learning experiences. We appreciate the opportunity to talk to you about this.

Katz: Further questions? Does anybody else want to say anything? I wish I had time. I wanted to touch on the last point that you made, that you have standards for your employees that are very high, and you also need to push the school district when you see is that they're not connecting with what your needs are as well. So it really goes both ways.

Brown: I had the opportunity to be part of the partnership's committee, and we will do that. Thank you.

Francesconi: We're not accepting anything, but I wanted to give the council a chance to either say anything or respond.

Katz: Okay. Does anybody want to say anything?

Sten: We're running out of time, but I wanted to thank everybody for your great work. It's been said, but this is the most important thing in this community, and I think council will remain a partner. You're on the right track. I do believe that—and I think you have to set that 2005 goal, and that means we've got to start working today to make that kind of goal. But I think it can be done, and I appreciate your hard work. It's impressive.

Katz: I'd like to add, I have been and will continue to be your biggest supporter, but I also will continue to be your biggest critic. I said it took 14 years to get here. I wasn't kidding. It took 14 years. There's no reason for it. It's not only this school district, it's around the state. But I'm here to thank you for finally getting to the task and urge you to continually demand higher achievement, higher standards for every child, every child to succeed. If you can do it in a poor impoverished community with demographics in such those—as those in Texas that are worse than in any of our neighborhoods, you can achieve it anywhere. So it's a matter of focus, commitment, and it's a matter of not giving up. And trying to figure out what works. I think we know what works. It's a matter of just doing it, sitting—setting benchmarks, holding yourself accountable and the community accountable. I want to thank you for your efforts, and we'll be watching.

Francesconi: I'd like to make three points. I've already talked a lot. One is that the district and the teachers under fire and under resourced have accomplished a lot in two particular areas. One is on the issue of the district and the school board and all of you here deserve credit, and as does Ben Canada, that 212 of the 221 performance recommendations have been moved on. That's not completed, but there's—they're making progress. The other thing on the academic side is that the third grade reading levels, math levels across the board, we're seeing very great improvements. That's in line with Ben Canada's objective of starting young and because we lose them, Commissioner Hales has been eloquent on that point. So we need to acknowledge some successes, and—that we can build on. The second point in this plan is we're also talking about all children. I'm coming back to poverty and race, but we're talking about all children have to succeed. We want to be in this together as a community. And we need to empower all children, and the nice thing about it is they have to contribute back to the community too. Which means they have value and worth and we're not just giving them something, we're asking them to be active citizens. That's a key principle of the strategic plan. The third thing is on the question of poverty and race, first race, we have to acknowledge that every child, regardless of race, has the capacity to be a leader, to succeed, to be successful. I think there's an ingrained belief in our history that that's not the case. And we need to change that. And there's—we need—there's different techniques and strategies, and that "ability that has to be in place, but deep down we have to believe in equality. Which we don't at the moment. On the issue of poverty, if you're in a poor school, the chances are—of you getting the same education are not the same. On the issue of poverty, just two points for the council. And we are aware of this. In addition to the school district doing their part, which you need to do, and the school board needs to be accountable, Karla, who I think just left, just sent me an article, but it's out there. We have a role on policies that affect poverty. We the city. Not the school board. Questions of housing, work force, transportation, child care, even water and

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sewer rates, parks and after-school are all strategies that we have a role to play to address the question of poverty. And we need to tie this discussion more to our own city's strategic plan at a later time to address that issue head on. The final thing is the question of partnerships. We have to bring additional resources like providence has done. We're an employer. We can do more in that regard. And we need to do more. And other employers need to step up, and we're asking them to do that. Thank you. I'm sorry.

Katz: Thank you, everybody. Okay. Let's deal with the fees. 1085. 86, 87, 1088, 1089, 1090, 1091. [consent agenda items]

Items 1085 through 1091.

Katz: Does anybody want to testify? Well, you're right. Okay. Commissioner Hales?

Hales: Margaret and her staff are here if anybody has further questions. I've spent some time in discussion about some of the particulars of this, and particularly commissioner Sten was making the point that we can wait a little longer on the increase in the valuation. There's a fee increase here, and there's also an increase in the a change in the valuation formula which is a result of this new state legislation, which does also increase our revenue. We don't have to do that until october, and we're certainly willing to wait. We don't have to change anything here, we can simply direct margaret, and it's my intention to do that as long as there's no objection by the council, direct margaret to wait until october to implement the new valuation schedule. That will give a little bit more relief from these fee increases if they're approved. Ironically it gives the relief in the residential sector, which is the part of the permit volume that we're doing the best in terms of time line, but there's nothing wrong with giving our customers a break. So i'm certainly interested in doing that. I appreciate you, erik, raising that idea as a way to improve the acceptance of this. Also jim, I think you'd asked about what happens if we do nothing, and I think you saw that jill got back information of what the dollar and personnel impact is of not implementing the fee increase. So I know those were a couple of questions. What about the valuation schedule, what happens if we do nothing. And with that, margaret is available if anybody has any further questions.

Katz: Does anybody have any questions for margaret? All right. Let's take them one at a time. I know they were pulled off because there may be votes— some no votes. 1085. Roll call.

Francesconi: Aye. **Hales:** Aye. **Saltzman:** Aye.

Sten: I want to make quick comments on all of them. I'm going to support all of these. It's been difficult because fees have gone up, but I think margaret and her staff have done a good job of trying to figure out how to get through this dirt situation, and as I heard the testimony from the building groups last week, fees aren't— are a real issue and we have to be careful. We have tempered them to some extent, but speed is the bigger issue. I'm stuck here, we can't have it both ways at this point. I think moving the fees up and trying to address the speed issue outlined in the memo, and I think the major concession of giving people another 60 days on the valuation shows a real good faith effort to try and do anything we can. So i'm being quick, but I appreciate the work commissioner Hales and margaret. Aye.

Katz: Aye. 1086. **Francesconi:** Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye. **Katz:** Mayor votes aye. 1087. **Francesconi:** Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye. **Katz:** Mayor votes aye. 1088.

Item 1088.

Francesconi: This is—these next three are the ones that pain me. I'm going to vote no on the next three. I'm going to just talk about this one, although some of it overlaps. The problem, first of all, I respect the work that charlie is doing. It's difficult work. And margaret is one of the best administrators in the city. So it's not that. It's that i've been asking for performance measures since the first time I heard about this three years ago. In terms of the issue of—and I have supported all the budget increases to this point. In terms of the residential fee, first of all I just learned about this. I guess I didn't see this. I need to know what effect. But i'm concerned about what we're doing to the

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cost of housing. My understanding, a 4% increase I could have accepted. Switching it, which is—I guess in two months, to—a 15% increase by a valuation change, at a time we're trying to get affordable housing to first-time home buyers, and performance has not improved, and speed and permits have gone down, I just have gotten to the point where I need to see some kind of exemption for low-income housing or some kind of break for first-time home buyers or some kind of valuation process that doesn't shift so much from commercial to residential. Given the obstacles that we've got in this community on housing. So what I was going to suggest on this one as well as the commercial, is it's my understanding more performance work is going to be done, especially on the commercial side, that that's going to be done in november, so bringing back a coherent plan as to with performance measurements, especially on speed, let the work be done, bring it back to us in november when we have the performance measurements in place. That's what I would propose. And don't have such a dramatic shift to residential at a time we have a housing crisis. So that's why i'm voting no on this one. No.

Hales: I'll make my comments about the whole package here. I just want to thank margaret and her staff. I have the luxury of having a very confidently managed bureau here, and I think the dilemma they faced and that I faced and now the council faces in dealing with this issue, we've adopted the blueprint 2000 reforms, we believe we've created a structure that will deliver good results to the community. We have provided the performance measures in part of our permit system, and the rest will be provided in terms of what our expectations are. And the residential sector we're doing very well in terms of meeting those timetables, and we're working on the rest. I'm confident in our ability to keep improving that. The question is, it's a chicken and egg question. Do we give people the resources to get the job done, or keep raising expectations without the resources? I think we have to do some of each, and I think this package strikes that balance. Aye.

Saltzman: Aye. **Sten:** Aye. **Katz:** Aye. 1089.

Item 1089.

Francesconi: The issue of the permitting on the commercial side, i'll address the next two right now, it's really an economic development strategy also. We have put more money into this. We put more staff into this during these last couple of years, and the performance has not improved. During that time I just think when you're designing a program you need to have performance measurements up front. We still don't have them. So let's get the performance measurements, let's have the thing moving, and then let's come back to the council. Aye—no.

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

Katz: Let me just comment on all the rest of them. I sympathize with what commissioner Francesconi is sharing with you. I've talked to a lot of developers, and residential, those who are making residential improvements. They're not so hung up on the cost, they're hung up on the time. The long time before they can actually get the work done. Commissioner Hales knows that. He's working through that with margaret. My hope is that you can get that time down now that you have the resources, and come back with performance measurements so that we can keep you on track so we know, margaret, that it's ten days, or it's 12 days, whatever you set for commercial purposes, and so we can feel confident that we're meeting those high standards as we raise those fees. Otherwise, we're going to go into a downward spiral where we raise fees, we're still not getting to a time line that's acceptable, and we lose the opportunity to build housing in the city. Aye. 1090.

Item 1090.

Francesconi: Actually one other point as I vote no on this. Our fees are not competitive with the suburbs. On the residential side. And increasingly so on the commercial side. I'm okay with that, but then the performance needs to be better. No.

Hales: Aye. **Saltzman:** Aye. **Sten:** Aye. **Katz:** Mayor votes aye. 1091.

Item 1091.

Francesconi: Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye.

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Katz: Mayor votes aye. Thank you, everybody. We're at our 10 o'clock time certain. Two hours late. 1038.

Item 1038.

Katz: Okay. Commissioner Saltzman.

Saltzman: Thank you, madam mayor. In May of 1999, the city council adopted revisions to chapter 17.38, establishing storm water management policies and authorizing the director of environmental services bureau to adopt the storm water management manual. At the same time the council established a committee and asked them to review the existing storm water management policies and procedures, and also to come back on an annual basis with review—any recommended changes. We have before us today several changes that have been recommended to us by both users of the manual and also the storm water advisory committee. Those changes are in four categories. First one is to go beyond trying to prevent degradation of watersheds caused by development and also include requirement that's will improve watershed health. What this does is to bring redevelopment under the same standards as new development. That's the first change. The second change is also to revise our operations and maintenance requirements, to reduce the occasion when operation of maintenance plans must be recorded. I'm sorry. This is an ease—this is a design to speed the flow of getting permits through the office. At least we have to review the storm water parts. But it also deals with an important issue that when you put in control facilities for storm water, you need to make sure they're maintained. The third change is to clarify the use of special circumstances, and the payment of the storm water off-site management fee. When a client or permittee choose not to manage the storm water on site, when is our highest priority, they can pay into a fund that will pay into managing that storm water for them. The fourth change is that parking lots will be required to use landscaping for storm water management to the extent that landscaping is required, and where it is possible to have storm water drain to the landscaping. The last requirement is a built-in preference given to approaches that use vegetative and surface infiltration, when site conditions are appropriate over other subsurface storm water management options. Those are the quick run-down of the changes. We have dean marriott, lana, who manages our program, and I'm sorry, I don't know your name.

== I'm pa trees, I manage the—

Saltzman: Sorry. I didn't recognize you. I'm—they're here to answer questions or provide details on the changes.

Hales: Maybe just one. The obvious question, given the accident pairing of the council calendar items this morning, and that is the change on storm water requirements to require all parking lots to either manage their own storm water or meet some other standard. What effect—jim, you asked the point earlier about performance measures. One of the reasons why it's been difficult for us to reach those, we the council keep passing new regulations. So the question is, will that change impact permit processing time? We're going to start making that a standard question, frankly, when any bureau is here with a change in regulations, will this change impact permit processing time, and if so, how much?

Lana Danaher, Bureau of Environmental Services (BES): yes, it will impact it. It will make it faster. What's happening now—I'm lana, I am the development services manager for b.e.s. It will make it faster because right now in a lot of these we're having to review them one by one, and decide whether oil water separators are necessary. What we came up with is a definition of a higher risk kind of parking lot, and that—those will be reviewed, but this category will not have to have oil-water separators, but they will, the trade-off being, they will have to use what landscaping they have for storm water management. But the design criteria and everything is already in the manual. It shouldn't slow down the plan review process at all.

Hales: This is a more prescriptive path—

Danaher: yes. It will make it I believe easier.

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Hales: Good answer. That's the answer we're going to want to hear. [laughter] obviously we'll hold you to it.

Katz: Further questions? Is there anything we need to know that we haven't heard?

Dean Marriott, Director, BES: my goodness. I'm dean marriott. As commissioner Saltzman introduced these items, we had prepared a presentation, but given the changes to your schedule, we opted to just respond to questions. there's nothing of substance that has not already been discussed, or that was in the council packets.

Katz: Okay. Anybody else want to testify? Did you want to say anything? Anybody want to testify on this item? You've been waiting all morning.

Linda Bauer, BES: linda bauer. I was on the storm water committee. Everybody, the staff is terrific and wonderful to work with. Thank you for allowing me to participate. Thank you.

Katz: Thank you, linda. Okay. Nobody else wants to— anything? This passes on to second. All right. 1039.

Francesconi: Good work. The fact that mike hawk didn't testify, or some business folk person didn't, this is terrific.

Item 1039.

Katz: Commissioner Hales?

Hales: We have a presentation on this and we may have folks here to testify.

Katz: Let's hear the presentation.

Crysttal Atkins, Portland Department of Transportation (PDOT): my name is crystal, i'm the project manager for this project. With me today in the audience is mike coleman, the project engineer. In the interest of time, i'm going to talk as fast as I can so we can get through this and people can testify. If my computer will work. Oops. I just skipped over the slide that showed you the project street segment, but to orient you, flavel street is south of southeast foster, runs parallel to it and runs the—the project runs between southeast 112th and deardorf drive. It's a rather long segment. It's approximately 22 blocks long. The street has a number of designations on it. It is a neighborhood collector street, which means by policy we cannot have a project design that would include diversion did I vests. It's a minor transit street, although it does not have transit service on it at this point, and no service is planned. It's a city bikeway and a walkway. It's also a minor emergency response street, which means that slowing devices are allowed in the project design. In 1999, when we undertook the project, we took a speed count out on the street. We knew the posted limit was 35 miles an hour. So sorry.

Hales: There we go.

Atkins: we took a speed count, and we found the 85th percentile speed on the street is 44 miles an hour at that time. And significantly more than 65% of the folks are on the street that travel on the street are going faster than the posted limit. In fact, some of them are going significantly faster. While the daily volume is fairly low for a neighborhood collector, it's 1,350 vehicles per day, there's a number of new subdivisions that are happening in the area, and we expect volume to grow over time. If you could be a driver on the street and see the problems as you go, it would be clear to you why this street sees the kinds of problems that it does. While the street is fairly straight for its length, there are only a few relatively level areas. They happen to occur both—at both ends, so you can see as a driver would see what it would look like if you turned onto flavel from 112th or if you were just nearing deardorf road. In between, though, the train is significantly hilly. And this adds significantly to the site distance problems that we find along the street. The other thing you can see in this slide is that there are overhanging branches on the trees and a lot of brush along the roadway. This also contributes to sight distance problems. In 1989, there was a tragic fatality on flavel right at the entrance to Multnomah park, which is an entrance to a subdivision. From a driver's view, you can sort of see how this crash happened. This is what a driver sees if they're traveling on flavel eastbound. You cannot see any indication that the park entrance is coming up. Likewise, if you're traveling westbound, the

only indication you would have if you keyed off it is the sign that says "school bus stop ahead." If you're sitting in the park and you're trying to turn onto flavel, you really don't have much sight distance as well. You can see both eastbound and westbound. It's very limited. Unfortunately, this is a typical intersection that happens on flavel. Most of them come in at the top, at the crest of hills. So drivers have very little indication that they're coming upon an area where you might have a conflict. Another significant intersection that we had difficulties with is at northeast 1 hundred— southeast 122nd. This street comes in and is actually below the grade for flavel, so it adds to the sight distance problems. This is what it looks like eastbound, this is westbound. Again, you can't tell the street is there. And this is what it looks like if you're trying to turn off of 122nd onto flavel. Again, this is a very scary situation for drivers. You can imagine what it's like for pedestrians and bicyclists. The other physical constraint that we had to work with is the varying shoulder width. We wanted very much to do some improvements to the pedestrian and bicycle environment, but in some areas we have very wide shoulders and some areas we have less than a foot. And we worked and worked at trying to find some kind of design that would help us improve the pedestrian environment, and unfortunately without millions of dollars, we just—we couldn't come up with anything. As with all traffic calming projects, we did an extensive public involvement process. We followed policy. The project street residents and interested neighbors all came together and worked with us on the design. We had a traffic committee, a very dedicated committee. The neighborhood association represented attended most of the meetings. Minutes were sent to all the folks on—that are residents and neighbors and people that were interested. Together we came up with some project goals. The first goal obviously was to reduce traffic speeds. Then we wanted to increase pedestrian and bicycle safety. And liability. We worked with a number of other agencies, particularly in trying to solve the pedestrian and bicycle environment problem. We came up with a design that includes 22-foot speed bumps along the stretch of the street, up graded street lighting, review signage, trims the trees so we can help with the sight distance problems, and we're going to request state speed control board to lower the speed limit to 30 miles an hour. This project plan, which is difficult—

Hales: What's the speed limit now?

Atkins: 35. It shows the approximate location of the speed bumps. We balloted as per policy. We sent out one ballot, we had 63% return of those that were returned, 94% of those ballots were in favor of this project. So given the strong resident support for this project, we request that you approve the—approve the report.

Hales: Questions?

Katz: Questions? Public testimony.

== I would just—

Katz: Whoa. Wait a second. We'll get you. Come on up.

== I didn't know I was going to do this.

Katz: All we need is your name and your address is optional.

Frances Connor: my name is francis, and I live on the corner of 117th and flavel. The site of my house, the whole deck, looks right out at the park sign. And I guess it was the year before last, I was on the deck, we were eating when a motorcyclist came at such a high rate of speed, and was killed instantly. Right in front of our eyes. The school bus stopped right on the edge of my property there on the corner. Many, many times the driver has to honk the horn because there is not a view coming up the hill this way, and a view coming up, and she has to hank the horn because cars are not aware. They do not slow down in time. So it's a very dangerous type of thing. When we come out to go on flavel from our street, it's a worry each time, looking this way and that way. Somebody coming over the hill on each direction. Thank you.

Katz: Thank you. Sir?

Henry J. Bendinelli: my name is henry j. Bendineli. I'm a lifelong resident. Of Portland. One—whenever I get to a place like this I remember years ago I was going to make a speech and the boss, an

old timer says, henry, remember—the principle object of every meeting is to adjourn: So make it snappy: [laughter] okay. I'm going to try to make it snappy. I came back from world war ii and then the korean war, and having been born here I said, i've seen all the world, I want to go back to Portland and live my life there. And I built a house, married that sweetheart of mine, built a house, and -- 119th and flavel street, way out in the country. 1956. And right away the house was being built, here came a convertible full of people, all squealing, have a great time. These tremendous roller coaster type dips. One of them is 85 feet from top to bottom, something like that. Sure 95, here they came back the other way, squealing and have a good time. I said, I think I might have a problem here. [laughter] nothing much happened when I went to the county. It was a county road. Because they'd come out, take a look, see the low traffic count, which it was. Because it was a neighborhood collector. And it's still a neighborhood collector. But we get these enormous speeds, unbelievably, the road will continence at 90 and 100 miles per hour speed. You can't see what's going on because of these enormous dips. Now, well, nothing much happened for about 30 years. Things were quiet. Until sunnyside, happy valley, and clackamas started to get a lot of houses in them. Then what happened was, this little road, which was built in early 1900s with hand labor, was a wagon road. It turned into an alternative to going down to a twisty road to foster road and then fighting the four traffic lights to get to 110th. You can—as you come down from the south, deardorf road, you turn on flavel street, man, they've got a straight shot. And monday I went down and said, let's see how many are doing it. Of the 21 people that were coming down the road when I was counting there, 15 of them turned onto foster road and every one of them stepped on it then. That's their shot. So rather than serving as a neighborhood collector, it is an alternative to a neighborhood collector. It's an alternative to the arterial of foster road. And a high-speed one. And it works, except for us that are on it. Unfortunately, if you live on flavel street, it's almost— expect to have a collision at your driveway or 122nd. One or the other. And I have an apology to make to you. If i'd have been smart enough to get the gang together years ago, which we should have, and get a neighborhood council like we have one now, and this is the president, ray cites here, then people would have listened to us more, and kneel goldschmidt and would have taken care of this and I wouldn't be bothering you with this right now.

Katz: Thank you. Your time is up. [laughter]

Ray Crites: my name is ray, I live at 12811 southeast flavel street. It's on the east end of flavel, sixth blocks from 134th, which is deardorf. My concern, and believe me, we've looked at what can we do short of speed bumps. We can't have the police out there all the time or anything like that. We come up with the speed lumps bumps being probably the best alternative. I have a concern with the wednesdays of the street, and we do have—several of us would like to jog. We'd like to have a neighborhood. And it's impossible to have that neighborhood whenever you're jogging along and you've got two feet between you and this car that's doing 50 and 60 miles an hour. And these people, they will not move over to the center. They just stay right next to you. It's real irritating. A—number 2, the children. We have a collector point at 122nd and flavel, and it's not unusual of a morning to have 15 or 20 children. And they're all mingling around, and of course I travel that road every morning, and I pull over to the center and try to get away from—because it gives you a few seconds that you might be able to avoid an accident. Again, at the subdivision farther up, there's the same thing. There's as many as 15 or 20 children there, and there's no place for the kids except right there on the road. We just need to slow these people down. That's all we want to do. Stay within the speed limit. If you stayed at 35 or 40, we wouldn't be here complaining. But it's when you're doing 50 and 60, and this is just—they don't have control. I've lived—built my house in 1965, and I have a 300-foot frontage and a cyclone fence across that, and i've had that fence repaired, the insurance company, without—i just tell them, they call me, hey, go fix it. It's been damaged so many times, people losing control. This past december on a beautiful sunny saturday morning about 10 o'clock, some young fella and a nice new bmw out racing, and hit the telephone pole, knocked it out. Knocked our electricity out for about three-quarters of a day. A number of years ago we had two young fellas that had been

drinking, hit this retaining wall, and guess who gets to go out and check out what's going on at about 3 o'clock in the morning? And one of them is dead. You just don't want to experience that. So actually, all we would like to see is observe the law. Stay at 35 or 40 miles an hour, or we'll put the speed bumps in and try to stay down there then.

Katz: Anybody else? The quicker we get over this item, the quicker we can start building them.

Rudy Riet: i'm for that. I'm rudy, I live at 7347 southeast 133rd. That's a corner lot, I have quite a bit of frontage on flavel. I'm just here to support the traffic calming that has been proposed. Hope that it goes through. I think if you check the record books, you'll find three people have been killed on this stretch of road that is approximately two miles long. It starts at a t intersection, and ends at one. It's not a through street. There's no place to walk, there's no place to ride your bicycle. You take your life in your hands going out there, and virtually every intersection where a street comes onto flavel is a blind intersection. Most of the driveways are blind. Once you're committed, assuming everybody is driving the speed limit, you can make it. If a car is at the right point going faster than the speed limit, you're committed to an accident. So I would hope that you look at this and support it, because I think it's good for the neighborhood. Thank you.

Linda Bauer, President, Pleasant Valley Neighborhood Assn.: linda bauer, pleasant valley neighborhood association. First I need to tell you that I want to thank you for the connectivity study that you passed earlier on the consent agenda. Some of us are a little reluctant after the outer southeast plan to get involved, but with staff's attitude, he wants to put back service in customer service, hopefully it will turn out great. So thank you for that connectivity study. I agree on this project. I agree with everything that everybody has already said. It's a great project. It's really very much needed. But I don't agree with staff that all interested people were involved. At the three meetings I went to, after each meeting I asked that the notification be enlarged, and I was always told no. And in the meeting minutes that you have, I highlighted—this meeting I wasn't able to make. Our resident of clatsop butte came and asked also that the notification be expanded, and the answer again was no. So I disagree that interested people were allowed to participate. But it's still a terrific thing.

Katz: Thank you. Anybody else? All right. I'll take a motion to accept the report.

Hales: Move to accept the report.

Sten: Second.

Katz: Roll call.

Francesconi: Aye.

Hales: I think this hearing capsulizes why this is such a good program. It's a combination of capable staff work and people that know the neighborhood, and that combination makes a safer city. Aye.

Saltzman: This is a great project. Very necessary. I've had the chance to travel on that little stretch of speed way, or roller coaster, and I want to say the bumps are very necessary, but I also want to say what a beautiful area. It's hard to believe you're still in the city of Portland. It feels much more rural than being in the city. Aye.

Sten: Thanks to the staff and citizens. Aye.

Katz: Get it built. Aye. All right. We're on our regular agenda. 1105.

Item 1105.

Olson: We have an amendment.

Katz: All right. Move the substitute [amendment]. I don't think I have it.

Olson: It was passed out.

Katz: Oh, yes it is. I have it. Do I hear a second?

Hales: Second.

Katz: Any objections? Hearing none, so ordered. Let me say a few words on behalf of commissioner Hales and Saltzman, and then maybe i'm sure they'll say something when we vote on this. When we meet with citizens interestingly, not necessarily in transportation meetings, but in public safety meetings, the issue of noise keeps coming up over and over again. And the expectations of citizens is

that the police are going to do something about the noise. The last time we made major revisions in our noise code is 1987. A lot of things have happened in this city. The city's noise control officer receives five to 7,000 noise complaints per year, and 9-1-1 received over 7,000 noise-related complaints in 1999. And what we have found when we took a cursory look at the issue is that we need to make some changes in our code. We also needed to provide additional resources, and I want to thank the council for providing nearly 100,000 dollars to make some of these changes possible. This resolution creates a task force to take a comprehensive look at our noise control program, including outdated code language and enforcement tools. The task force will look at best practices around the community, in the country, community input and identifying neighborhood noise issues, hold a public hearing, review the current city's noise enforcement practices, and will research programs and—in other municipal advertise to see what we can learn from others. In just one meeting that I sat in, a lot of these issues were raised, and it appeared that we needed to do a lot of work to take a look at how other communities are handling them. We're going to concentrate on neighborhood noise, which constitutes the vast majority of our noise complaints, and I just want to flag that dealing with airport and airplane noise is being handled through a different community process through the port of Portland this. Group will not be looking at that particular issue. So I'm looking forward to their recommendations. I hope it doesn't take too long to bring them before this council, but there is a lot of work that needs to be done, stricter codes, increasing fines, and a whole host of other recommendations that will be coming to you. So—did you want to add anything? Come on up for a second.

Denise Kleim, Administrative Mgr., Office of Planning and Development Review (OPDR):

mayor Katz, my name is Denise Klein, the administrative manager with the office of planning and development review. A couple things I would add. The schedule for this group is an aggressive schedule for the noise task force. The goal is to have our program changes and our code changes in place they can be implemented next summer. In order to do that, I'm hoping that we can bring recommendations to council sometime in March, and that is a very aggressive schedule with all the work they need to do. We're hoping to have public hearings in September, so the first thing this group would do is gather input from the public. There's a lot of folks interested. Our office has received 40 phone calls in 2 1/2 days, and I know the mayor's office and other offices have received interest in this task force also. I also want to thank the council for the support of the program. The additional funds we've been able to add a full-time clerical position which we'll be hiring soon. This program never had clerical support. We've also added a full-time field inspector in the summer, so we have not only the noise control officer, but two field staff in the summer, and later this month we're going to have one of the field staff starting to work a swing shift from Tuesday through Saturday so we can cover evening hours and have the other person working Sunday through Thursday so we'll have weekends and evenings covered for the first time. I'm very excited about the program, and about this process.

Katz: Good. Thank you. Anybody want to testify on this item?

Saltzman: One of the points I'd like to underscore, we have appropriated money for this task force, and it includes doing community outreach, which is obviously an important part of your task force's undertaking. As a way to hopefully save money, not contract outside of the city, I would like to see this task force thoroughly explore using the office of neighborhood involvement and the neighborhood coalitions to do that outreach. I think it could save us some dollars and I believe this is really what the office of neighborhood involvement should be doing. Should be assisting all sorts of task forces in doing the outreach. I hope that's something you'll take to heart, and not—I don't want to see us contracting with some PR firm to do public outreach, because what they always do first thing is call up the neighborhood coalition and say, tell us who the key people are we need to contact. So let's save money and use the offices of the neighborhood involvement.

Kleim: we've been talking with staff at ONI, and think—I think they have the skills and the contacts to do a lot of work for us in that area.

Saltzman: Okay.

Katz: Thank you. Come on up, because one of the issues that this task force is going to be looking at is early morning garbage trucks.

Dave White, County Haulers: my name is dave white. Clearly we're part of the problem. We would like to be part of the exclusion and I hope we can participate in your task force.

Katz: Thank you. I would hope somebody from the industry who we're targeting to help us might want to serve on the group. All right. Nobody else wants to testify? Roll call.

Francesconi: This is terrific. It is a growing concern. It's good—the time assisting good for another reason. The liquor control cases are becoming noise cases half the time, and we're reviewing how we're handling those. And we may recommend to the council to get out of the business, since olcc, the statutes have been changed and our authority is different, and we don't have the leverage we used to have. There's a variety of reasons. And so it's more important than ever that the ball get picked up somewhere else as we try to address this growing problem. Aye.

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

Katz: If in fact the legislature really wants us out of the liquor business, let me just flag this issue. Is it—a lot of the problem in the neighborhoods, especially in mixed neighborhoods, comes from these establishments at 2 o'clock in the morning. I can tell by the noise before I look at the—my clock that it's 2 o'clock. And at 3 o'clock it's usually quiet. So I hope that we look at that and see what we can recommend until light of what commissioner **Francesconi** just shared, and in fact in light of the fact the legislature wants us out of this business. Aye. Very pleased to vote aye. All right. 1106.

Item 1106.

Katz: This is—does anybody want to testify on this one? Roll call. **Francesconi:** Aye. **Hales:** Aye. **Saltzman:** Aye. **Sten:** Aye. **Katz:** This is a county facility that we're leasing space, and i'm happy to vote aye. All right. 1107.

Item 1107.

Katz: Okay. Anybody want to testify on that item? Roll call. **Francesconi:** Aye. **Hales:** Aye.

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

Katz: This is an example of where we get federal dollars for juvenile programs, but since we don't run them, a lot of the programs we contract with the county. Aye. All right. 1108.

Item 1108.

Katz: Why don't you come on up, since this has been a big interest of the media. Commissioner Hales and I have tried to respond to all their queries, but maybe you can do a better job than we have.

Jim Van Dyke, Senior Deputy City Attorney: yes. I'm jim van dyke with the city attorney's office, i've been involved in this particular litigation. I know i've met with either members of the council or their staff in the last week to talk about the settlement agreement and the consent decree, and I would be glad to answer any other questions that you might have.

Katz: Okay. Questions by the council?

Saltzman: The six or so signs that have been permitted and are up and operating, we can't do anything about those, those— that's solely up to emerald advertising?

Van Dyke: that is correct under both the court's prior order, which said that they were lawfully permitted and also under the settlement agreement, and consent decree that is before the council today, those signs would remain in place. You'll notice that the agreement, however, prohibits them from being materially modified, and if any kind of material modification, including size, orientation of the sign and so forth, is attempted to be changed, emerald will have to go back and seek permit to do that under whatever sign code is in existence at that time.

Hales: Is it six or eight signs?

Van Dyke: they have six. In are two other signs that I understand would be similar that ak media has permits for. Those signs have not been completely constructed.

Saltzman: And there are no other emerald locations that have been permitted that we'll see—

Van Dyke: that's correct. Just the six.

Saltzman: Okay. Thank you.

Katz: On the ak media, isn't there some dispute as to whether they have the authority to put up the signs or not?

Van Dyke: that's correct.

Katz: Okay. Anybody else want to testify?

Francesconi: I have one question. What's a consent decree?

Van Dyke: it's basically an agreement between two parties that's entered by the court as a formal judgment. So the court actually signs off on the agreement.

Francesconi: So we agreed to this?

Van Dyke: that's correct.

Katz: And I agreed not to write any more letters.

Van Dyke: that is correct.

Francesconi: Just not that kind.

Katz: That's right. But I did agree—but in the agreement we can speak out on the issue.

Van Dyke: yes. The agreement preserves the council and other city employees' rights to express their opinions fully and freely regarding the signs.

Katz: Okay. Roll call.

Francesconi: It's one thing to change rules we don't like as we eventually did in this case to me vent signs we don't like. It's another thing to break rules, because we don't like the policy. Aye.

Hales: I'm not sure what you meant, jim, about breaking rules, but in this case we had a new sign technology appear on Portland streets. We had the phone ringing off the hook from citizens who were on one hand outraged because these signs don't fit into Portland neighborhoods, and second because to their common sense and our traffic engineers' professional judgment, it seems to them and to him that if you're supposed to be looking at a television, you're not looking at the road, and these signs appeared to us to be a traffic safety hazard. The judge disagreed, told us we had to have a body count first. We've abided with the ruling and stopped allowing more of these signs. But hindsight is clear, that we didn't have the authority. But at the time it seemed obvious, and I still believe that they are a traffic safety hazard. Aye.

Saltzman: Aye.

Sten: I voted for this ban, so I don't think there's any way I would be comfortable not supporting the settlement of it. I do still remain and have I think been consistent in this. I think the council is going to have to find a way to bring peace to this, because we've lost repeatedly on this issue, and i'm personally not comfortable with the—i'm not sure where we should go, so I think we should stand where we are for now. I'm uncomfortable with where we landed, that you can't have a sign with moving features in the city of Portland, because pat some point I think people want to know what time the movie is playing and other things that are legitimate types of signs in the urban area. So we went from what was a common sense approach, and we've erred on a strict ban that will hold up, but i'm not sure it's the greatest urban policy to not I think some amount of signage that moves and has lights and those kinds of things is part of what makes an urban area. But it does take two to figure this out, and obviously the sign industry has been tough as well. I support the settlement, we did err and we ought to make it right. It's painful to do so, and I sure hope we can find another way here in the future. Aye.

Katz: I'm going to vote aye. We win sometimes, we lose sometimes. We make a public statement, and in this particular case I am convinced as commissioner Hales is that this is an accident ready to happen. I predict that we—there will be a lawsuit one of these days because of a traffic accident, because of these signs. And in this particular case, in my case I wrote a letter asking people not to advertise on the signs because I was concerned about the accidents, and I also was concerned about the city turning into a las vegas. We lost. And we have made a decision that to sign the consent decree, and we'll move on. And we will be bringing back to the council some minor changes to allow for

some moving signs that I think you will all feel comfortable. I haven't seen the final report, but you will hear from us in a few months. Aye. 1109.

Item 1109.

Francesconi: Alice, did she convince you to come? Alice blatt? Is jack brown here from state parks? Oh, that's good. Jack, come on up. What this is, i'll let judith go through it, it's just another, we bought a community park in the most park deficient part of town. So it's a big deal. Judith?

Judith Rees, Parks Bureau: thank you very much. We're here today to ask your authorization for an agreement of acquisition of 42 lots in the macgregor heights subdivision. It is a subdivision that is at the top of clatsop butte in pleasant valley neighborhood. This is the first major standalone community park that we are acquiring with not only a grant from the Oregon parks foundation, but with our sdc funds. And so we're very pleased to be here today. It's a land that we will be land-banking for the foreseeable future until we have funds to develop it. And I wanted in addition to mr. Brown, who is here today, alice ballot, who is a member of our parks sdc advisory committee is here, and mike how can wanted me to tell you the reason he didn't testify on the previous item, he was really here for this one, and was sorry that he could not stay any longer.

Francesconi: Give him my apologies. I would have wanted him to testify.

Saltzman: You insulted him.

Rees: the reason he particularly wanted to be here was not only because this is a community park and we're so excited to be able to have the opportunity for this kind of acquisition in park deficient area and also in areas where we're experiencing such rapid residential growth, but this is a particularly wonderful site. It's at the top of the hill, it has beautiful views, and it is adjacent to property that's owned by Multnomah county that goes down to foster road and then connects to property that the bureau of environmental services and parks have acquired as part of the johnson creek acquisition program. That connects it to johnson creek, to the spring water corridor, and to powell butte nature park. So there is wonderful connectivity opportunities with this acquisition as well to habitat areas. This is a community park and will be used for active recreation. I would be happy to answer any questions that you might have.

Hales: Obviously you haven't planned the park yet, but I don't know that—the property, it's suitable for ball fields, those kinds of things?

Rees: soccer fields are what we seem to be talking about.

Hales: Frisbee.

Katz: I was ready for you to say frisbee.

Rees: in the meantime, frisbee.

Hales: I don't know if linda's kids are playing soccer yet, but our goal is that people won't have to go across town to play soccer. That's certainly not the current condition, and in this neighborhood it is, because there's no place anywhere near. Good work.

Rees: linda bauer is also here, a neighborhood and parks advocate. She had a—something she had to attend to for a few minutes, so she wasn't here.

Katz: We'll get her up in a minute. Alice? I haven't seen you in a long time.

Alice Blatt: i'm not deliberately avoiding you. I don't think. Alice blatt, northeast holladay, Portland, 97230. I came here fully prepared to tacitly, silently agree in support, whatever mike hauck, linda robinson, jim deets, other members of this sdc acquisition committee were going to say, so my remarks were—are going to be very brief, blessedly brief. The process was a good one. We thought we were very—pretty well versed committee. Some of us are authorities on park deficient areas. We had opportunity to deliberate and come up with criteria for choice of the sdc acquisition areas. We had tours of the sites. And I think at the final meeting we were in consensus about the list of those areas upon which the 70 should concentrate. So we're delighted. I think to have one of the choices now available to purchase. As long as i'm here, if I have ten -- 30 more seconds, I never miss an opportunity to say something dumb. So it's just in the cards. I want to take a page from paulette

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rossi's lexicon, a quote from a highly obscure philosopher. I think wilderness is next to godliness in the lexicon of those things which contribute most to the positive condition of man's spirit, the human condition, and in this case I have to explain that wilderness in this case obviously is any unbuilt area where humans can commune with humans, as well as with nature. And godliness of course is broad is as broad as can be. In this sense I would hope you would bless the fast and furious acquisition of all those areas which they aren't making any more, and all of you who have quoted this before, and get on with this process. I had a finishing statement I thought of, but I can't remember it. We appreciate your doing this. I think it's a great move, and thank you very much. July 19, 2000 am continued....

Item no. 1109

Francesconi: let me introduce you, he's with the Oregon parks foundation and most of this money was from the system development charge in the bonding that, but we did get, is this might be the first contribution, I am not sure, from the Oregon park foundation, I think it is. But he's about to announce, this is the first of many more, right, jack? Anyway, thank you for your partnership on this. We are looking forward to working with you. Go ahead, sir.

Jack Brown, Chair, Oregon Parks Foundation: jack brown, chair of the Oregon park's foundation. We were formed in 1972, and in 1973, we did give to the city of Portland, the Leach property.

==oh, I apologize, that's terrific.

Brown: but, I do want to make sure that maurice jacobs [Jacoby?], who gave us the property that we sold, and is the basis for our contribution, is remembered here today because it was his desire that when our foundation would sell the property at 136th and foster road, that that money would be put to park purposes in an area where he felt deeply that needed to be developed for park purposes.

thank you, sir.

Katz: Anybody else want to testify? Okay. Linda.

== we are really organized to get all of this on the calendar today.

Linda Bauer, President, Pleasant Valley NA: the gentleman that was sitting next to me, paul, he lives in hawthorne ridge and they are absolutely delighted that there is going to be something in their area because currently there isn't. And I want to thank the commissioner and his office staff and the park bureau and tim ralston and mike hole brook.

Katz: Thank you. Roll call.

Francesconi: I wanted to thank two people, one is judith reece. You have done a terrific job not only helping negotiate these deals, but spotting them in the first place. But, it is your passion for parks and public spaces and natural areas, that I wanted to thank you for the most. I also wanted to thank mike houe, so you can tell him that I did this, just to make up to him. He sat on this committee and, everyone knows what a fierce advocate for natural areas, but mike also understands that we need community parks for frisbe and soccer and everybody else, and he was an advocate for community parks, as well. But the beauty of this is both, it is a community park but it is right next to the spring water corridor and the nature park, which is already owned by the city. So the real question is how we integrate these activities and not think of each other as activities as separate. Aye.

Hales: When we considered and then adopted the parks sdc, this is exactly the kind of result that we have all been looking for, so thanks for the good work, aye.

Saltzman: This is a park in an area that we need to do this, so I am glad that we are doing this, aye.

Sten: Especially after all the hearings that we should have had one, it is nice to see what it actually does, good work, aye.

Katz: This is wonderful but remember that there are some of us that don't play frisbe and would like to have quiet, contemplative places with trees and surrounded by wildfire and all the one of things that makes the city, aye.

Katz: I couldn't resist. Okay. 1110.

Item 1110.

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Saltzman: This is what we call the helicopter resolution, and this resolution recommends from the city of Portland that the congress and the federal aviation administration established a minimum altitude of 2000 feet as a general standard for nonmilitary helicopters flying over the city. The resolution also recommends that congress delegate to local governments the authority to make exceptions to this where appropriate. The solution would place a higher priority on protecting citizens from a negative impact of noise, while also allowing the continuation of safe helicopter operations over Portland. I have frank dickinson with me of my office, and he can answer any questions. We also have a member of the airport issues round table, who is here, also. As I said, this is simply a response to the federal aviation's administration's request for public input as they prepare their report to congress on this issue. As they were mandated by congress to do.

Katz: Okay. Let's make it quick.

Frank Dixon, Assistant to Commissioner Saltzman: frank dickinson, assistant commissioner, dan Saltzman, also is the retired air force pilot and a member of, which neighborhood association? == rose city park.

Dixon: rose city park, and a member of the airport issues roundtable. This is merely an opportunity for the city to participate in a process at the federal level. The faa opened up a very brief period of time for one month to comment on this issue. It is the first time that they have done it in about 20 years, as far as I can tell. It is proposing a solution that was actually lifted out of the industry's neighborly program. And it is an old faa advisory circular helicopter pilots to recommend that they stay above 2000 feet above noise sensitive areas, and it adds a little bit of a twist in that it asks congress to delegate back to local governments the ability to balance the needs of the helicopter operations and the city's needs by giving the city the power to make some exceptions and some times with a deliberate process that would weigh the pluses and minuses of allowing helicopters to go below that 2000 feet minimum. And I want to stress that the 2000 feet minimum is a general standard. It would not interfere with the helicopter pilot's ability to maneuver in case of emergencies and to take into consideration safety.

Katz: Sir?

Fred Stovel: thank you. My name is fred stover, live in northeast Portland, on 52nd avenue and a pueblo of the airport issue's roundtable, which is a virtual neighborhood association because of issues like this that cut across local and federal jurisdictions, and we have to try to find a way so that the city can control the issue of noise and more densely populated neighborhoods, and we have a duty to respond, I think, to the faa and to the congress as the city jurisdiction meeting their 30-day deadline from the federal register to make an input. So, I think that this is a very generalized statement that says, we think that helicopter noise is an important issue, and we should look for ways so that the city can be in partnership with the faa to control that. Right now, the city has no significant input, no veto authority. You can't file suit in federal court because the federal laws say that you have no standing, really, and so we are looking for a way to form this partnership just like we are in the other generalized noise arenas that you considered before. Thank you.

Katz: Okay. Anybody else want to testify?

Sten: assuming this all goes forward, we would have a much broader debate on specifics that take place in Portland because you are probably right, I just don't know anything about standards and how high helicopters fly and who is going to come in and say that we need to do this and we need to do that. And so, to be honest, I have one side that says, I am not sure that I want to get into trying to regulate this. But, I actually think that there is a need because I know how much people complain so this wouldn't be the end of this discussion before it would be into these kind of rules.

Dixon: certainly not, commissioner Sten. There is ample opportunity at the congress level, faa level, and then if by some chance congress decides to delegate back local control of some area, there would have to be an extensive process.

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Sten: and it is 2000, that sounds like that's, that's a standard kind of—there is some rhyme or reason to that number.

Dixon: that's taken right out of an faa circular, and it is—it is an approximate height above ground where helicopter noise is minimized for the people down below.

Sten: Okay. Thank you.

Francesconi: so frank, is there another option besides us regulating it? I mean, is the end result the city would regulate it?

Dixon: the end result is congress and the faa would be the primary regulatory body. The only thing that we are asking for is if we are going to drop below the 2000 feet level, that the city be given some opportunity to participate in that process, in other words, to make exceptions. There are some times when helicopter needs to go below 2000 feet and there is sometimes probably where the city wants to kind of do some horse-trade and go minimize noise and so it opens up that possibility. Again, that would be any ability of the city to get into this arena would have to be delegated by congress. We are a long way from there.

Stovel: there was some concern that we were making an input without proper hearings here in the city of Portland. But, the industry association also, which is a national association, is also made inputs to congress, and they are trying to protect what they see as their rights to carry on congress via the helicopter. And I think that the city needs to make an input that says that the city is concerned not only about industry, but should also have the concern about the effect of the helicopter noise signature on the citizens of the city.

Katz: Okay. Roll call.

Francesconi: Well, noise is a big problem so I think that we should look into this. I am thanking frank for spotting this. We should get input on the faa and raise our concerns. I do have some questions about us, actually, regulating it. Maybe we could get by that, but if we do, make sure that there is somebody else enforcing it, I mean. Then you are going to have to say, well, who is enforcing it, and that's not us. So, anyway. Aye.

Hales: Aye.

Saltzman: It sounds like a good case, we were talking about, aye.

==I am not implying endorsement of the—

== just kidding.

Sten: Aye.

Katz: No, we are not talking about a police helicopter. I am sorry, as someone who got into the discussion of news helicopters during very difficult law enforcement action, I am not sure to what extent they are really going to give us the authority to do this. But, I am glad that, as somebody said, I am glad you spotted it and we ought to make comment and we have—thank you.

Items 1111 and 1112.

Katz: 1111, and we have a substitute?

Olson: yes, we have a substitute.

1112.

Katz: Let's do 1111 and 1112.

Sten: This is the update on the water and sewer rate reforms and the new rates that we are getting in place. As everybody recalls, two weeks ago we had to delay the implementation of the new water and sewer rates for about 30 days to get our computer system working, and we have been working very hard for the last two weeks. Mike has been on this from sun-up to sun-down and I think that we are on track, and the problems didn't start two weeks ago, they have been problems that we have had had for months, but they came forward in the last couple of weeks when they forced us to delay something that I think that many of us have been looking forward to for several years, which is the new water and sewer rates. The report now is, and also, I would—people may not have had a chance to read it, but I distributed it. I asked mike last week to put together a comprehensive document that would look at, in

one spot, describe what happened, why we think it happened. Some of it we know why it happened and some why we don't, and what the strategy is, specifically, to take on each of the issues that has come up because of our computer problems. That document, I think, was delivered to your offices yesterday afternoon, and for anybody watching who would like to take a look at that, we have got copies available and would be glad to share it. And it is a combination of a description of how do we get into this situation and how are we going to get out of it. The good news is that we do, I think, see a path out of the woods at this point, and it is our prediction that we will be able to turn the system on august 1st, and we have spent a lot of time looking at the rates, and have come up with, and I won't walk through all the mathematical calculations, but a set of formulas that will allow us to just adjust the rates a small amount and the result will be that virtually every customer will pay virtually the same amount that they would have paid if we made this change on july 1st. They will literally be a few customers that have it, the most should be about 50 cents difference over the course of the year, and the vast majority will be less than that. So, good news, I believe, is we are going to be back on track, and there will be no economic change to either the bureau's bottom line or what residents would have paid. They will pay just about exactly the same amount, within pennies of what they would have made if we made this on july 1st. I did the substitute, and this was at my request, the water bureau is very on point for august 1st, asked with the substitute to give, without bringing back to the council, me, the leeway to implement any time between august 1st and august 15th, and I think it will be august 1st but I don't want to come back again and I want to make sure that absolutely everything is going to run correctly before we turn it on. If that happens, take a couple more days, I don't want us to make a mistake based on that deadline. But, they will be on shortly and we will also—part of the plan we distributed yesterday is we will do a very thorough job of trying to get the media to work with us to let people know the day the water rates change, and, of course, it is always a good day to conserve water in the summer in Portland, but that day, we actually will start to save you quite a bit of money, and that's the message that we would like to get out there. Once those rates change, it will be a big savings to your pocketbook if you use less water. So, mike, do you want to—

Mike Rosenberger, Director, Water Bureau: mike rosenberg, director of the water bureau. The only thing that I would add to what commissioner Sten said, is that the nature of the substitution, the language in both the des ordinance, 1111 and the water bureau ordinance, 1112, simply gives us the latitude to implement the rates between august 1st and august 15th. And it also provides that we, and I think that would be bes and ourselves would certify to the auditor's office the date that we are ready to implement the new rates. And then we would file a report to the city council so that the city council and the public, as the commissioner just was alluding to, would be aware of when the new dates went in. And we are targeting august 1st, but I think that we learned the hard way when dealing with technology like this. It is good to have some leeway.

Sten: And I should say in that report, which is well laid out, and we expect it is, a very explicit description, cost to date, and what project the rest of the budget to be, so, I think that we intend to be, you know, held accountable to both the time lines and the cost.

Francesconi:s and I think that we will get there. And it is—again, as people said, it has been painful to go through this, and I think that we apologize for all the inconvenience, it is not uncommon to have mix-ups with big computer systems, but nobody like to see it happen and I think that we have got to—i think that we are close to having this under control and back on track.

Rosenberger: may I add one thing to that, and that is that yesterday afternoon, I did meet with the executives from all of your offices or other staff in a couple of cases, presented the report that the commissioner just referred to, and in addition to laying out the history and the current status, it lays out our specific plan that we are dealing with on two tracks. One track is to deal with the technology issues, related to the customer information system, and we have detailed descriptions of the issues. We have detailed—who the responsible parties are, and what the deadlines are for getting those fixed. The other track that we are working on, and again, we have laid this out in the report, is what we are

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doing to improve day-to-day operational customer service. What I told the executives and what's in the report is that we will be developing a report that we will start giving to your offices weekly. The commissioner mentioned accountability and that's where we are. We expect to be accountable. We want you to know what we think that we are going to do and what we are going to do and we will let you know how we are monitoring it.

Katz: Questions?

Francesconi: No, I just don't have the report so I haven't had a chance to look at it. Would there be—

== kevin has two copies, I have --

Francesconi: No, I believe you. Don't worry, there is a lot going on. It is not that.

Katz: I haven't seen it, either.

Francesconi: I believe it is there and it is terrific. Will there be—I have forgotten, will there be a chance for us to discuss it as a group, including the funding side?

Rosenberger: we can discuss it as a group, individually, any way that you want to do it. Why don't—once you have read it, if you let me know the questions or the commissioner's office know, we will set up whatever kind of communication you want.

Sten: Or we can bring a status report back to the council. Why don't we bring a status report back to the council. I would have to think what the most appropriate date would be, but probably in early fall.

Katz: When we are all here.

Sten: the next set of dates that we need to keep is october 1st, and so that would be just shortly before that would be a very good time to check back in.

Rosenberger: 10-1 is our projection for making the service charge change. I move that date up, hopefully, but we are shooting for it and I guess that I would say that we are on the case and we will be reporting on it periodically.

Katz: Okay. Anybody want to testify—let me just note that 1112 is an emergency ordinance. The asterisk was not on the— what do you call it, the calendar. Anybody else want to testify? All right. 1111.

Olson: I had read that first, so I will read 1112.

Katz: We will vote on that. We were out of order. Anybody want to talk about this one? Roll call.

Sten: I was treating them as a package.

Katz: I know, I know. Roll call. On 1111 and then 1112.

Francesconi: Mike, I think, and commissioner Sten, I think that the definition of leadership is not avoiding adversity, it is how you deal with adversity, and so you are both dealing with this in the appropriate way, and we appreciate it. I look forward to—and, by the way, motivating your employees to deal with it, which they are doing. So, we appreciate it. I look forward to the discussion, so that we can just, lessons learned for all the bureaus, that discussion, and then also a discussion about the fiscal side of this. I look forward to. Aye.

Sten: I want to quickly thank the folks at the water bureau, we are not done with this yet, but this has been the most trying time that I have seen the water bureau go through and the people are working very hard to fix it and I think that they will. Aye.

>**Katz:** 1114.

Item 1114.

Olson: request daniel demaris to talk about the enforcement and he called and said that he can not make it.

Katz: He must be a busy man. I need a motion to except items 1114-1, to suspend the rules to except them. 1114-10.

Saltzman: so moved. [to accept the substitute]

Francesconi: second.

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Tim Grewe, Chief Administrative Officer, OMF: office manager and finance. This action, first of all, let me make something clear. If he does not yet have an agreement with pge for the naming rights, they are in negotiations with pge. In the course of those conversations, an issue arose that pge wanted pfe to seek an agreement on. As you know, we are in the period of energy deregulation, commissioner Sten's briefed you regularly on this, the city has a lot of strategies that they are reviewing in order to make sure that we can best position our rate pairs to get advantageous rates as we go through this period of deregulation. Most of the conversations, it has been the issue of municipalities, of energy companies, pge being one of those. Also, partial assumption of some of their assets through condemnation or other means. In the course of the conversations, pge raised the issue of what happens in the event that they were to agree to have their name attached to the civic stadium and be paying for that right, and the city did, through condemnation, take action to acquire some of their assets. Would they be in a position, continue to be legally obligated to pay for the advertising rights. What they want was an agreement from the city that in such an event through condemnation, that the city would assume the, the responsibility for paying for the advertising rights, but the city would also get the right to go out and renegotiate that contract with another individual. I believe that would probably be the case under any scenario where we were to take such action through condemnation or other assets, we would be talking to pge in terms of having to assume responsibility for, as well. So, passage of this action sends a clear signal that in the event the city took such action, we would take the risk of having to pay for the naming rights until such time as we are able to reassign those to another entity. I will tell the council that we would probably know months in advance that we were going to take such action and it would probably be well down the road in terms of having to renegotiate a naming rights agreement with another entity at the time the council actually took action. So, I will stop there and answer questions.

Katz: Questions? Anybody want to testify on this particular item? Roll call then.

Francesconi: let me sit here all morning out of spite, aye.

Katz: Aye. Actually, you were sitting here this morning because of the code language. Aye.

Item 1114-2.

David Shaff, Human Resources: I am david schaff, employee relation's manager and i've been sitting here all day because I didn't know what no consent agenda meant, but I do now. [laughter] we have come to an agreement with the Portland police commanding officer's association. It is significant in that it does mirror the settlement, wage and benefit settlement that we came to with the Portland police association, and it does have cost involved that we discussed back in april where if we agreed to the, the longevity that we agreed to with the Portland police association, it would cost more over five years, than what we had originally or initially put on the table. And as a result, that's where most of our bargaining centered, and I have put together a portfolio that discusses the savings and efficiencies that the police bureau will implement in order to achieve the difference or in order to make up the difference between the cost of our proposal and the cost of this agreement. We made a point of going well beyond the cost difference. The estimated cost difference here over five years is \$257,000, and we are anticipating savings of \$480,000, plus, over five years and the changes that they are going to make in the police bureau. And the reason that we did that was because these are a group of managers and supervisors whose job is to look at being as efficient as possible and to run the Portland police bureau as efficiently as they can, so we made a point in bargaining exceeding by a significant margin the amount that we had to make up in order for us to come to the council and say, this is an appropriate deal. If you have any questions, jeff barker was here this morning, and he had to go to a doctor's appointment, and wasn't sure if he was going to be able to be back in time to answer questions. But if you have any questions, I will attempt to answer them.

Katz: Be a little specific in what areas that they will make up the difference.

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Shaff: well, there are three main areas. One has to do with union forms. Right now, the bureau does not have very clear policies or procedures when an officer wants to get a new union form shirt, and these are very expensive items. The union form shirts are wool. They are \$50 plus, and so when an officer comes in and says I want a new uniform, they are not asked to turn in they're old union form or asked to explain why they are not turning in their old union form, sometimes it is because it has been destroyed or sometimes because there was blood spilled on it and, of course, they can't wear it any more, or sometimes they have outgrown it or lost weight and they need to get a new one that fits. In that case, they are expected to turn in what is now a nonserviceable item for them. The police bureau is going to implement a new tracking system that would allow them to determine well, does this officer already have ten uniform shirts or is this going to be their second one, it will also they also intend to designate individuals in each reporting unit in the bureau to be responsible for uniform purchases so that we don't have a number of different people doing this. We have one control point, and we have better inventory control. We have better accountability. That's the issue on uniforms. They have this—they have a similar program running in two of our precincts and they—the precincts are reporting fair significant savings in their uniform costs. Of course the uniforms, as I said, are very expensive in the bureau, and this is estimated to save the bureau approximately \$63,000 a year. I did note in my memo to you that this is not going to result in officers being denied a uniform item when they truly need one. The second piece has to do with ammunition. Their practice of obtaining, distributing, and accounting for practice ammunition. And I want to make it clear that we are only talking about practice ammunition here. Currently, officers are allowed under a general order 50 rounds of practice ammunition a month. If an officer doesn't use that 50 rounds, what happens is that other officers, who might want to shoot 200 rounds of ammunition per month, come in and use their co-workers allotment. So, they are planning on putting more control, better inventory control, and better accountability on their use and expenditures of ammunition, and again, we are talking only about practice ammunition. We are not—and this is of the side arms, we are not talking about the practice ammunition for shot-guns or the new rifles or the nonlethal shotguns. We are also not talking about any officer who needs remedial or additional training in order to meet minimum standards. What we are talking about is just the practice ammunition that officers are authorized to use on a monthly basis. The bureau is estimating \$21,000 savings over two years. Every two years. And then finally, the last piece of this equation is that we will start recovering the full cost of training associated with the Portland police core basic academy. Right now, we are not recovering all costs for supplies for ammunition, for training, for overtime that the bureau is expending for the police corp. And those are costs that we should be recovering from the federal government. The total cost over a five-year period of that is \$480,000 versus the \$257,000 additional cost of the premiums. So we exceeded by significant margin the amount that we needed to in order to come to you with the recommendation on this contract.

Katz: The recovery of the costs on the police corp program is not necessarily ongoing.

Shaff: that's true. If the police corp program terminates, that would be true. So, one of the reasons why the bargaining team from both the bureau and human resources and the ppcoa bargaining team looked at proposing changes in efficiencies that are going to, more than cover the additional costs of the longevity, if the police corps program goes away, we will not be saving \$22,000 a year on that, so it is for the foreseeable future, something that's in the bureau's game plan, but that is actually a good point.

Katz: Further questions?

==the duration of the agreement is three years?

Shaff: a three-year agreement, but we have been projecting five-year costs to meet the bureau—or the city's financial plans. But, it is a three-year agreement. 2003.

Katz: Anybody else want to testify? Roll call.

Francesconi.

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Francesconi: so the understanding of the parties, it sounds like the question from the mayor, the understanding of the mayor and the council is that the savings have to come out of that bargaining.

Shaff: absolutely.

Francesconi: and nowhere else.

Shaff: right.

Item 1114-3.

Katz: Does somebody want to let us know, what this is about?

Grew: yes. First let me apologize to you all for having to have these next ten items on the agenda. It is entirely my fault. I was not able to sign these last week. In time, and many of these are construction jobs and the next time that we would be able to approve these on a nonemergency or on an emergency basis would be august 23rd and we would lose a substantial portion of the construction cycle, so my apologies. This contract assures that the designs of the west side willamette combines with the overflow projects perform the required their functions as cost effectively as possible. As I said, earlier delay of this ordinance will delay the design of the west-side cso by approximately one month and threaten our december 2001 deadline for completing the design work which we need to do before we actually start constructing it.

Katz: There is nobody that wants to testify on any of these items. I am assuming. All right. Roll call.

Items 1114-4 through 1114-9. [Unanimous ayes.]

Item 1114-10.

== thinking of restudy, the study, is this—

Sten: this is for the crystal springs—

==oh, okay.

Sten: it needs more study too.

Francesconi: Out what's going on there and why it is flooding a lot.

Katz: Thank you everybody and we stand adjourned until 6:00 tonight.

== how long will that take, do you think, commissioner Sten?

At 1:17 p.m., Council recessed.

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

Key: == means unidentified speaker.

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Katz: Commissioner Saltzman is on personal business and I hope to see everyone else a little later. All right. We've got several items to deal with, but let me turn it over to commissioner Sten.

Items 1115 through 1119.

Sten: Thank you. I'm looking for David Olson. He must be on his way. I was going to introduce him anyway, so he's got a few minutes. This is a very exciting night for Portland. In some ways marks the exhibiting of a new era of telecommunications and customer choice, and service in Portland. We've got—we've had four new franchises before us tonight, all of whom in different business models and with different approaches plan to offer Portland consumers and actually consumers throughout the county high-speed internet access, cable television, and local phone service. Some will offer different packages than others, and the beauty is tonight what we're going to do I hope is franchise and begin the licensing process so they can get out in the streets and sell these services, but it's the market that will sort these things out. The economics of the get and the economics of these types of telecommunications services have changed enough that in the old days, which will literally maybe 24 months ago, we were in a business that essentially the way the telecommunication world worked was monopolies were granted by government in return for surfing all the citizens. With the new markets that are available and the demand which is growing for broadband for the home, it works that the economics are such that we've got people seeking to build networks rather than us trying to innocent them to build them. I think it's a whole new day and it will be very exciting. We're going to give brief presentations from each group and share what's out there and what they can expect. There will probably be a little craziness in the months ahead, but in the long run I think it will be a very vibrant and exciting package. The key to this of course is that we're looking to have literally a fiber optic line built to each person's home. That's the key to this, is getting the kind of broadband access that's necessary to really I think with these networks that these companies are 'posing to build, I think we're talking about having enough broadband for well into the foreseeable future. So the issue of whether or not people will be able to access the internet in a way they want to and download video and all those sorts of things that you cannot do at home over the existing networks is going to be solved. Just a quick thought on how we got into this situation, kind of the lemonade out of lemons, it's one of those stories. 18 months ago the city council that at&t who owns the cable systems in Portland, open up their lines to any isp or internet service provider that would like to use them. And obviously as people remember, that led to a long court battle, and we won one round, had just about nobody to dispute we were right on the policy. The policy remains the right one, but lost on appeal on the argument of whether or not we had jurisdiction. Along the way, and all the city council members were involved in these decisions, and I think it's been a unanimous sense of the council, we did decide to pursue other approaches. Regulation is one way to go, and this court case is the right thing to do. But we also want to see what the market could do. In September the cable office—there's David Olson—sent out an rfp to these types of companies, actually the very companies that are here, and asked that they consider coming to Portland. And so we essentially sent the message that this is a city that values competition, that values choice, and has a regulatory environment in which if you come here and take a risk, which is it's a huge risk these companies are planning to take, we'll work hard to make sure you're treated fairly and that the playing field is level, and that the things that are needed in place to get this kind of choice will be here. And I wanted to end these remarks, thank David Olson, because it's easy for me to make those political announcements, but it's David and his staff that really do all of the work to make that happen. And in just really nine months since we put out that request we've actually got four companies just about to the finish line and ready to do business in the city of Portland. I don't think

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there's anybody else in the country that can match that record. I think the reason that people are coming here is that this city council has sent a strong message that consumer choice is what is very important, and you can wax poet call about these issues, but it's been said by people who are not biased in this case at all, having lines that are universal and open is almost a freedom of speech issue in terms of the way the world is going to work. The world is going to function through the internet, and you've got to have access that is open and competitive, or you will have continuing problems with people being able to get programs out there, and for businesses to thrive and compete. So it's very, very exciting to see you all here tonight. It will be even more exciting to have to decide which one of your services to buy at my home. In the very near future. I'll be buying one of them. With that, let me ask david Olson to come up. I want to quickly again thank the council's had a long days because of vacation schedules and other things, so about six weeks ago when david and I were conferring, we realized we had to get these through on july 19th or they might not go through until the end of the month. So we called all the companies and said we'll make ourselves available, we'll do everything we can to make this date, and literally david and his staff have been working day and night for weeks, including weekends. I get e-mails and I can trace when they were sent, and they have just worked—and so have the companies, but I wanted to personally thank david for working this hard. It's well, well above the call of duty. It's just an amazing piece of work you've done. We've never written a franchise like these, so the next time it will be easier. So thank you, david, and it's all yours.

David Olson, Director, Office of Cable Communications and Franchise Management: thanks. It's terrific to be here tonight and to bring these terrific companies before you. If you'd ask any of this time last year how we would be fixed to really roll out high-tech services to residences in Portland, who otherwise had only the phone company and the cable company to choose have, I would have said, it will be nice, but I don't know when that will be. The fact this has come together really within the months that commissioner Sten has described is terrific, and though we have gone a long ways toward getting where we need to go, none of it would be possible without these companies being willing to come here and to recognize that Portland is a terrific mayor kinetic, it has an educated group of citizens, they're very internet savvy and tech savvy, and that this is a very, very good place to do business and to make an investment. Speaking for the staff, I don't need to repeat anything erik said except to say our reach sometimes exceeded our grasp. The first company tonight, open access broadband, is an example of that. We tried to finish basically one to two-year franchising process in a period of four months, in writing up new and different vehicles. And we succeeded with some and not entirely with others, but when we have—we do not have final documents yet for open access broadband, and I just got their franchise off the printer five minutes ago, handed it to them and they have very graciously agreed to present tonight and come back before you as soon as they've had a chance to absorb what they have. The others we were able to complete and they're here before you for action. But this has nothing to do with open access broadband, but has met every deadline they have scheduled, but very much to do with staff resources in terms of putting this together in just a very few weeks to make an emergency council agenda. So for that I apologize to oab and to you, but I think you'll be excited to hear from these companies and their presentations, and to get the process rolling to bring high-tech to Portland residences. I thank you.

Katz: They're not emergencies unless we forgot to put the—

Clerk Olson: they are.

Katz: They are? You need to let me know.

Olson: The asterisks are there.

Katz: Not on here. Somewhere they're on, but they're not on here. My understanding that they are emergency ordinances?

Clerk Olson: Yes. they are. On the ordinances themselves, they are designated, it does not reflect that on the agenda.

Katz: Fine. We will be acting on them today. We will not be acting on the first one today.

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David Olson: correct. And I was busy printing off the franchise. I was not able to bring a cream pie for each member of the oab team to launch at me for promising this franchise on the hour to them.

Katz: Let's start with 1115, then.

Clerk Olson: I have a substitute for 1115 -- no, I don't.

Katz: There is no execute.

Clerk Olson: 1116 has a substitute.

Sten: We have three before us, wide open west pulled out the last week, and so I had suggested to each of the companies they give about a ten-minute presentation on their plans, and we could either take testimony after the first company or after the third, I would suspect. We've got three different items. I guess we won to take them after oab's testimony and then see.

Katz: Right. All right. 1115. Come on up.

Item 1115.

Dave Maney, President and CEO, Open Access Broadband Networks Oregon: good. I'm dave painy, the president and chief executive officer of open access broadband networks. I will endeavor to run through a very quick and hopefully not boring presentation of about what oab is and what it's about and how it got put together. Our company's mission is to provide a huge amount of highly flexible format and sensitive bandwidth to people's homes by use by any telecom provider or any applications developer or service provider that wants to use it. So that means if aol wants to provide video services to a home they can do that. If earthlink wants to provide long distance telephone service, local telephone service, they can do that. It's the ultimate choice in enabling vehicle. Oab itself is not a retail provider of services to end users, it's—our lines enable the ultimate open access activity to happen. Just to tell you who we are and what we're about, jim allen is our chairman. He built a company called brooks fiber properties, a competitive local exchange carrier, it got sold to mci worldcom. He's currently a director there and has been a founder and/or founding director of several other significant companies. My background is around the broadband network industry, specifically down in the nuts and bolts in the engine room of networks, which we built into the largest provider of—andy, our cto, a long history in both the optical networking industries and the service provider side. Phil seefree comes from we'll, and importantly brad brown, our chief information officer, is one of the country's foremost experts on database integration, having written a couple books for oracle press on that subject. We'll see why that's important shortly. Our approach is again to what we call let a million new applications bloom. That is to say, you have a cloud of residence out there in their homes, and you have a cloud of applications developers and service providers who want to reach those residents. Obviously you're up close and personal experience here in Portland is those guys, the current monopoly has no intention of turning loose of their facilities to let people do that, and I think the dsl providers of the world would tell you the phone companies are no better at playing nice and letting other people get access to their facilities. What we're doing is in effect standing 100 years of history on its ear and saying, look. There's a very different business model and that is create highly capable local network transport and make it available by use by anybody who wants to use it, and the business is transported. The business is not gate keeping or a specific service to a customer, but providing highly capable network transport. We do have by building a very capable pipe and doing it for about the same as what it would cost to build a new cable network, but taking a very different approach. We think of networks in terms of what's good, better and best. A cable network such as the at&t folks would be operating here was built around one-way service applications. That's like having a big highway with one lane in the opposite direction away from the house. We built world bridge from scratch by focusing around trying to make a one-way architecture into a two-way network. The typical cable overbill player is taking that same architecture and doing it over again, except driving fiber farther into the loop. The net result is you have what is fundamentally a one-way architecture. Broadly speaking the folks in the marketplace are doing that same thing. Our network, our company got launched in 1998 when one of the internet service providers came and inquired about

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buying our company, saying, gee, these cable operators won't let us on. Maybe if we could bring them a set of technical skill sets maybe then they'll let us on. And we're assuming if we build our own network that will be a new cable network. And our response was, if you think about it, you wouldn't build a cable network, because there's no need to transmit analog video if you're trying to be a high-speed data provider. You could build a network and optimize it around packets. Further, the conventional wisdom that only key strokes come out of the home is wrong. The internet service providers all whom we've done business with tell us the—their biggest concern is the vastly increasing size of their typical e-mail file. Such that they're now seeing huge things, whether it's digital photography or short digital video clips or whatever, flowing out of the home, and that is actually a horrible dilemma for cable operators, and very good for our old company. Unfortunately we sold it. These next two slides are key to what we're doing. I think of the world as disintegration of telecom. The monopoly model is what drove people to try to control all aspects. So your friends at at&t are pretty good example. They're my poster child. Think say I want to be in the lop loop business, in the undersea cable business, in the wireless business, every business there is in the telecom business. And as I pointed out to people, they're now in the \$32 a share business, which is a very poor performance operationally because it's hard to be good at everything. So what we're talking about is focusing intensely on one thing, and that is not how to de—how do we sign up companies and compete with aol? That is providing highly capable local residential broadband transport. And figuring out the very best ways to facilitate multiple providers to get access to that network so that any consumer can choose any provider that they want to do. And our business model is, pay us for the transport, and that's it. Why do you want to have an open platform? First of all, I would tell you, do you really have to be careful of how people define things. In my opinion as david Olson earlier hooked me up with the folks from the national association of telecommunications officers, I spoke to them in Washington a few weeks ago and said, my talking was entitled, open isn't open unless it's open. Our definition of open access means two things. Number 1, you can't degrade anybody else's—if you offer services over our network, you can't degrade anybody else's service. Number 2, you can't physically arm the network. It's basically, get along with others, play nice, don't break anything, and you can do whatever you want. Why do you want to do that? If you think about what a monopoly—the economics of an a monopoly, they constrain prices to an artificially level knowing that will dampen demand, but they optimize profits around setting up an artificially high price. A telecom network is an expensive thing. It's a hugely expensive asset. If you boil it down to the transport economics, on our network, the answer is it doesn't cost anything. You have a huge fixed cost, but zero marginal costs. In a purely economic sense, revenue in the telecommunications business equals profit. So we want to maximize revenue. If we can get it at retail, we'll take it at retail. If we can get it at wholesale, we'll take it. If we want—if somebody wants to unbundle our network and buy transport that's okay too. So what i'm telling you is fundamentally the marketplace in my opinion in the future will demand that facilities base providers have run very open networks. I would tell you you need too look out for folks building proprietary networks and operating them. Let's talk about definitional things. The open access provisions typically say, if somebody wants to offer data over your high speed—over your network, you have to let them. Think about these three points. If the disney guys say, I want to download movies directly to customers, I want to sell them, retail, digital movies over this network directly, is that a data service or video service? They're going to be ip packets. Sun microsystems have a network computing model that says it's the microsoft killer. It says they would put a very powerful sun microsystem server in secondary network hubs and your computer—the software would be a thing of the past. As you moved your mouse you would transmit through the network and go back to your computer. Your screen would move—you'd have an immensely powerful server in a network place. My question is, is that a data service or a hardware application? If you're a proprietary network builder, you get to say I get to do all the computing because that's not an internet service and I only agreed to provide open access to internet services. My third one is, if you imagine people, what our isp

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friends say they clearly see coming, two-way video, that's sending an e-mail file of the grandkids to the grandparents that's got video in it, or whether that's open video conferencing in a george jetson fashion, I would ask, is that all data service or is that a video service? I would tell you unless open really means open, you'll have game playing for years. As you know, the guys—like the guys at at&t e. They're god at it. I would be aware of that just a little bit. When we look at a market, we get asked, why are you in Portland? Because I read something in a trade paper as we were forming the company, and talking with david Olson and found some remarkable philosophical agreement between what the city thinks and what we think. These are the things I think about in the order I think about them. I won't cover them all, but I do very much—you're—you folks aren't going to have three new competitors in this network. You might for a little while, but not very long. There will be one. I would sit here and tell you that I wouldn't—absent the participation of a very strong local partner, I probably wouldn't accept a franchise that said you know you—I'm not going to lie to you and tell you I'm going to do everything unless I'm certain I'm going to do it. So that's the first thing. There are some markets, there's lots of heavy competition now in this country, we wouldn't go there. Utility relationships are important. Those folks, I'm on the board of directors on publicly electric publicly traded electric utility. They can make your life miserable or pleasant. I have to say one of the real ringing factors that's broad us here—when you look at what the oab platform looks like, it was developed by two guys, myself, and andy, who have spent time in the engine room of broadband network. We can't be flanked. So what we do first is say, we're not going to offer analog video here, we're going to—as I like to say, if you're going to hit a moving target you have to lead it with a gun. We say the future is moving towards digital video, so much like the direct tv guys, we'll only sell digital video. What that means is that number 1, we can get rid of that cable architecture and create a very capable two-way pipe. This is what I would say. Alexander graham bell might build this if he were alive today. Once you've stripped out the video you can load packets onto your network in an aggressive fashion. So in the future, the two things we do are number 1, we have a completely nonintrusive bandwidth upgrade that gives us four times as much to the home. If you look at how much we can deliver, it's gratuitous overkill. So there's no reason to—the second thing is, we will—we will bury additional empty conduits such that we're believer in fibers to the home, and very explicitly can tell you the economics of it today are not functional. You don't want to dig up mrs. Murphy's flower garden the second time, so the first time we go through we'll have empty conduit in the ground and be able to pull that fiber to the home. I won't spend a lot of time here. This—I would tell you here, inside the pipe it's very different. We're allocating—creating a true two-way telecommunications platform, number 1. Number 2, stripping out an lag video, number 3, modulating those packets in a vastly more aggressive fashion. And as we eventually believe as you see this convergence over the kind we talked about on those question slides, we have just one great big packet stream coming at the homeowner, and one big packet stream going away from his house. It delivers an enormous amount of capacity. What we see as we move around, we've worked on this network design with the guys from aol, with the guys from worldcom, with the guys from sun mike system, with microsoft. What you see those folks talking about today are applications that need remarkably high bandwidth, but not on a constant basis. So network computing requires remarkably high-speed bursts of data in that when that—when you move that mouse, it has got to burst through the network and back to you or else you think you're sort of swimming in quicksand and using the computer. So what you see is taking this packet approach allows us to do virtually anything you can see today with a network, and things like the sun microsystems guys are working on that are clearly cutting edge and beyond services. That is the business plan that our investors have seen, accepted and bought off on it. It requires a remarkably low percentage of the broadband capabilities of the network. You build the network because those new applications which we don't figure into our revenue streams, we believe very strongly are going to demand that kind of bandwidth and that flexibility in the network. So we're building a most capable pipe. The other interesting thing to know is, running a very capable open

network takes a remarkable sort of software brain. And that's back to this point about our chief information officer. That's where he comes in. These are very complex set of databases. All of which have to interact with each other. There are network element databases, address serve databases. In our case we have multiple tenants on the database. Our bills don't go to end users, they go to america online, to worldcom, to earthlink. So we have to have them be able to interact electronically with our network, because the end user, when he wants cable service from aol, doesn't call us. He calls aol. And aol communicates electronically with us. In thinking about what is a successful business plan, what I would tell you, I was approached twice, two different contacts, to turn my company, worldbridge, the technical service provider, into a cable overbuilder. And twice I rejected that entreaty. The reason being that I thought I know virtually everything there is to know about broadband network—construction, provisioning and operation. But I don't think I can outmarket aol, and I don't think I can outmarket worldcom, or even outmarket at&t. What I think I can do is build an—and operate a highly efficient broadband network. The general proposition that the cable overbuilders bring to the table is, we're going to take away, if you look at the numbers, at least half of the incumbent's existing market share. That counts on the incumbent being big, fat, dumb and slow. It's never an idea—a good idea to build a business around the expected stupidity of your opponent. If somebody has an e-mail address that says, joesmith@aol.com, that guy gets to keep it because he'll buy his services from america online and not have to switch that for another service. To give you a sense of where the company is at and what's been happening, we have just—I am a traveling fool. I've been the organ grinder's monkey. I give the presentation to investment groups having done a whole bunch of knows over the last six weeks, that process has been management by solomon smith barn I and—this will be the largest start-up private placement in history. And we're very proud of that fact. So we will, as of the close of september 15th, have about billion dollars in the bank. The nonintrusive activities here in town, that is the things you don't need licenses for, have already begun. Clearly we'll be back here shortly talking with you to work on the other things. Our general sort of regulatory framework is different since we're not offering services through our oab company to end users. We're in fact working with david and with commissioner Sten under a regulatory framework. There's some interesting new answers there, we're a different animal than has been anticipated before. And so all I can tell you is those folks have been on the job and doing fairly well in working with us, and showed a lot of flexibility and stick-to-itiveness. It's my expectation a local partner or partners will pay a significant role in oab of Oregon. So that, in a compressed nutshell, is open access broadband networks and what we're doing.

Sten: Thanks, dave. Questions from the council?

Katz: I wrote a note to commissioner Francesconi that understanding 50% of what you said isn't too bad. [laughter]

Dave Maney: that's what my wife says.

Katz: It was very interesting. Thank you. Questions?

Francesconi: I just put on it that I understood less than that.

Katz: He had 25%. [laughter] that's what we were laughing about.

Francesconi: You're not supposed to say that: Tell me about why you think in the shake-out there will only be one.

Dave Maney: the—because that's all the economics will support. If you kind of dig down through underlying stuff, what you find is that while the marginal costs of providing services are very low, in fact the capital costs will kill you, and so if you look in effect—if you look at any of the companies, any of the players that are around this business and rook at what they want to do, and they're stated their stated intentions, nobody's got the money in the bank today to build all the cities they want to build and so they're going to have to prove out the economics on a market-by-market basis. You can find—if you go in and imagine trying to slice a challenger's pie three new ways, you'll find that the economics crumble under the weight of that. I think any of those folks would tell you that same thing.

Francesconi: Is our approach the best approach, just let everybody in and then see who— survival of the fittest?

Dave Maney: david and erik and I have had a fairly open dialogue, so i'm not going to say anything I haven't said to them. The only change that i'd tell you to think about, and maybe we may be too far down that road, is that in the effort to bring services to everybody, you'll end up with less and less people wanting to start that game, because right now there's no way they're starting out on a path that says we've got to build this whole thing or fran forfeit the franchise. In effect, that's what it says. We have—if you look at my business cards, we have the rules of engagement on the back. Six rules that are about being an open access broadband guy and how we see the world, and we say to employees, this is what we believe. We want you to believe it too or you might want—not want to be here. We work very hard to include those people who have been left out. That's what point number 5 says. That to me means, we start aggressively going after—that speaks to our approach to a lot of things, but among them is this digital divide issue. One of the biggest venture capital companies is a broadband company. We're sensitive to socioeconomic redlining. Having said that, that's a very difficult issue everybody's been working hard to manage, the—i have said to our investors that we'll work very hard to avoid train wrecks in the form of multiple providers. Completely building out network and catering the economics. That the notion of saying, telling everybody at the start you've got to build the whole city or forfeit your franchise, is what i've described to erik as greasing the rails. The notion of possibly—if I were asking for something different i'd say, if you let folks be in separate areas, because someone—the guy who decides to be standing at the end and wants to knit that franchise area together, can in all likelihood do so from existing pieces. But i'm not—without the participation of a very strong local partner, I would not sign a document that says you're going to bill out this whole area, you're going to forfeit the franchise back to us.

Francesconi: Thank you.

Katz: Further questions? All right. I know there are two folks here that want to testify. Is there anybody else that wants to testify? Generically on this issue.

Sten: Let me add, as people are coming up, very briefly, frame this issue, because I have not for the council. One of the issues that is in all of these franchises, is a requirement to serve the entire city. I think dave described it very well. It's a very difficult almost theoretical question, and we've erred on the side of saying you've got to serve the whole city. In all likelihood we know all these companies will probably not be around, although it could happen. It's unlikely. We also know that we're unwilling to set up a service in which we unwittingly have a Portland digital divide so some areas have it and some don't. And it's likely without that requirement that some areas of the city will be more profitable than others. And so we've come to the conclusion the best thing to do is keep that requirement in place, knowing that at some point there's probably some good chance that some of these systems will be joined. The other thing we have not done is stipulated—i can't figure out any way to do it fairly— where people should start building. Because if you say you've got four companies and you don't want them all to start building in the same place at the same time, yet some areas are better than others, it's very hard for the government to pick where do you get to start. So i'm relying on the market forces to figure out where do you want to start. And my hunch is that they probably will start in different areas for the most part, and that when—win 0ing process will determine who's there, but at some point particularly if there's only one company standing, which is dave's prediction, then it's all the more important that that company left standing be required to serve the whole city. So that's the intellectual catch-22 you get to, because I understand the hardship of four different companies saying, you have to serve the whole city, but on the other hand, if most people are predicting that there will be shake-out, we need to make sure the one that's left standing isn't cherry picking the city.

Francesconi: Can I ask a dumb question? It's going to be a dumb question, I think. The first question may not be dumb. Is there preuniversal agreement that only one will be left standing?

Sten: I don't think so. I think there's a general sense that—I guess my sense is that I don't have any way of knowing how big this market is or—what you can do today is project how much it costs to build a full system in Portland, which in round numbers is \$500 million, and you can project roughly how many customers it would take to make a profit on a \$500 million investment, and therefore figure out there's not enough customers for a—for four companies. On the other hand, to the extent that the desirability of services increases—construction cost resist fixed, so if your average customer goes from being a 75 to a \$100 customer to a \$300 customer, the economics have changed. And so it's a little hard to predict the future on—in terms of what is going to happen to pricing with this kind of competition. So if you do \$500 million times four, there's not enough after customer base to serve that. And I think everybody in the room knows that math. But there's a lot of variables there too. So we've erred in every situation on the idea of not trying to constrain the marketplace and let the market work it out, and to try and keep the playing field level. But on certain baseline public values, we've got to stick with we can't require open access, but all these companies have agreed to it, because that's what they came to Portland expecting to do. We can require universal service, and so we've stuck to that. But the other piece would be as the market matures and as the business relationships shake out, I think we've got inability to keep looking at these requirement and talking with people if there's changes in the marketplace. But at this point I think that's the best requirement to have. Nobody really knows for sure how many—a lot depends also on how good at&t service is. If their service is terrific, there's a lot smaller market. If at&t's service is unacceptable, the market is bigger.

Hales: And how much demand.

Sten: Yeah.

Katz: Okay.

Sten: Our underlying principle is not to try to predict any of that based on our regulations.

Katz: All right. So we'll give you an opportunity to take a look at the franchise agreement, and we'll come back to that at some other time when we at least have a quorum. All right. Rick and wes, come on up. I completely—I'm glad you came up. I completely forgot, this is part of one of the recommendations of the report. There were several others.

Rick Seifert: I live at 2115 SW Tyrol St., 97201. a resident of hillsdale. Tonight I can say i'm the president of the hillsdale business and professional situation, which endorses what we're putting before you. I'm also—was a member of the utility undergrounding citizens advisory committee, which worked long and hard on this report and was the principle author of it. As you may recall, you accepted this report in march—on march 29th. One of our recommendations was that you include undergrounding provisions in future utility franchise agreements. Well, the future is here. Listening to the earlier testimony, and i'm sure the testimony comes of wonderful things that will come of these franchises, once we step away from our screens or our telephones or whatever communication device we use and step out into the real world of the streetscape, we're going to see as a result of these franchises thousands of miles of more wire in the sky and struts to support them. And our urban environment will be degraded accordingly. It is time for us to address this problem. And we have suggested in the proposal we're putting before you that 1% of the total construction costs of these projects, and if it is indeed \$500 million, \$5 million be put into a Portland utilities undergrounding fund, which would be used to underground overhead wires and prioritized areas in the city of Portland. You have a unique opportunity at this point to fund something that has to be done. And I think that you as public officials need to be aware of the backlash that can be caused by increasingly piling on these ugly wires throughout our city. We need to make steps to do something about this.

Katz: Thank you, rick.

Wesley Risher: 6840 SW 7th, 97219. mayor Katz, my name is wesley, I reside on southwest 7th avenue. I'm pleased that you're having an evening hearing on this, because it allows citizens like myself to come and testify without taking time away from work. As rick has mentioned, we struggled with this in the neighborhood with our transportation improvement, and as mayor Katz you said, you

lose some battles but you move on and hopefully win the war. I'm here today to sort of battle another issue with you, and hopefully win the war. That's the war of overhead utilities. Having some fund available to then begin to leverage the project monies from pdc developments in lents, interstate avenue, or even transportation improvement that's come out of city budgets. We didn't have that hunt in hillsdale. And we forgone it knowing we would have to look at it in the future. I testified in front of the mt. Hood regulatory cable commission. I participated in their process of developing their franchise agreement. There's actually a statement addressing our report as a committed. This is an advisory committee that I served on as well. 16.13 on page—my draft is page 46. Undergrounding of cable. The franchise agreement that's been drafted allows the jurisdictions to come up with their own franchise agreement with the various entities, and I would hope that the city council would consider the 1% for undergrounding and the beginning of this fund. Again you have sierra pacific coming up for renewal, and the opportunity to augment that fund with the renewal of at&t's franchise agreement in the future. It's a tough choice, and as was presented earlier, this is a city that values choice, values competition. It's also a city that values its beautiful environment. If at some point—if it's not now, I don't know when—we can make an opportunity happen. I think this is one. As an educated group of citizens dedicated to improving Portland, i'm here to encourage you to do that with this franchise agreement for all of these overbuilders. I'm very excited about the opportunities that are going to come into my home, and as I represented to the mt. Hood regulatory commission, cable commission, I was concerned personally, as a ratepayer and as an individual property owner, who owns the cable line from the box to the pole in my current service that I have with at&t or southwest? I undergrounded my personal drop from the pole to the house, but what point if I choose another provider, who then owns the line from the pole to the house? And I don't know that's been addressed in these—but it needs to be considered at some point, because there's an agreement between the homeowner and the utility with that line. And if it's undergrounded now, because I did it, does that mean the next provider that comes in, are they required to underground to it my home as well? It's cheap are for them to do an overhead drop. But I am concerned about the overhead blight and not having this opportunity to underground when these projects come forward.

Katz: Thank you. What did the commission—how did they respond to you on this?

Risher: they were very receptive to my presentation. I was there as an individual. I couldn't respect the committee because we haven't—we didn't have a charge to continue. But they were—they asked a lot of questions, they asked whether this amount of percentage should be applied to the entire construction costs or simply the wire component that then invades the neighborhood. I said without the whole instruction element, you simply have no way to transmitted the signal over the wires that you're going to assess this cost against. One of the commissioners was resistant, felt it was an excessive burden, but in general I was very well received by the commission. Again, the city of Portland in its leadership here could actually show troutdale and gresham and the other cities that struggle with the overhead utility issue is well in their older areas, the leadership that I think the Portland area—city of Portland often takes.

Katz: Thank you. Let me ask a question. At some point if in fact we end up with one provider, educate me. At what point if the council wanted to require that, where would we—how would we accomplish that?

David Olson: each of the companies coming before you tonight and later on has provisions in their franchise requiring them to begin construction at a certain time and requiring that if there's any transfers of ownership, any changes, if they want to make another arrangement with another company to build a global system, they must have your consent. And it's typically at transfer time, because no one will put this investment out and then walk away from it. They'll want to sell what they have and make another combination. At that point, they'll be back before you to seek your consent for that, and at that point you would have another chance to look at that issue a little more globally, depending on how the companies were positioned at the time.

Katz: What's the sense of the council? I don't want to spend a lot of time on this, but I do want to get a sense of the council.

Sten: It may be an omission not to have address this. I asked this group to take a look at this issue. I'm not comfortable injecting it tonight. It's a \$5 million hit on these companies, and I think there's got to be—I'm not even 100% sure where my position is on this, to be honest. I think it would be a good thing to the companies if in some of the town centers there's places to underground. It's a concern I hear from citizens. But if there's—but putting a straight 1% fee on the companies at this point, you know, without having had any real hearings with citizens out there who ultimately pay this, and even thinking through the economics, I'm not prepared to make that kind of move on the fly. I'm trying to think through what would be the right way to think about it.

Katz: That's what I wanted to find out.

Sten: I don't have—probably I'd ask the mt. Hood commission to come down to a formal opinion as a first step. I don't know if that would be possible to ask them to hold a hearing on this proposal. This concept and come to a formal opinion. That would probably be the best way to process it as a next step. Does that sound right to you, David?

Katz: Come over to the mike.

David Olson: the mt. Hood commission represents all the jurisdictions in the county, as has been said, and they don't all have the same construction policies, but it's a great mechanism to bring all the information together about what the policies are and what can be done. And the gentleman is correct, they were interested in the issue, and they—there was a good discussion of it. If it's something council was interested in, we could ask them to look at that more closely, because these issues, the monitoring of the construction, all of this just keeps coming up. They'll be looking at all these companies as they roll out. There's triggers and reopeners and all kinds of things.

Katz: I'm going to assume the council is interested on it. There were several recommendations made with regard to this subject matter. One of them was also on the pdc and on—in urban renewal areas, and we have an opportunity in one large urban renewal area to really address that. But I want to explore—I am very interested. I think they're right. We talk about billboards and video signs, but this is also become—has also become a visual nightmare for us. Let's, the commission, have a hearing on this, discuss it, and make recommendations so we can start this process of trying to sort through how we go about it if the council—and at what point we do it if the council is interested in doing it.

David Olson: the commission has its planning retreat very early in the fall to set the process up for the year, and I'm sure they would be very happy to look at that.

Katz: So we've got nods to go ahead and proceed on that. So let's start the journey. It will be a long one. Thank you. Thank you for all your patience. This is an issue that the council has been struggling with, and there was a task force that made several recommendations on this issue. All right. Let's take **Item 1116.**

Clerk Olson: We have a substitute ordinance.

Katz: I know.

Sten: I do move the substitute?

Katz: Did you read this? Why don't you read it first.

Sten: So moved a substitute.

Katz: You have a packet here, and do you want to identify for the council the difference between the original and the substitute?

David Olson: the substitute reflects the give and take with rcn after the first permit was drafted, because we were working on a time line, we're concentrating on the franchise documents themselves, but all of those have to be put into permit format to come before you. And the permit is intended to pick upper aspect of the franchise that will follow. And so what you really had was finalizing the franchise very late, and then translating it all into permit language, and then sharing it with the companies and making sure we had all the other changes in the last few days.

Katz: All right. Any objections? Hearing none, so ordered. Thank you. 1115, we're going to have that come back to us whenever everybody is ready. All right. Let's have testimony on rcn telecom services of Oregon.

David Hankin, RCN Telecom Services of Oregon, Inc.: good evening. I'm david hankin, vice-president of regulatory and government affairs for rcn. To my left is mike abrams, the director of engineering construction for the northwest for rcn, to my right is james coppage, the senior construction manager for the Portland area for rcn. Mayor Katz and commissioners, I would first like to start off recognizing your very incredible staff that you have. I know commissioner Sten has already recognized them, but I believe they deserve some extra recognition. David Olson and julie and mary beth, and also your city attorney here, have—ben walters deserve a lot of recognition, and appreciate from us for really putting out incredible extra efforts. I know that I would contact david Olson at all hours of the day and night and weekends, and i'd get responses. I mean, it's just the dedication deserves a lot of recognition.

Katz: Thank you.

Hankin: 1996. The telecommunications act was passed. That act was passed to foster competition in all telecommunications services. What happened from 1996 to today is essentially the telecommunications services that were fostered were a lot of companies competitive local exchange carriers, going through the commercial areas of cities and providing telephone and data services. But the residential areas were largely ignored by most companies, except for rcn. Rcn stands for residential communications network. And it was our vision going back then, knowing that the act would allow us to provide these various services, that we would provide our telecommunications services and our cable television services to the residential market. Thus, we've been doing this since 1997. We're in various areas of the country, from east coast, the west coast, we're in new york area, boston area, Washington, d.c. Area, philadelphia area, moving over to the midwest. We're in chicago, and moving to the west coast, we're currently providing services in northern california, we're going to be going down to southern california, we're commencing construction, and of course here in the northwest in Portland. What do all these areas have in common? Why are we all over the map, so to speak? We recognize those areas of the country where there's very high telecommunications usage. In fact, if you look at those areas, they represent about 6% of the country's geography and about 44% of the telecommunications usage. So we recognize here in Portland, we're delighted to be here, that you have some very savvy telecommunications users, and it's our kind of services that they—we know that they'll appreciate and hopefully purchase. What kind of services are these? Well, we provide four services over our network. We provide cable television, high-speed internet access, local phone service, and long distance services. So what this represents in the Portland area here is that for the first time in probably 20 years, at&t and its predecessors will have competition for cable television services. And also unlike the other applicants here, what we provide is true switched local exchange service for phone services. What that means is that southwest, for the first time in over—u.s. West, for the first time in over a hundred years s. Going to have competition. So that will also be very novel here. Rcn, happy to say, is a well capitalized company. In these case of—days in the uncertain stock market, we have 4.5 billion in market capitalization, and we have about 3.3 billion in available financing cash to construct our systems. Our business plan has been recognized by such notables as one of the cofounders of microsoft, paul allen. He has invested \$1.65 billion in rcn. Rcn's business plan in fact has been recognized by forbes magazine, where they did sort of their analysis of the hundred most innovative companies in 1999, and rcn was found to be with our business plan, their second most innovative company. Now, our network, which we're quite proud of, is really what this is all based on. We have a very high capacity network, 860 megahertz it starts with. We have fiber to a node and then coaxial cable from that node to the home. We have approximately 150 homes that have served each node, which means we can have high-speed services without congestion you can get with much larger node sizes. We have extra fiber at our node, which again means that when fiber to the home

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becomes an economic reality, we're very well situated for that. All we have to do is pull the fiber to the home. We don't have to upgrade our system and our systems, we get to construct them as a two-way system from the get-go, unlike our competitors, the phone company, basically has to upgrade a 19th century system, where the cable incumbent has— starts off with a one-way system and tries to jerry-rig to it make it a two-way system. Rcn coming here, I think the real—the basis for this, and what we're excited about is also what this really brings to consumers in the city. As we come to the city, there are a lot of benefits. First of all, we'll employ certainly several hundred people here as we develop our system. And also we're a very active in the community. We believe that that's very important to be extremely active. And I can give you examples where around the country we've we'll sponsor various activities, including boys clubs, we have sponsored the boston marathon, we've involved ourselves in something called day in the park in san francisco, we've involved ourselves in programs, literacy for children, and various activities we get involved in, including chamber of commerce and so we really believe it's important to be an active member of the community here. Other benefits that—

Katz: Don't—

Francesconi: Can you put it all in the franchise agreement? Put schools and parks at the top, okay? Sorry.

Hankin: okay. Other benefits that the consumers will derive from this, in fact the fcc early this year came out with a report on the status of competition, and what they found is that those cable incumbents that had competition, they looked at those incumbents versus those cable incumbents that did not have competition, they found where there was competition, that prices were lower, there were more services, better customer service, and more customers, because you have more marketing, more services. So that also translates into more revenues for the city. Where rcn is operating around the country, we have found the same phenomena to occur. That prices stabilize or lower in customer service—and customer service gets better for the incumbent as well as you'll see as the new entrant who has to have good customer service to earn our customer. So these are the benefits that we're really looking forward to to providing Portland and the area around here, and if you have any questions, i'll be delighted to answer any.

Katz: Questions?

Hales: How long do you think it is until the fiber to the home. [no audio]

Hankin: well, as I understand it, the fiber to the home, the costly aspect of that is the end user equipment. It's not getting just the fiber to the home, it's the end user equipment. I would just give you a little guess here based on some general knowledge. I'd say it's probably maybe two years away or something, two or three years away.

Katz: Further questions?

Francesconi: Do you agree that there's only going to be one shake-out? Are you going to start building and—

Hankin: what makes the business plan work, again, as I mentioned about what happened before and after the telecommunications act, in the old days, you had one cable company, and one revenue stream, which was just video. Cable. What makes our business plan work is we have four revenue streams. You have to remember, we're also competing now against u.s. West, we're also going to be providing the high-speed modem services, which again was not provided for in the past, as well as long distance service. So—and of course cable service. So because of those four revenues, we can exist, and I think another company or so can exist, because it's just not splitting the pie based on cable television, video revenue.

Francesconi: Okay. Thanks.

Katz: Further questions? Thank you. Anybody want to testify on this item? If not, roll call.

Francesconi: Well, I guess i'm going to say the same thing on all these. Commissioner Sten, the path you've got us down, and with david and everybody's help, but competition is good. This country is

built on competition. It's been good for consumers, good for the economy, and so this is the right thing to do. The more competition we can get here—get in here, the better. The course that you set, this is proving out to be true. I also think that the principle of universal access to every neighborhood, so we don't have a digital divide in our own city, which we're going to have in the country, is the right approach. So where we—I'm looking to follow your lead on some of these tough issues. Aye.

Hales: This is a fascinating proceeding tonight. The competitors are all queued up, so thank you, commissioner Sten, for organizing it this way. I think it really does throw into a bright light the strange world of this competition, and good luck to you all. Obviously not all of you will survive. To me it's an interesting comparison. Maybe this is my day for off the wall comparisons. I tried one earlier today about strange land use case, and one of our earlier council calendar items. But to me this kind of invokes the competition 100 years ago when streetcar companies broke out all over the city, and they were public-private partnerships, and it was a brand-new technology about in that case moving people instead of moving information. And Portland has strategy it seems of that time of letting this happen under some reasonable level of supervision, and it transformed the city in terms of its livability and geography. I think this competition is going to transform the city in terms of its global competitiveness and our citizens' access to that technology, and hopefully we'll be wiser about managing the side effects and the vicissitudes of this transition than we were about what happened to the streetcars. But it's an inelegant comparison, and obvious horse and buggy technology versus stuff that we don't understand, at least on this side of the table. I think the posture of the city in both cases of fostering robust competition in a way that benefits the citizens and makes the city a better place is a smart strategy. So I think erik, you and david have crafted an approach with these companies that makes a lot of sense, and I appreciate hearing their business plans and the diversity of offerings the citizens will get. Aye.

Sten: This is the first one to make it to the regulatory finish line, and as you can imagine, it's a great pleasure to vote aye and welcome you to Portland.

Katz: A couple of months ago Portland was identified one of the top cities in the country for people who are—have computers and are using computers, and are just waiting anxiously for other options of getting their information from one place to another. We're captives now, and I'm looking forward to the competition, and to let you know this is a community that's highly educated, that understands—most understand probably more than those of us the majority of us sitting here on the council, and are ready to have you come into the community and connect them to the world. Aye. 1117.

Item 1117.

Sten: 1117 we're going to pull.

Katz: Let's read it and then we'll pull it.

Katz: Table it? Motion is to table. Any objections, hearing none, so ordered. 1118. And there's a substitute there too.

Item 1118.

Katz: Okay. I need a motion to introduce the substitute.

Sten: So moved.

Katz: Any objections, hearing none, so ordered. 1118. Welcome to the networks Oregon operating company.

Bill Lane, Sr. Vice President, Western Integrated Networks Oregon Operating: good evening. My name is bill may, senior vice-president of western integrated networks. I was sitting back there thinking, one of the advantages of being toward the end of the agenda is that most of the things that I had to say have probably already been said. I use that as an introduction, because there's a tremendous amount of agreement. Even though we're different companies with different people, the representations made by oab are very legitimate, the—certainly the rcn representations were very legitimate, and there's enough similarities between the three companies, there's some differences in just how you get to the finish line in that, but at the end of the day the real issue is the demand for

competition, the demand for expanded bandwidth, and enhanced services, and the future demands that I don't think any of us know what they are today. The size of the network, the capacity of the network, the size of the pipe, as we say in the industry, is probably going to be the key as to who's left standing at the end of the day. The end of the day I think is not tomorrow, it's not six months from now, I think it's a few years down the road. There's undoubtedly, you're all wondering what's going to happen with multiple companies, there will be some consolidation at some point in time. And ultimately I think customer service is going to dictate how this thing shakes out. All companies I think are very capable of doing a good job and providing services, and I any other all committed to the market, as is western integrated networks. Having said that, I want to tell you a little bit about us. We're a new company, formed in october of 1999. We were initially funded by some of the blue chip telecommunications investors, including j.p. Morgan, blackstone group, providence equity, and since then that same group of investors has upped their investment in the company. It's over \$800 million in equity today, and we've recently just putting on the finishing touches on a banked facility that will add about \$1.2 billion to our coffers. So essentially we are a \$2 billion company, even though we're just formed back in october. We started working with the staff, and I want to echo the comments of my colleagues from the other companies, the staff has done a remarkable job, and we've gotten nothing but a tremendous amount of cooperation, and I just think they are truly to be commended. I'm doing a franchising in a lot of parts of the country, and the staff led by david Olson and ben from the city attorney's office is absolutely second to none of any that I deal with any place in this country. So congratulations and thanks for making those people available to us. We're here tonight to ask that the council consider our application for a temporary permit, and we're anxious to start building the network. The architecture is—has an awful lot of similarities, so I won't repeat of what you've already heard already. We're anxious to get going. We're anxious to start serving the customers of Oregon, and we're here for precisely many of the reasons you cited, madam mayor, and commissioners. This is an absolutely booming market when it comes to the use of computers, and the demand for bandwidth and services. We disagree a little with some of my colleagues in that how many companies will be able to operate. We think not only would the services that are available today, but with the future demands that there is room for more than two. Maybe there's room for three. I don't think it's four or five, but I think it's more than two and probably something less than five. So we'll have to see how that goes. We think that all the companies can be very successful. It is true we—about competition. It is truly about technology. I don't think certainly from our perspective, we aren't here to pass judgment on these types of service or the quality of service that you've been receiving now, because I always look at this as an evolution of technology, and bringing new and enhanced technology to the community, and the customer service side and the customer demands will dictate which service provider they use. Again, I have more comments about the technology, but you've heard it all already from the other folks in maybe a little format, but the basic premise is the same—new networks built from the ground up to meet the present and future needs of the community for many, many years to come.

Katz: Thank you. Questions?

Hales: I could have asked this of any of the earlier presenters. From your experience, you're working on a number of markets, is there this kind of convergence of competition in a large number of principle american cities, or—

Lane: in most markets right now—I shouldn't say most markets. The markets i'm working in, there's—in the most cases with two exceptions there are at least two other applicants. Well, two applicants including western and two integrated networks.

Hales: So this is although maybe more robust here than some places, that's a national phenomenon we're seeing.

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Lane: right now it is, yes. And it goes back to the wall street's—the way wall street looks at competition in the businesses today. They recognize there is room for competition, and they're willing to fund these projects, and fund them to a great extent.

Hales: Thanks.

Katz: Further questions? Thank you. Anybody else want to testify? Roll call.

Sten: This is the last of our new competitors. The final franchise is a more typical company we just bundled up with this group. So since we're ending, I just want to quickly again thank everybody for your hard work. I know you worked your tail off to meet the council's calendar and get it done by July 19th, but sometimes a deadline is good because it gets all of us to finish. I think David and Mary Deane and the staff, let me thank Marshall from my office who has worked hard on this, and I don't think I thanked Ben Walters by name, who has also worked hard on this. As I've said, I won't repeat my opening comments, but it's an exciting evening and I agree also with Commissioner Francesconi, all of these companies will be around for quite a while, serving Portlanders in the—and the shake-out is probably a ways down the road. It will probably be an exciting time, and I think they'll all do very well in Portland. Welcome. I vote aye.

Katz: Too, I welcome both of you, and hopefully a third company in the next couple of weeks. And also I want to thank the staff for your work. Thank you. Aye. 1119.

Item 1119.

Katz: Anybody want to testify on that? No? Roll call.

Francesconi: The staff sometimes—usually gets complimented by the council. Most of the time. Occasionally by the people, the customers, or the people we're working with. But I don't think I've ever heard it said the best staff in the country, or no staff better in the country, as was phrased here. So that was terrific tribute from people that would know. So thanks, David, and thanks Ben, thanks to Commissioner Sten. Aye.

Sten: Since we're thanking everybody, I want to thank the rest of the members of the council. It's been a bumpy ride, and they've consistently taken the right stance. It's paying off tonight. Aye.

Katz: If we're going to say thank you, I want to thank Commissioner Sten for taking the leadership on this issue. And for slowly educating the rest of us on what it all means. Thank you. Looking forwards to the next step in this journey. Aye. We stand adjourned until 2 o'clock tomorrow.

At 7:20 p.m., Council recessed.

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

Key: == means unidentified speaker.

JULY 20, 2000 2:00 PM

* * * [meeting already in progress]

Item 1121.

Susan Hartnett, Planning Bureau: if you'll recall last week— for the record, susan heartnett, bureau of planning. Last week you took testimony on two amendments which were the final pieces of the code maintenance 2000 project. One was measuring height and the second one was the odor standard. Based on council's discussion at the end of the testimony, it was apparent that council would prefer to table the measuring height item and refer it back to the planning bureau for further work as part of a future work program which we're currently calling design standards for infill development. So the substitute ordinance and report in front of you, delete the title 33 amendments to the measuring height standard. The report does contain all of the information about the amendments so we've create add record of what was discussed, what issues were raised, but the amendments were removed. So the ordinance and findings support just the amendments to the odor standard.

Katz: So that's—i need a motion and a second.

Hales: I move to substitute.

Katz: Second?

Francesconi: Second.

Katz: So ordered. What we're doing exactly— we're doing exactly what susan had shared with us. None of us were enthusiastic about how the height was being measured on sloping lots, and so we decided to send it back on vote on the smelly piece of it.

Hartnett: that's right.

Katz: Mayor votes aye. All right. 1121.

Hartnett: it's still me.

Hales: We've got to read it, though.

Olson: I read 1121 first, I beg your pardon.

Katz: It's numbered wrong on the—on this. It's 1120, but it's numbered 1121. All right. Keep going. 1120.

Item 1120.

Katz: Okay. There's a substitute there too. [no substitute for this item.] Why don't you walk us through this.

Hartnett: okay. This is hopefully going to be the last hearing on the title 2 citywide parking ratios project. I have a very short power point presentation to bring everybody back to—back up to speed on what we're doing. If you could turn the video on, please—

Francesconi: Just on this— on your point about the last hearing, there's a problem, because not all the council is here. If we're all in agreement, this is what the mayor was getting at, it will be the last hearing, but if there's not, it may not be.

Hartnett: I know.

Francesconi: Is there any timing deadlines? Is there any reason it has to be the last hearing, just—i hope it is. Don't misunderstand me.

Hartnett: other than my endurance, commissioner Francesconi, no.

Francesconi: Okay. That's what I wanted to get clear on.

Katz: Commissioner **Francesconi**, if we can get through all the amendments, are you still a no vote so we have to drag this on for another week?

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Francesconi: Depends on how much money you're going to put on the future parks budgets. [laughter]

Katz: All right. Let's move on. You have no shame. No shame.

Hartnett: it's hard to pull myself back from that. I'd like to start by taking just a second of your time to mention karen howard, who is here with me in the white shirt, she has worked very, very hard on this project for the last two years. And karen is about to leave her employment with the city of Portland. She's returning to her home state of iowa.

Katz: She's doing that because of this project. [laughter]

Hartnett: I actually think in part that's true. But car evening's work has been very valuable to the city and this project, and she's made a significant contribution. She hasn't have the—had the opportunity to present before you, so I want to take a minute and acknowledge her work. Having said that, let me move on back to what we're trying to focus on.

Katz: Good luck to you in iowa. I'm sorry you're leaving. We had better work for you to do after we got through with this.

Hartnett: okay. Let me just remind the council and the members of the viewing audience what it is we're trying to accomplish here. The citywide parking ratios project was intended to establish parking management tools throughout the city. We've had them in the central city and certain zones for a long time. But the intent was to extend it throughout the city, making sure that was consistent with our existing policies on economic development, neighborhood livability and sustainable development issues such as the efficient use of land and water storm water management practices. The other piece of that is that it is part of Portland's compliance work on the urban growth management functional plan, title 2, regional parking policy. So it's a twofold thing, one to continue the work that Portland's been doing for a long time, but also required as part of our compliance work. Let me briefly run through the dates, and you can see they're rather lengthy. In the fall of 1998 we began the public outreach on this project. In april of 1999 we had a public review draft available. During may—through may and july of 1999 the planning commission had hearings and work sessions made decisions, and completed their recommendation for the council's consideration. In december of 1999, council had a couple of hearings and work sessions to consider the planning commission's recommendation and asked staff to make a number of changes based on your deliberations. In may, we brought those back to you, and what's in front of you right now are the amendments to that revised draft. And these were the amendments that were proposed on may 10th. It's my understanding that's what we're focused on today, is those amendments. What you have in front of you is a matrix of the amendments that were requested. There is one revision, one amendment to the amendment that's i'll walk through in a minute. I'm actually going to walk through the whole table. But I did want to give a quick overview of what I understand our hearing will be today. There are several amendments that have multiple decisions, so i'll walk through so you understand everything that's in front of you. There are a number of people here who'd like to testify to these amendments. And then I understand that council will consider and hopefully vote the amendments with a second reading occurring in about two weeks' time. I want to make sure we have enough time to bring this whole package back to you in a very concise and organized way. There's a number of changes here, and I don't want us to miss anything. So it will be a couple weeks before we bring it back for second reading. My last slide is my usual, the record for this project is available in council chambers today. It's in the boxes in front of the city attorney's desk. It contains materials summarized in this slide. If at any point you wanted to know more about any of these items, i'd be rape to reach into those boxes and pull it out for you. That's the end of my presentation. What i'd like to do would be to turn your attention to the matrix. Britta has left so I can't necessarily turn off the video, but let me ask you to turn to the matrix. First of all, there was a two-page amendment to the matrix on your table when you came in. It says at the top, substitute pages, substitute page 1, and it's actually substitute page 1 and 1-a. And I want to walk through all of these amendments and give you a little detail about them, but I actually want to start

with amendment number 2, which is on page 1-a of your substitute pages. I'll give you a second to find where I am. I apologize for that. For members of the audience who are here, there are copies of the original matrix plus the substitute on either of the two tables over here.

Katz: This is chapter 33.51.

Hartnett: that's correct. And what this does is establish a higher maximum ratio for preservation parking only in river district subsector 1. And this is being done in part because of some very unique development constraints in this area. The rail lines, limited pedestrian access across those rail lines, relatively limited transit service at this time. Combined with a limited existing on-street parking supply, which is not likely to be enhanced through the development of new streets. And some of our developing districts we expect to develop new streets which will allow us to create on-street parking. That's not the case for river district 1. This was a request that came from the Portland development commission. They felt it was necessary to help them do some of the things that they're trying to do in receiver district by—to make access to the river more possible by moving some of those surface lots. So this is a request that is apart from pdc, and staff does recommend making this change.

Katz: Do you want anybody to do you want me to act now or do you want to continue?

what i'd like to do is walk through all of them and then let you take the testimony. Then I can come back and answer any questions that the testimony raises.

Katz: Okay.

Hartnett: i'd like to move on to item number 3, on page 2. It's subparagraph 33.510. This eliminates the requirement that the removal of asphalt and paving materials be tied to the issue answer of a certificate of occupancy for a parking structure. This is an amendment also specific to river district subsector 1. It again relates to some of the things that Portland development commission is trying to do in freeing up some of those surface lots along the willamette river north of the Broadway bridge.

Katz: Where are you on this one?

page 2 of the original matrix.

Katz: All right.

Hartnett: basically this amendment is put in here because this is a timing issue. You may recall I mentioned in this—this in may. In order to move the parking, they need to build the structure. In order to build the structure they can't get rid of the parking. Our requirement that they remove the asphalt first was really a catch-22. So we're suggesting that we remove that requirement and staff does recommend that change. Now i'd like to go back to substitute page number 1. So it's amendment number 1 on substitute page 1. This is the one—this is the one amendment that staff is amending, and I really apologize for doing this, but this was a slip on staff's part. It was brought to our attention by central eastside industrial council and we would like to correct it so this is done properly. In the original package in front of you, in what was called exhibit a, on page 79, there is a table that shows how we are rearranging things in the central city plan district. And basically what we're doing in this process is moving the lower albina subdistrict, and i'm sorry, do any of you need copies of that original—the report?

Katz: Got it.

Hartnett: okay. And also there's extras for members of the public.

Katz: What page?

Hartnett: page 79. Basically what we're doing there is we're moving the lower albina subdistrict, the river district subdistrict—sorry. River district sectors one and two, and the entire central east side from 33.510, into .265. Right now there are several subsectors in the city that do not have parking ratio maximums for office uses. They are currently contained in 33.510.367. Right now it lists lower albina, sectors 4, 5, and 6, and river district secretary force 1 and 2. Essentially when we place office maximums in those subsectors, we need to move them into a section of code that has office maximums. So that's essentially what this accomplishes. There are some minor differences between

the lower albina and central east side subsectors from those other subsectors, and on page 87 of the code, you'll see where there is one significant difference which is allowing up to 30% of a site to be in parking as an allowed use if it's in those subsectors. So far everything is fine. What happened was in the amendments on substitute page 1-a, we tried to catch a problem where we had overlooked the reference between chapter 510 and the 800 chapter, 808, which is where the central city parking review chapter is contained. In order to make sure these two sections of code were consistent, we again needed to move those subsectors that— subsectors into the chapter that currently do have office maximums. I know—

Katz: This is basically an organizational change of your code.

Hartnett: right. In the process of doing that, though, we slipped and missed that 30% of the site for those lower albina and central east side sectors. So we have now added language, which is what's in front of you, to catch that oversight on our part. So now the two sections of the code will be consistent with one another.

Francesconi: I think this change that central east side caught, they were concerned it was going to trigger—I think a different kind of review, the ccpr review. It was going to cost an additional \$5,000. I think that was the concern. Was that—two questions. Was that the concern, and will they now have to do this with this amendment? Did you take care of that?

Hartnett: i'm not 100% certain what their concern was. The major change, which was moving the subsectors into 33.510.265 has been in this proposal since we took it to the planning commission last spring. What is in this table simply conforms two different chapters to make sure they refer to each other correctly. So if their concern had to do with a change in the kind of reviews that they were going to have to be subject to, that's been in here for quite a while. I don't believe that it changes things significantly, and I don't know what the fees are. There is someone from opdr who could probably answer that question.

Katz: Questions for susan for clarification? All right.

Hartnett: let's go on to number 4, amendment number 4, on page 3. This begins the first of the amendments that have multiple options. This is 4-a, which is another amendment requested by the central east side industrial council, and it was a request to change the purpose statements. The language that's contained in 4-a is the language as it was submitted by the central east side industrial council. Staff does not recommend adopting the language as they proposed it, but council did ask us on the 10th to come up with alternative language that would capture the essence of what central east side was requesting. And that is shown on the next page as amendment 4-b. So this is an alternative amendment to the purpose statement that we believe captures central east side's request, and is the one that works in terms of the code structure and purpose.

Francesconi: In order to— there's some people in the audience who will disagree that 4-b's -- 4-b captures 4-a. In order to simplify this and shorten the hearing, if I could, i'm not—because I raised this issue last time—I don't think we should do 4-a or b. I don't think either of these—I think 4-a is—opens the doorway too much. Commissioner Hales was correct in that earlier debate that he and I had. So I don't support 4-a. I doubt anybody on the council does. 4-b goes too far the other direction, and I don't support that either. What would happen if we didn't have any purpose statement?

Hartnett: it would revert to what's shown in the original exhibit. Oh, no purpose statement at all?

Francesconi: No amendment.

Hartnett: okay. If there's no amendments, it will revert to what's in the original exhibit a document.

Francesconi: Subject to some extraordinary revelation from testimony, council, I think that's what my position is, to alert everybody. Maybe we can simplify the testimony on this. Okay. Moving on.

Hartnett: so then moving on to number 5, this is another request again coming in from the central eastside industrial council where they requested that the existing parking maximum ratios for sectors 2 and 3 be increased from their current 2.5 per thousand for office to 3.4 per thousand for office. I'd like to point out—first i'd like to tell you staff does not recommend adopting this amendment. I'd also like

to point out something that was discussed extensively at the may hearing, and that is that there are upcoming planning activities which will probably be better tools, better arenas in which to discuss this kind of issue for central eastside. One of them is the central eastside development opportunities strategy, or d.o.s. Implementation. The other is now i'm aware that pdot is intending to do an update of the cctmp of the central city transportation management plan. Once they have completed the system plan. So that's a much better opportunity to look comprehensively at how the parking ratios are working throughout the central city and not try and do something specific for one of the subsectors in a way that could cause problems. One of the things I also pointed out in may, this could raise some concerns for deq and there is going to be some testimony from a deq staff member about how they're viewing this potential amendment at this point.

Francesconi: If I could again for the sake of—

Katz: Let me—i really appreciate it. We've had testimony on this, did we not?

Hartnett: not from deq, you have not had testimony from deq.

Francesconi: Here's what I think. I'd like you—the council to consider, and we can hear testimony, because there have been some discussions I believe even with staff on the possibility of this further, which is leave 2.5 on 2 and 3, so deq, you can relax. And only having 3.4 on items 1, 4, 5, and 6. To me that's a more reasonable approach. So i'll tell you right now, I don't think we should go to 2.5 on existing office areas. So I think—i doubt commissioner Hales or the mayor will advocate for that. So we can shorten this. But the option of going to—on the others to 3.4 should be on the table.

Hartnett: for the 1, 4, 5, and 6, but not for 2 and 3? Sit 2 and 3 that cause concern for deq.

Francesconi: So I just wanted to save deq's time so they can go do something else for the taxpayers.

Hartnett: shall I continue, madam mayor?

Katz: Go ahead.

Hartnett: number 6, on page 6, this is again a request from central eastside. This is to exempt parking structures from the maximum ratio, but to make them subject to a central city parking review. I'm going to tell you that staff did not prepare language for this. This is a major change from how parking regulations are handled throughout the central city. It would be a pretty significant piece of code work. Obviously if you want it done we'll do it, but we did not prepare language for it. And it is obviously something staff does not support.

Francesconi: Why do you keep looking at me like that, susan? [laughter]

Hartnett: because i'm—i'm pointed in this direction. I'll look this way. I'm sorry, jim.

Francesconi: No, no.

Hartnett: the next one is item 7-a, which is on page 7. This is what i'm going to refer to as the freightliner amendment. This was an issue that was brought to your attention by steve pfeifer on may 5th. He had concerns about how the language was written concerning being able to have access to the no-parking maximum if you structure up to 75% of your parking on your site. He proposed some specific language. We looked at it and said this is probably not going to work the way he suggested it, so staff is not recommending adoption of the language that mr. Pfeifer proposed, but we do have an amendment, the next one, 7-b, which does address the concern that he was raising, which is on some very special sites throughout the city where we have in essence headquarters offices where they are interested in taking advantage of this by moving a significant amount of their parking into a structure, but they wouldn't be able to meet the 75% threshold that we've set for the rest of the city. Is there an alternative way of addressing it. And that's what this amendment 7-b does. It allows—it would apply to large sites, sites that are over eight acres in size, sites that are only in e and I zones, so it's a fairly narrow exception, and it allows them to have access to the no-parking maximums if they do structured parking that meets one of two requirements. It needs to be 700 spaces, or it needs to be at least three floors. So I think—floors. I think you'll hear testimony from mr. Pfeifer that this is acceptable, and staff does recommend adopting 7-b. Next 1, 7-c, this is simply going back to an original staff recommendation for a little bit of clean-up in the same section. If you choose not to adopt 7-b, staff

recommends that you adopt 7-c. So if you adopt 7-c, we don't—if you adopt 7-b, we don't have to deal with c. Next is 8-a. There's a series of options here, number 8 is the one to deal with the issue that providence hospital—providence medical center brought in concerning their office complex in the hollywood town center. This was an issue that came up for you as part of the hollywood town center plan. The first amendment, 8-a, is what staff originally proposed to simply clarify how the new hollywood regulations applied to surface and structured parking. And staff does recommend that if you do not adopt either 8-b, c, or d, you come back and adopt a-8. 8-a. The next one is 8-b. This is the language that was proposed by gary congress lynn on behalf of providence hospital. Basically it requests access to the no-parking maximums if they meet certain requirements. Staff did put it into code language, but does not feel this is an appropriate way to address parking regulations in hollywood. It's a relatively low threshold, 50%, that's lower than what you're requiring throughout the city. In order to access no-parking maximums, again, we think that's out of step with what you're adopting in most of the other areas outside of the central city and in the central city. Assuming that hollywood town center is expected to function as a pedestrian friendly, high intensity use area. That's always very well served by transit. So 8-c is an alternative that staff has carved out. It basically goes back to an amendment that was suggested to you during the hollywood process. It allows access to a higher maximum for structure parking for office uses. So there's still a maximum, but it's higher than what the general maximum is if they structure their parking. And just as an aside, I think you'll have some testimony on this, that this was the option that was supported by the majority of the hollywood working group during their discussion of this. And staff does not propose this, although I think we frankly think your original decision in the hollywood project is the one to stick with. The last one is ah 8-d, on page 13. This is another alternative to the proposal from providence. It basically is similar to what you're doing citywide. It says if you want access to no parking maximums in hollywood, you have to structure 75% of your parking. So it is at least consistent with your citywide threshold of 75% before you access no parking maximums. And I believe that is it.

Katz: Okay. We have all representative from the hollywood district who needs to leave. Can we take the hollywood issue first, if that's all right with the council? Okay. Let's hear—

Francesconi: Susan, your presentation, your organization especially and your eye contact were all terrific. [laughter]

Hartnett: thank you.

Katz: She knows who the troublemaker is: All right. Let's come on up on the hollywood—we did ask you for your opinion. I'm not sure we all like the response, but we did ask for your opinion. So we're here to hear your testimony.

Susan Marshall: 3026 NE Oregon St. thank you. I'm susan marshal, i'm with the concerns neighborhood and i'm also a member of the hollywood and sandy citizens working group project. So thank you, ms. Mayor, and mr. Commissioners. Thank you also especially for encouraging quality citizen involvement and input, and also appreciating it. That's been really clear throughout this whole project. I'm not sure if you have the letter that was dated june 27th from our chairwoman kristin jewel.

Katz: I remember seeing it.

Marshall: if you don't, I have copies.

Katz: Is this explaining the vote?

Marshall: this letter explains what i'm i'm going to actually elucidate on what's talked about in the letter. And also clarify something that susan heartnet said about the majority of the citizens working group favoring one option. I'm going to clarify that. The first option that we looked that ms. Hartnet talked about, which I believe is 8-a, three of the hollywood citizens working group members favored that. And the main reason is because this maintains the status quo, it is in line with the hollywood and sandy project, and it's just a simple clarification. So we like the plan, and we'd like to continue that. The second is what I think of as the conklin amendment, proposed by providence. And the feeling—it got no votes from the hollywood—from the citizens working group. And that is because of the

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reprieve from the parking ratios we didn't feel was wanted. It just wasn't appropriate in hollywood where we expect it to be a densely populated and also an area that is open to and has public transportation. Just not appropriate there. The third option was—five of the citizen working groups members who were present, when was the simple majority of those present, but definitely not a majority of the working group as a whole, favored this. And there were a couple reasons for this. We talked about this at at least two meetings.

Katz: This is 8-c?

Marshall: yes. Thank you. And basically we like that option because it gives an incentive of over an increase of one-third in—to encourage providence or other organizations like that to provide parking structures. And we think that if you have a structure and you have an active ground use, that—and it's limited, that that is an incentive. And that's something that would be consistent with hollywood and serve the needs of businesses that we'd like to keep in the area, but just not give them totally unlimited ratios. And we do feel that, you know, structured over surface is just practical. If the ground level has businesses on it. And then the fourth option, one citizen working group member present favored this, but the main reason that most people didn't like it is because it is totally unlimited and it doesn't really encourage any of the alternatives that we know are doable in hollywood, like biking, carpooling, transitting, walking. And that—in that area. And then to sort of—i just found out about something this morning that i'd like to bring to your attention. You may know this, but there was a land use application filed by providence today, and some of the figures that were run on it show that it looks like they're asking to add about 682 parking spaces to what they already have. And in the past, it seems and maybe the person from providence can talk to this, that if they have about 900 employees, that we're really approaching a ratio that's almost one parking space per employee. I don't think that's something that we really want to encourage in hollywood. Let's see. So I think that basically what we're looking to is to recommend that we keep the status quo with the hollywood and sandy project suggestions, or if you really would like to give providence or organizations like that an incentive, as a compromise to adopt the 8-c adoption, but frankly, the other possibility that I think is equally compelling is just if they particularly need an adjustment, that they can come back and just petition for that on a case-by-case basis. So I hope that this is the final related issue for the hollywood and sandy project. And I do hope that all of you can agree, and that at least this amendment will be adopted today. Do you have any questions for me?

Katz: Gary? Do you want to come make your case again? Or have you given up? You've given up.

Hales: I have a question.

Katz: Come on up. I didn't hear what you said.

== I didn't have anything additional.

Katz: Okay.

Hales: I had a question.

Katz: Of gary?

Hales: Yes. If you don't mind, gary. Did providence indeed file an application today? And if so, that's under the current rules. I'm not sure what the current rules allow, susan might need to help me there, but why do you care anymore about the new regulations if you filed an application today? I'm confused.

Gary Conklin, Providence Health Care: madam chair and members of the council, gary conklin representing providence health system. I think you're all aware that one of the options that we had at our headquarters was to build a structured parking facility on our existing site, and our conversations with you were in the context of if we could acquire adjacent property and look at a larger campus project, that would bring back some of our functions that we've sent out into the hinterlands. That's why we pursued that and we're looking at a larger context. As most of you are aware, we've been working with our immediate neighbors, and a larger neighborhood group on the parking issue for some time. Actually several years, and the one and only option that's immediately—available with the land

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we currently on is on the north end of the existing corporate headquarters building. And the application and in fact some substantial amount of conversation with city staff has gone on in connection with that.

Hales: I'm still lost. Did you file an application today for the garage that you would build under these regulations, or something different?

Conklin: something completely different. On existing land that's already would be adjacent to our existing building on land we currently own.

Hales: So that obviates the need for any structure that might be build under these regulations?

Conklin: well, if we were able to acquire a larger parcel, which is—

Katz: Questionable.

Conklin: some days more questionable than other days, but that's what we—that's what our neighbors would prefer us to do. It's actually what we would prefer to do, and what we have tried to do. And that's why we have appealed to you for as favorable parking ratios as possible, to permit the building of a structured parking facility. And again, just to remind you, I don't want to go through all of the other arguments, the only reason why the 50%, 75% numbers have relevance for us, you're aware we already have surface parking facilities. And one of which, by the way, will be eliminated and replaced with a structured parking facility that this application results to. So the surface parking go away and the structured parking facility will go on it. But our neighbors, our immediate residential neighbors have expressed a preference for a different structured parking facility in a different place. That's what we have attempted to do, and if we did that, we would have remaining the surface parking lots which creates the ratio issue that we've tried to address. There's no more—it's no more or less than that.

Francesconi: You may not choose to answer this question. Is there a competitor for this other piece of property?

Conklin: we were—commissioner Francesconi, we were informed this week by the property owner that he either is in the process or perhaps already has entered into some instrument to sell his property to another purchaser. Which would be as we understand it, for a retail use.

Francesconi: A large box—

Katz: Large retail. Very large.

Francesconi: Well, let me see if i've got this right. We may end up—you may end up building a structure next to neighbors who want it, there could be a large retailer coming into the existing one. On the other hand, the practical effects of going to your 8-b amendment may be such an inducement that the surface lots won't get redeveloped for the rest of the area, at least that's my understanding. I don't know. I need to understand practically later from staff what the practical effect of 8-b would do in terms of—or commissioner Hales perhaps can answer that. We're kind of at the horns of a dilemma.

Conklin: as best I can explain it, we have at our current site surface parking facilities, including the Multnomah lot, which you're aware of, and when you add up the size of the structured parking facility, we would be apt to build—it doesn't make the 75% number. There's probably some number between 50 and 75 that would work, but instead of trying to figure out whether that number is 55 or 62, or something like that, we are the ones I believe that suggested the 50% under those circumstances. It is our intent, whether we do it on our existing property or some other property we acquire, to build structured parking not add surface parking. And either—in either case, on our own property we will eliminate surface parking. If we were to have acquired an adjacent site we would have eliminated surface parking to build structured parking there too. The issue here isn't ever adding surface parking. It is lowering it to some degree.

Hales: I'm more lost than I was before. Maybe i'm just having a bad day. There's nothing we can do in the adoption of one of these options that will change what you've done today? Right? You filed

an application to build a parking structure under the current regulations, which I assume doesn't need an adjustment. Right? Can somebody help here? I'm lost. So you filed to build a parking structure.

Conklin: on our existing site.

Francesconi: It's a different structure.

Hartnett: it is actually in for an adjustment review on a couple of portions of the site that—or the building that exceed the height limitation. Two of the stair towers will be higher, so it's in—

Hales: It's from—for employees in the building.

Conklin: and other visitors. This is our corporate headquarters.

Hales: Assuming the same parking use, you filed an application to build a garage to do that anyway. Under the current regs. Is there anything we can do here in adopting one or more of these versions that would change and cause you to withdraw the application you filed today and do something different?

Conklin: the cause for us to proceed with the parking facility on our existing site is the inability to acquire another piece of property on which to locate the parking structure that we discussed more advantageously from the perspective of the neighbors, and our own. We agree with them. It would be a better place to put it.

Hales: The fact you filed today had nothing to do with the timing of the new regulation?

Conklin: I don't—it wasn't actually filed today, it was filed a couple days ago. I'm not sure when. Do you have the—

Hales: That's okay, we understand it happens. We're not happy about it, but it happens.

Debbie Bischoff, Planning Bureau: their application came in in the spring prior to the hollywood and sandy plan being adopted. And I guess as through the permitting process, they realized—so they were subject to the previous zoning, which is general commercial zoning maximum building height 45 feet. Their two minor adjustments, one relates to, for example, the stairwell and the structure that's—it's 48 feet in height, so it's three feet above the 45-foot height cap. So—

Hales: Okay. Now I get it. It wasn't filed today. And therefore, all this is moot. We might as well adopt ah 8-a, right?

Bischoff: well, moot from the standpoint unless the opportunity to acquire—

Katz: Unless the competitor decides not to—

Hales: The competitor doesn't have an application in.

Bischoff: no. Can I add one comment? The hollywood and sandy plan added development potential to the providence office park site. Today the zoning is central commercial, and they could build to 75 feet in height. So I do believe they have the ability on their own property to redevelop and to provide structured parking on their own site if they choose to do so.

Hales: Okay. Now, this—this ominous big box competitor, the competitor in terms of the real estate deal for this property, trying to buy a piece of property in zone cx and try to put big box retail on it?

Bischoff: we have standards that would require minimum floor area and other requirement that's we're not sure this company could even meet on that site. So it's very much a big question mark.

Hales: If we did good—a good job on the hollywood and sandy plan, and I believe we did, that kind of development is not possible there anymore. Right?

Bischoff: well, it is a permitted use. But it would have to meet the standards—it would have to be an urban-type development in hollywood.

Hales: Right. Okay. I'm starting to track it.

Bischoff: I hope I wasn't too cryptic. I hope my comments—

Hales: It's better—

Bischoff: I hope you understand the point I was strike to make.

Katz: Commissioner Francesconi asked what the implications would be of adopting gary's amendment. A-b.

Hartnett: -- 8-b. The concern that this would—that I would have about this is that you're doing two things here. One is allowing them to have no maximums whatsoever in an area that is very well served by transit. And I just think that's out of step.

Francesconi: What would happen? What would happen—

Hartnett: what would happen in terms of what they could develop?

Francesconi: What would not develop because of that? Or what would develop? Tell me practically.

Hartnett: practically you could have 50% of the parking on the site remain in surface parking, and they'd only have to put 50% in structure. If part of what we're trying to get to—and they would have no maximums. If part of what we're trying to do is an efficient use of land, I don't think that gets there. And if part of what we're trying to do, particularly in placing well served by transit, to get people onto transit, I don't think you're going to do that either.

Francesconi: I'm not slow, but not quite that slow.

Hartnett: I don't think I understood your question.

Francesconi: I would love to help providence, but going that far is—I can't go that far. Council, where i'm at, and other people wanting to testify, is 8-c. That's where i'm at. If anybody is curious.

Katz: Did you want to add anything, debbie?

Bischoff: I was going to add to the 8-b proposal. Unlimited parking for providence would add to the traffic congestion and all that.

Francesconi: I know all that. That part I know.

Katz: Commissioner Hales, you have before you, and i'm asking you not to put you on the spot, but you are our transportation expert, you've got the—you've got 8-b, you've got 8-a, which is staff's adjusted language. You have b, you have c, which the majority of the task force supported when we asked them, and then you have 8-d, which was not supported by the task force with the exception of one citizen.

Hales: Right. Well, I guess—having heard what we just heard, I think probably 8-c is the way to go, because one of these things may come unbundled, and we want to give providence I think a reasonable opportunity to proceed, but not kick the barn door all the way open. Jillian, one of the reasons why I warned you in here was to get your recommendation about that. Is that what you think we ought to do? [no audio]

Hales: I hire people to argue with me, but she usually does that. I think if this thing was totally moot, if what they were doing today and the sale of the property to—the property wanted—if it completely blew away the possibility of them doing what the neighborhood planning group wanted to see happen, then i'd say go back to a and say, see you at the adjustment process. Susan? Did you have something to say?

Katz: Come on up. Use the mike.

Susan Feldman, Officed of Planning and Development Review: susan feldman, opdr, land use review division. I was trying to multitask here, and I wasn't able to do it.

Hales: Better than me.

Feldman: I just want to make this clear, providence thinks they're vested with the building permit. And you're relying on that for your decision. That's not accurate. I don't think they're vested. Do you have that code language? If that's what you're basing your opinion on, this might affect your opinion. They do have—and I wasn't aware—

Hales: I don't think they're vested. I understand that.

Francesconi: I'm not basing my opinion on that. I'm basing it on the testimony of—

Feldman: new hollywood regs and the new hollywood parking regs. Because they had an application that wasn't approvable at the time that it came in. It doesn't—

Hales: Right. Well, I don't—I wasn't basing it on the belief they were vested, but perhaps, gary, you can nod your head, perhaps erroneously I believed if you were able to consummate this land deal, you

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would prefer to proceed with a garage on that property versus the one that you already have in the permit process. Right?

Katz: Yes.

Hales: So that's—that was the assumption I was operating on.

Katz: And so—

Hales: Therefore my preference would be 8-c.

Katz: You can live with that? Okay.

Francesconi: I'm trying to be reasonable here. I dropped—I think it's the right thing to do.

Katz: Any more testimony on this? We'll take a vote toward the very end. Thank you. Susan—she left already. All right. Somebody let the task force know. All right. Let's start from the front, then. Susan, why don't you come on up again. This is—okay.

Olson: I have people signed up.

Katz: Come on up. Just tell us which section you're ready to testify on.

== with regard to the amended code language which represents code 33.266.555.

Katz: Which is 4, right?

== right.

Katz: I'm going to give you three minutes.

Lloyd Minten: my name is lloyd minton, native Oregonian, and senior managing director of holiday familial fouler. The largest commercial banking official in the nation. In my meeting this morning, with the retail task force, I was advised that the city staff bureau of planning felt that limiting parking supports the vitality of the industrial and commercial areas. And i'm here to reemphasize that I believe this position is absurd, and it's my experience as a commercial real estate mortgage banker involved in nearly 1 billion in commercial real estate transactions, that adequate parking is essential to the vitality of the commercial and industrial areas. As a company, we transacted about—a little over 12 billion in commercial real estate transactions last year worth over \$1 --180 separate capital sources nationally. One of the first questions that a lender asks is, what is the parking ratio, or what is the availability of parking, since lenders have a history of loans failing with inadequate parking. And inadequate parking can essentially kill a transaction or require a much higher interest rate to the borrower to compensate for the risk associated with reduced parking availability. That was essentially the comment that I wanted to bring forth this morning. Thank you.

Francesconi: So you are really speaking about that option b, 4-b. As I read this, I see your point. You think that it relates—I think it's a grammatical thing. I don't think that they meant to say, limiting it supports it. I think—or did they?

Minten: it appears to me in looking at—

Francesconi: Well, they may have actually meant what you said.

Minten: after looking at this, at the last sentence, it states, limiting the number of spaces allowed, and then we get down to the last sentence, supports the vitality of industrial and commercial areas. The central eastside industrial council had suggested adequate parking is critical for the vitality of industrial and commercial residential use.

Francesconi: I think maybe your interpretation was correct.

Minten: I think so. And I have seen—I've been involved in financing for the fox tower, the 1000 broadway building, a lot of the properties in the pearl district, and I know from experience that if the lender is not satisfied with the adequate parking, it's—

Katz: We're going to scrap all the language and go back to the original, which is what I think the committee wants to do.

Minten: thank you very much.

Katz: Okay. All right. Thanks.

Hales: Good point.

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Katz: All right. We have made a tentative decision just by our discussion of actually going back to the original language on 4.

Hales: Original purpose statement.

Katz: Right.

Hales: It's so good, it couldn't be up proved on. Whoever wrote it.

Francesconi: I guess I do want to agree with the point of the last testimony. If staff really meant that limiting parking supports it, the staff and I have a sharp disagreement.

Katz: All right. One second, gentlemen. Susan, come on up and let's clear this up, because I don't want commissioner Francesconi and you to have necessarily a sharp disagreement.

Francesconi: It's okay. It's business, not personal.

Hartnett: we'll just have a gentle disagreement. If you'll recall from the may testimony when this came up, I pointed out that the language that was being proposed really doesn't fit under the purpose statement for parking maximums. I said that perhaps it needs to be a purpose statement for parking as a whole.

Francesconi: I agree.

Hartnett: central eastside did not agree with that, and council's instructions was to figure out a way to incorporate within that purpose what they were asking for. Karen and I struggled very hard to figure out how to do that, because we agree, it's not the right way to do it. What i've given you is two things you might want to look at. One of the structure for the parking section, and it shows you where the purpose statements are. You'll note there is no overall purpose statement for parking, which is where you would talk about how parking functions overall in residential neighborhoods, in commercial areas, in industrial areas, why we would want to make sure there's enough but not too much, why we want to make sure it's laid out well. That's missing in our parking chapter. I said in may if this is what you want, here's the place to do it. So i'm still at the same place. If you want to do it, the right place is a purpose statement for the chapter overall.

Katz: Okay.

Hartnett: on the backside there's the purpose statement for minimum parking, which does speak to making sure we provide adequate parking. Okay? So—i'm done.

Francesconi: There's an old rule that i'm supposed to be familiar with. You're not supposed to get into an area of inquiry unless you know the end result. I got into an area that I didn't know, so let me apologize to you.

Hartnett: thank you.

Katz: Does that mean all the questions you ask you really know the answers?

Francesconi: Sometimes. [laughter] anyway. I think you should explore the purpose in parking. I think it makes sense.

Hales: I think we should quit while we're behind. I think they strove mightily to put that square peg into the round hole, and it didn't work.

Hartnett: at this point I would agree with commissioner Hales.

Katz: That's a quotable statement. Quite while you're behind. Okay.

Hartnett: thank you.

Katz: We got rid of 4. Gentlemen, I assume you're here on 5.

Hartnett: yes.

Katz: Go ahead and identify yourselves and make your case again.

Mike Bollinger, President, Central Eastside Industrial Council (CEIC): hank you, mayor. My name is michael, and i'm president of central eastside industrial council.

Wayne Kingsley, Vice President, CEIC: i'm wayne kingsley, vice-president of the council and the property owner in the central east side.

==as am i.

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Kingsley: we sent council a letter earlier this week, asking for consideration of four concessions on the parking ratio maximums that the staff has proposed. One issue which is the purpose statement, was not our fight to begin with. We were doing that as a citywide thing. Actually we wouldn't even be eligible for it. With withdrawing that—we're withdrawing that argument, or opposition. The next thing that we had in the letter was that we were asking for parking structures in the central eastside that they have no office maximums, but that the number of parking spaces be controlled by the central city parking review process. And the third thing we asked for was a 3.4 surface parking ratio throughout the central eastside. Since then in discussion was commissioners and staff, primarily planning staff, we would like to modify that request in that what we would ask for is a maximum parking ratio of 3.4 for central eastside sector subdistricts 1, 4, 5, and 6 to apply to both structured parking and surface parking. The last item that we came up with was really as a result of the staff's attempt to make a necessary come forming change, which is item 1. The history on that is we are raising a new issue, because we missed this the first time around. Actually we had a discussion with staff back in december on the comments i'm about to make on this, and came away with the impression that a particular procedure would continue to apply even with the parking ratios. And in fact it does apply. However, what i'm talking about is the provision in item 1 which you see under the amended code language where in the central eastside 30% of the site or 40,000 square feet, whichever is larger, is allowed outright for parking. Under the—when the staff moved that provision to the central city parking regulations and took us out of the special category when they opposed a maximum, remember earlier susan was talking about moving us to a section that had ratios. When they made the move to that section, another trigger came into effect and actually reduces the effect—reduces our ability to uses this provision, because this other trigger says the higher—another place on that same section says that in the event there are more than 60 spaces nonoffice use spaces on site, it automatically becomes such to a ccpr, or central city parking review, regardless of the 30% of the 40,000 square foot limitation. What this means is that if any industrial—wants to add a parking space, more than 60, they have to pay \$6,000 in fees and go—plus the professional time to create the document.

Katz: They're going to—

Kingsley: are they going to disagree?

Katz: They're listening and they want to check it out.

Kingsley: okay. Unfortunately it's in the 60 pages of regulation on central city parking, and it took us a while to dig through it. That's why it wasn't obvious to us when we are viewed this.

Katz: We'll check it out and see if that in fact is the case. If it is, we'll come back and discuss it. If we can't today, if not, this is coming back.

Kingsley: that's—to stay within my three minutes, mayor, i'm done.

Katz: Okay.

Francesconi: Let me ask a question. Staff, I need to—you to listen too to clear me up if i'm confused.

Katz: One second.

Francesconi: It looked— looks like we create the in the river district at least a different parking maximum for shared parking. Didn't we? I'm sorry, for preservation parking.

Hartnett: in river district subdistrict 1 only, that's correct.

Francesconi: At least there's a principle there. Is there a way that you could exempt—the answer may be no is there an—a way to exempt parking structures for the limited purpose of preservation parking or shared parking? I know those are two different things.

Hartnett: in the central city, parking is regulated by the kind of parking that it is. So there's growth parking, preservation parking, residential hotel parking, and there's a fourth one. Visitor parking. Thank you. So we don't directly regulate it through whenever it's structured or surface. We have some additional triggers for review, depending upon the amount of parking in a surface configuration, but for us to go to a regulation based on whether it's structured or not, and that determines how much

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parking would be allowed, is a radical change in how the cctmp is structured and how the zoning code language is structured. I think it's important to keep in mind that the crux of the cctmp is to manage parking in order to manage congestion. And as part of that, to make sure that we keep our air quality standards meeting the required standards. So any time you start stepping outside of a regulation that controls it, and says, you can have more, or an unlimited amount, we start eroding the basic purpose for that. So that's part of the reason why the structure was set up the way it was within the zoning code, to make sure we're carefully managing how much parking is allowed. And I think I saw stevie here. Am I correct? So if you have—if you want more detail about what was the underlying policies and principles when the cctmp was in place, i'd like steve to be able to address that.

Francesconi: No, that's all right. I'm just looking for a way to limit the structured parking. You don't think you can do it the way—

Hartnett: well, I would go back to what I said in my presentation. Particularly for the central eastside, there are a number of activities coming up in the not too distant future that give us an opportunity to look at them more specifically, and I would remind council that most of the zoning in subsectors 1, 4, 5 and 6 is industrial zoning. And in that zone, office uses are significantly limited. So to put a lot of energy right now into a parking maximum for use that's not really allowed right now, doesn't make a lot of sense.

Francesconi: Here's the problem i'm having. Let's forget this shared parking thing. What's wrong with the other side of the argument that you just made and said, fine, let's keep it at 2.5, then go to 3.4 in the other three, and look at it through this other process if you want to reduce it further?

Hartnett: my first response would be I don't see a problem with that. If that's going to make it possible for the council to get to that decision—

Katz: Say that again.

Francesconi: I'm not in favor of the proposed purpose statements amendments. I'm not in favor of the central eastside provision to have unlimited structured parking, but I am in favor of the compromise that was just testified to, to have it 2.5 in the industrial and 3.4 in the others. And then if you want to reduce it further, look at these planning processes.

Hartnett: where that would be is on page 5 of your matrix under the proposed amendment column, the first paragraph reads, amend the existing parking maximums, that would be deleted. The second paragraph that says, amend the proposed—

Katz: Wait a minute. Wait a minute.

Hales: Let's get out of the dickering and get back to what we're trying to accomplish.

Francesconi: You can do that, but I wanted to alert everybody as to where i'm at.

Katz: But it—

Francesconi: I'm not asking other commissioners to agree with me.

Hales: I want to know what we're trying to accomplish. Maybe you can do a better job than you were able to do last time. Let's say it's 25 years from now and all of us are dead or doing something more interesting than dickering over parking ratios. Tell me what the central eastside looks like. And tell me about a building, a specific building. Describe it for me, that you could build with the ratios that you want that you can't build with the ratios that you have that fits into the district that you want to see in 25 years. If you can do that, i'll vote for this.

Bollinger: commissioner Hales, what we're being told by the various commercial developers is that the price of our dirt has tripled over when my father was president of the central eastside. It's gone from a square foot to upwards of 15.

Katz: Gentrified it.

Bollinger: yes.

Francesconi: Something must be working.

Bollinger: but it's forcing us to look at industry in a different way than we have done in the past. It becomes less profitable to put up tilt buildings, warehousing and so forth. What we're being told is

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we're going to have to look at in new developments going vertical. With things that are approaching mayor office use than what have been traditional use. Whether—where the rub is on the parking issue is we presently have realistically no structured parking within the ceid. We are very limited surface parking and virtually all street parking. Our concern is if we are to continue to develop like you would hope over the next ten to 20 years, we have to have parking for that growth. And to me, and I think to the board, it seems impractical that you would rely on surface parking, so we're—we can use what we have, but we're looking at going up and using structured parking. We're concerned with 2.5. It's horribly expensive to build garages. I'm being told \$15,000 a space. So the more incentives that we can allow a developer to have to build a garage in the structured parking, the better.

Hales: You're describing the issue. I'm going to push you again. Tell me what the district looks like in 25 years. And tell me about the building. Get right down to specifics. Is it like the building that the bank built with the big parking garage? Is it like liberty center? Is it like lincoln is the center? In tigid. Tell me what the building that you want to build looks like. These numbers and ratios are all about the kind of buildings you can build. That's what this whole big fat code is about.

Bollinger: that's exactly right.

Hales: Painted me a picture. I'm not a smart guy.

Bollinger: in the strategy that susan referred to, where our buildings now are profitable and feasible to build are in the five to seven-story range.

Hales: 25 years from now.

Bollinger: they'll be higher, bigger and more dense in terms of employees.

Hales: Okay.

Bollinger: does that answer your question?

Hales: And how much parking does a building like that need?

Bollinger: in terms of preservation and we have no parking right now other than street parking.

Katz: Stop. If commissioner Francesconi isn't going to support this and isn't going to support the package, we might as well adjourn.

Francesconi: I'm not.

Katz: That's the reason that I questioned this.

Francesconi: But what I think we're going to have this debate, but it's nice to have the council mr. On an issue like this. I am going to support all the other compromise—the other decisions we've reached, but i've made movement, and I think we should go through all the other issues. On this one i'm not going to agree.

Katz: You will not—

Francesconi: I'm not going to agree to—

Katz: You're going to—

Hales: I don't get it.

Katz: You're going to move this to second.

Hartnett: this is my understanding. If you voted on item number 5 and it was a 2-1 vote, this amendment would fail.

Katz: I just got—that was the whole questioning at the very beginning of this. I thought, linda will explain, that—linda will explain—i thought and still do the code is silent on this. She doesn't agree with me. Which is all right. We're going to continue working on it. And robert's rules of order is operational. There's a disagreement on that.

Linda Meng, Chief Deputy City Attorney: my opinion is that it requires three members of the council to take any action. The code doesn't specifically say that motions require three votes, however it does say—it does have an exception that says certain kinds of motions can be carried by a majority. And I am interpreting that to mean other motions require three affirmative votes. As the mayor said, robert's rules of order says only a majority, but it's my opinion the code in fact does address this. Sort of a back-handed manner, but it does address it.

Katz: So we disagree. I'm going to have the city attorney pursue some further research on this.

Hales: Council is engaging in what we call in child development, parallel play. Me being one of the children. The legal issue is interesting. Maybe this is just all about politics. I really am trying to understand what these people want. Why do you think you need 3.5 parking spaces per thousand square feet in an office building? In the central city with lots of transit? Why do you think you need it? Tell me about what that building is going to be like. I'm really trying to understand. They can make a great case, which frankly nobody has yet, no no insult intended, but you haven't gotten me there yet. People come in here on development projects and paint a picture about how great it's going to be, and sometimes they persuade us and sometimes they don't. I'm asking you to do a little role playing and imagine this is a land use case, not a legislative wrangle over how much to give the central eastside when they ask for 3.5 and tell me what you're trying to build there. Because I don't get it. Are you trying to build beaverton there? Are you trying to build big surface parking lots with office buildings rising up out of the midst of them? Are you trying to build structured parking with office buildings on top of them? What do you want to build?

Kingsley: I think commissioner that at least from my point of view, mike can take a stab at this, what we're talking about is the day after this ordinance goes into effect, that we are then— if you apply 2.5 to the industrial sectors, and there is no structured parking, there is no general commercial parking, the most recent david evans and associates transportation study, done for the d.o.s., Would not even allow 10% mode split for public transportation because the public transportation was so poor in the area. I know we disagree on that, but that was the david evans conclusion. So 2.5 may work in the central city. Central eastside is not the central city. We don't have the amenities you have in the central city. We're looking at—

Hales: Tell me—I'm insulting you.

Kingsley: that's okay.

Katz: You are considered the central city.

Kingsley: I know we are. But we don't have the—all the things you've got in the core area.

Hales: Get out of the minutia. Please. Tell me about the building. I want to see the building. Somebody needs to show me in their mind's eye what you want you want to build a ten-story building with five stories of parking? What do you want to build?

Kingsley: the d.o.s., Commissioner, I don't care about 25 years right now. I'm looking at tomorrow and the next year. But the d.o.s. Talks about putting in five to seven-story buildings which are—have industrial tenants, but new economy industry tenants, which would be, for instance, a software or hardware design manufacturing company, beam that could potentially work on— sort of in an urban industrial park form.

Bollinger: graphic engineering, high-tech, you're going to be in the modular kind of manufacturing, you're going to get away from the 10,000 square footwear houses with five employees. I'm being told by developers it's no longer economically feasible, you've got to go up. That's where we are right now. I don't know where we're going to be in five or ten years, but I sure you I do know we're missing employers being able to locate into our district because they have no place to park their employees. We are full.

Hales: Tell me about a deal that hasn't worked because of this parking restriction. The—

Kingsley: the parking restriction hasn't put on until you vote. Right now we have no parking restrictions in sectors 1, 3, 4, 5, and 6. Or 1, 4, 5, and 6.

Hales: So why aren't these buildings erupting out of the ground?

Kingsley: because we have other zoning problems which we've come to council before as well.

Hales: Which is it?

Kingsley: no. It's not which is it, it's, this is in addition to. The zoning code prevents us from developing and putting on onerous parking ratio maximums, will make it even more difficult to develop. If we're trying to drive the businesses out, we'll succeed.

Hales: We're just trying to understand. Let's get back into the description of the future. The regulation resist supposed to—they're a blueprint for the future. We're going to have e-commerce employment on full block four plates, six or eight blocks— stories high—keep going.

Kingsley: this is in the d.o.s. Area.

Bollinger: we're looking to do maybe standalone garage facilities, and i've been—

Hales: What—where are people going to work?

== they're going to work in taller buildings.

Hales: And they're going to be doing software engineering, they're—

== creative service.

== multimedia.

Hales: These are the folks—

== television, radio.

Hales: 800.com, those kind of folks.

Kingsley: the greater proportion are locating in beaverton and wilsonville right now. A couple locating in the pearl district.

Katz: Not the last map i've seen. Most of them are in the downtown area.

Francesconi: I don't want to get into the pearl and lack of parking.

Kingsley: most of the new business we have is from northwest and pearl.

Hales: Pearl demonstrates one of jillian's favorite quotes, nobody goes there anymore. It's too crowded. So it's terrible for parking, but somehow you can't find enough square footage. It's all rented. You've got floor plates, full block floor plates, employment of how many employees per thousand square feet? Two, maybe?

Kingsley: probably ten.

Hales: Okay. High employee density, and what percentage of those employees do you expect to take transit to work?

Kingsley: well, according to the david evans study, zero today.

Hales: Come on. They would—

Kingsley: they would not give us credit for any public transit in the area, because the service was so poor. There's one hour—one bus per hour to omsi.

Bollinger: Multnomah county we have to had to give a sizable chunk of street parking to and they're the only employer with a structured parking facility.

Hales: If we're going to design your district for people to live like they live in beaverton, we're going to have to build a water avenue ramp. We're going to have to widen i-5 and every surface street we have is going to go to level f. Because you can't get that many cars in and out of the constricted real estate of the central eastside. You cannot make the place that you described work unless you have 50% of the people that work there getting there on transit. You cannot make the place work. You might make this deal work on this parcel. The first couple of guys might make it work. The next—and then after that, it's going to get harder and harder, and worse and worse, and you're going to have beaverton-style congestion in a Portland grid.

Kingsley: commissioner, maybe this is the deal. Maybe when the transit is put in place to support a 50% mode split, we'd certainly be willing to come back and revisit the ratios.

Hales: Rezone a district like we did with the river district, and you build a transit at about the same time. Granted, jim, the parking is terrible in the river district.

Kingsley: is this river district 1 or 2?

Hales: Which is why we started the streetcar at the same time we issued permits for new development the streetcar opens in one year today. July 20th next year, the streetcar is to open service. If we're going to rezone your district on another day in this room to be something other than low density employment in—and industrial zoning, we're going to have a transit plan to get people in and out of the district and we're going to build something like a streetcar that radically increases the level of

transit service. But to base the—assumptions like the parking on the transit situation that exists today is a terrible idea.

Francesconi: Which is what we did in part of the river district just a moment ago.
== he's only built part of the picture.

Hales: That was a special case. That's an area walled off by the railroad line forevermore. It's squeezed in between the railroad and the river. That's why we did that.

Bollinger: the transportation analysis, mr. Hales, we had done with d.o.s. Doesn't indicate anything nearly as poorly as far as our streets and intersections that you would paint. The biggest issue we'll be facing in the next five to ten years was that—the regional traffic going through 99. It wasn't inner city. But the problem we do have is, we can't park customers and employees anymore on just the streets. And we're concerned before we have not had economically an opportunity to build structured parking. I think we now, because of the increased value of the ground, we have finally a chance to start, and i'm saying, give us some incentives to build a few.

Hales: Let me put it differently why I feel so strongly about this. I'll put my whole point of view differently. You cannot design a successful central city district anywhere, go find me one—you cannot design a successful central city district around generous parking. You can't do it. There are too many people. 85 cars going 30 miles an hour using—use an acre of land. There's not enough land. You can't do it. You can't make a dense urban employment housing—I don't care what it is. You can't make a central city district work with generous parking.

Bollinger: we're not talking generous, we're talking adequate. We have none.

Katz: I'm going to put an end to this. We aren't going to be able to do with anything to this today. My—where i'm at, I want to see the d.o.s. Completed and to take a look at how the d.o.s., What your future looks like and then begin doing exactly what commissioner Hales says, begin tying it with transit in addition to taking a look at what parking needs you have. It is not that we're not sensitive to it, but that alone is not going to—is not going to make your district viable.

Bollinger: I agree.

Kingsley: can we leave the ratios where they are now until we go through this process.

Katz: Let's—

Hales: I don't understand what you mean.

Hartnett: do not change the ratios in 1, 4, 5 and 6.

Kingsley: that's basically what he would be proposing. Right now there are no office maximums. And you will recall that north macadam is the other central city sector that does not currently have office maximums. We've deferred that decision to be part of the north macadam project. I'm concerned about what that does for our functional plan compliance. We need to be able to show metro we have a specific work program that leads to the implementation of parking maximums for those subsectors, and I would also point out that the central eastside d.o.s. Is a very small area in comparison to subsectors 1, 4, 5, and 6 in their entirety. I'm concerned that we're expanding the geographic area and scope of that project and pdc is not here today to tell whether you there's adequate funds to do that. And it would be a pdc implementation projects.

Bollinger: there is one thing. Those are all industrial. And metro has—recommends no maximum parking ratios on industrial.

Hartnett: for the industrial uses, but if for office uses, which is what the proposal does—

Francesconi: Hold it. I thought—ultimately the statement that commissioner Hales just made, which was beautiful, is also accurate. The question is the time to get in. I thought what you said a minute ago was more restrictive than what I heard you just say. I thought the compromise you through out was to put a 3.4 on it, not unlimited, but you go to 3.4 now. And then it needs to drop further, because commissioner—I don't disagree with what commissioner Hales said. It's a question of timing. So then you look at this area and drop it to 2.5 through the study. That's the direction. But then you also build in other things. Transit and the other things. So what looks like we were far apart, we're not.

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And I actually thought that I saw susan agree with—you don't have to admit—i may be too strong. I didn't see a violent reaction, put it that way.

Hartnett: I basically said if that helps the council make this decision—

Katz: Susan—

Hartnett: mike may disagree with me.

Katz: I thought commissioner Hales was basically saying, leave it alone—

Francesconi: No. That would be unlimited.

Katz: Leaving—are you willing to compromise on that particular—

Hales: Here's what I don't want to do. I want to get out of this dickering. My frustration with your organization has been its inability to paint a picture of the future that is very complete. I hope you can do that for me. Maybe I haven't seen the picture you're painting.

== we're careful artists.

Hales: I'm a slow study. What I don't want to do is approve suburban office parking ratios for you now, and have that become an entitlement and have a big argument later about getting rid of them, or worse, approve suburban office parking ratios for this district and then have you come in and say, we want a bunch of transit. Give us a bunch of transit. But we also want to build buildings that are about half parking so we can be like beaverton, but we want you the public sector to come in with a bunch of transit—

Katz: Okay. So we need to go back to a 2.5 recommendation on this—in the central eastside.

Francesconi: That's what you want, mayor.

Hartnett: that's the staff's proposal.

Hales: I don't know why you're cutting this off, vera. We've got to have this discussion with these guys at some point.

Francesconi: I don't think this is the right setting. I think a discussion like you're suggesting with more—

Hales: I've seen that discussion take place. I've seen it at the metro table, at impact, in other districts in the city where business people have come to us and said, transit is great. We like transit. Maybe someone will ride it. And we want you to let us build buildings like the suburbs, but spend money to bring us transit. This happens in Washington county all the time. It doesn't work. The only way to make central city districts work is for the business community and the public sector to look at each other and link arms and say, okay, we're going to do something different. We're going to—we the public are going to dig deep and build transit, like we're doing with the streetcar and light rail, and we the private sector are going to build different buildings than we build in beaverton. That's got to be the deal. If you say we want to get ahead of you and build buildings that park themselves, if you want to bring that trolley along later that's fine. Guess what? The trolley doesn't work, because everybody is driving to work and you can't get the trolley down the street. Or the bus. It only works if you're in it together. It only works if you say, okay. We're going to build at much lower parking ratios. We've got developer—we have housing developers down here in the river district where we looked them in the eye and made that deal and said, okay. We're only going to build one parking space for these new condos. If you build the streetcar. And you know what they're building? .7 parking spaces. They're building under that ratio, because the whole deal is working so well. But if we let homer williams go in there and start building buildings at two or three spaces per unit, we'd never have gotten the density to make the whole thing work. So you've got to be in it together. I don't want to have you guys get used to suburban ratios and have that become part of the plan, quote unquote for the district, and then have you come back to us two, three, ten years later and say, how about that streetcar?

Bollinger: I don't think we have the luxury of having suburban feelings, because we don't have the price that's would allow us to think that way.

Hales: Your prices—

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Bollinger: they are escalating. That is a concern on one side, but it also is an opportunity. Understand, we don't have a line of commercial people looking at developing the central eastside. We have been approached, but there's nobody breaking ground other than a couple projects right now, and none of them are five to six, seven-story buildings, that's one reason d.o.s. Is the study that sit going on. From that, considerable amount of information is coming out. Part of it is an inadequate amount of transit. Again, going back to what the mayor told us in our december cruise, we have an objective I felt, at least I understood from metro, of adding some nine to 10,000 more jobs in the central eastside. And if that's—if that is in fact coming from metro, if we have to add employment into the central city, we're willing to do so, we have property. But it's going to have to be developed in an economic call way, and we are being told that developers will not build under a multistory buildings anymore in our district. They can't make money at it. On the other side of the coin, if we do have to look at employment densities that are traditionally higher than what we're used to, you've got to have parking that we do not have right now in the district. I think what i've been told is that we for the first time economically can build standalone parking structures—stand alone parking structures. I don't know what comes first, the chicken or the egg, but we're having employers right now that are walking past this because there's no place to park their employees. They will not locate there.

Francesconi: I think we have here's where i'm at. We have disagreement on timing, strategy, et cetera. But we have agreement on this fundamental point. We need more public infrastructure, especially transportation, in the central eastside, like we have in the downtown, and we have to make sure the resources are distributed fairly to include the central eastside, and then we need to lower the parking ratios. And you aren't getting both. Now, can we—i don't know where we go from here.

Katz: I'll lead the council through this.

Hales: I'm done.

Katz: Okay. The recommendation that probably commissioner Hales and I would support can't be voted on today. So we just right now we're nowhere on this particular issue. So let's go back to item—substitute page 1, item 1. I think I understood the council supporting the amended—

Hartnett: i'm not sure that these guys are done with their testimony.

Katz: You're not done?

Kingsley: the other issue was the 60-space forcing the—

Katz: Right. I didn't forget that. We need to—that was what I was going to say.

Kingsley: we're out of here.

Katz: Thank you, gentlemen.

Kingsley: thank you for your time.

==are there other people to testify?

Katz: I just wanted to say, for both of you, I don't think the council disagrees with where you and us want to go with the central city. It really is a matter of timing. And a matter of looking at least the d.o.s. That we've been working on, and probably having to look at it in a much bigger area. I have had that beginning conversation with pdc, but it isn't in their work plan. So we will need to—or planning. We need to sit down with them and see in light of the work that you've done, where do we go from here.

Francesconi: I think that's the real issue.

Kingsley: and the other thing, mayor, we have employers today, it would be illegal if that 2.5 passed. They would have too many employees in the office space. I know one. That's me. I've got five per thousand.

== they would become nonconforming.

Kingsley: if somebody else came in, they—

Katz: We're not—i'm not even sure what we'll end up with right now, since we can't deal with it today. All right. What's the anxious on the—the answer on number 1 item?

Hartnett: the substitute 1?

Katz: Yes. Have we—by positioning the language where you organize it, have we triggered something else?

Hartnett: yes. They are correct. By moving those, the lower albina subsector and the four central eastside subsectors into the section that we moved them, we are triggering a central city parking review for more than 60 spaces. That is correct.

Hales: More than 60?

Hartnett: more than 60 or more than 40,000 square feet, or more than 30% of a site may day has a lot --

Hales: That's a lot.

Francesconi: If you're at 60 you at one—

Hartnett: if you're at 60 and you add one, that's correct.

Francesconi: Why does it— as an aside for everybody, is that right? Is that fair? Can't there be a slight—why does it take so much if you're just adding one or two?

Hartnett: well, I would—I'd ask steve if he wants to add anything. One of the things we're always dealing with in the code is that you have to set a number someplace. And it's a trigger. The 60 spaces to begin with is approximately a half a block. And I think that was—

Francesconi: I don't have any problem with that.

Hartnett: once you said a number, anything better than that number steps you into the other arena. So it's the same thing with f.a.r.s, setbacks, all of that.

Francesconi: I understand that. The answer may be you have to do as much work or it takes as long for one space as 600 or whatever.

Hartnett: yes.

Francesconi: But I need to hear that from staff. Is that the answer?

Hartnett: steve or jean, can one of you come up here? Steve, you might be best. This is a cctmp question related to the 60 spaces.

Francesconi: Apparently it's 60. Why—once you go to 60 you go through a more expensive process. Which apparently caused 5 to \$6,000.

Katz: Steve, go to the mike. Identify yourself.

Steve Iwata, PDOT: steve, with the Portland office of transportation. This is all districts?

Hartnett: by moving lower albina and the four central eastside subdistricts the way we have, we've moved them into the section where the 60-space trigger for nonoffice uses now requires the ccpr, whereas previously it was only the 40,000 square foot.

Iwata: objection. Okay. Well, I don't know the specifics. I have—I haven't read the regulation. So I could tell you the philosophy.

Katz: Why don't we bring this back. I don't want to spend any more time on this. Work through this—

Francesconi: See if you can figure out an answer. If you can't, then you can't.

Katz: Okay. Susan, let's clarify that next time you come back.

Hartnett: what is it you're trying to clarify? I'm not clear what it is.

Francesconi: I'm not trying to clarify anything. I'm trying to save money so it doesn't cost 5,000 bucks for—

Hartnett: are you looking for a trigger or are you not looking to move these four sections into that trigger—

Francesconi: Those are answers. I don't know what i'm looking for. Because—but I don't feel so bad, because steve is not sure what the issue is. So I feel a little better. I'm looking for—it seems like a lot of money to be in a different process that costs \$5,000. So i'm looking for a cheaper way. If it's not a major addition.

Karen Howard, Planning Bureau: karen howard. Right now in the central eastside, they have a trigger for service parking, which is 40,000 square feet or 30% of the site, whichever is greater. 40,000 square feet is about 120 parking spaces, surface parking spaces. So when we move these sectors into this other section of code, they'll have an additional trigger. That's the 60-space trigger, and that's—in every parking sector in the central city that has office maximums, they go hand in hand with the nonoffice use 60-space trigger. So we're talking the difference between a development that would come in with 61 spaces, would trigger a ccpr. Now, with these new regulations right now, if they have a 40,000-square-foot—more than 40,000 square feet of parking it triggers a ccpr. We're talking the difference between 60 spaces here. So the change is not that significant. It means that, yes, there is additional trigger between what the regulations are now and what we're proposing.

Francesconi: I'm lost.

Hales: Susan needs to cover her ears when I say this. Someone has a 60-space lot and they want to add one space, it costs about \$89. That's what a striping machine costs at power rents for four hours. [laughter] if they want ten spaces, they see susan.

== the history of that is—

Katz: That was off the record, right?

Iwata: the intent of this review, in the central city we wanted to see development happen instead of surface parking lot. So we established a trigger to say at a certain size we wanted to ask the question, if you get too big in terms of surface parking lot, what's going to happen to that surface parking lot in the long term?

Francesconi: I think that's good.

Iwata: the purpose of the review was to ask that question.

Francesconi: I think that's good. I'm not having a trouble with the purpose of the review. Even if some—in some of their own recommendations, they cite the review as another process. I caught that. I just think it sounds expensive. So that's all.

Katz: Okay. Let's go through. With that understanding, is there general agreement that we ought to adopt item 1 as amended? An amendment to the amendment?

Francesconi: I'd like staff to look at the cost question and see if there's anything to be done on a sliding scale. If the answer is no, the answer is no.

== we can do that.

Katz: Okay. Item 1-a. There was no disagreement on that. That's the river district.

Francesconi: Right.

Katz: Okay. So that's adopted. So both 1 and 1-a is adopted. Now let's jump to 3.

Hartnett: madam mayor, what you said, item 1 and 1-a, you mean item 2 on page 1-a.

Katz: That's right.

Katz: 3. I didn't hear any disagreements on 3.

Hales: That's fine.

Katz: So 3 is adopted. We will not be able—no. 4, we're going to leave the original language. Okay. So that's been adopted. 4-b relates to that. On 5, we are nowhere. Hold it.

Francesconi: Where somewhere. We're going to throw out 6 at least. You're right. We're nowhere.

Katz: That will have to come back for the rest of the council to decide. Even though we have a majority according to at least today, our rules don't allow us to adopt anything. Which baffles me. All right. Item 7, pfeifer's amendment. I think—

Hartnett: i'm sorry, item 6 on page 6.

Francesconi: You can do 6. We should throw that out.

Katz: 6.

Hales: Oh, yeah.

Katz: I didn't—

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Hartnett: that's a no?

Katz: That's a no. That's why I didn't mention it. We'll adopt 7-b. Correct?

Hales: Correct.

Katz: All right. We will adopt 8-c. Correct?

Francesconi: We did a lot.

Katz: And we got stuck on 4.

Hartnett: so my understanding, then, is that I will need to come back probably august 23rd or 24th, which is the next time you have four council members present. You will vote this final amendment then --. and then we'll come back for a second reading after that.

Katz: We don't need to.

Hartnett: okay. So when with you will—will you do the second reading?

Katz: What we can do is you can bring the final amendment and we'll be—we'll discuss that at the very beginning. We've had enough conversation.

Hartnett: both at the same time?

Katz: Both at the same time. If it's something brand-new, then we'll probably have to lay it over. It's not an emergency, so we can do it that way.

Hartnett: okay. That works.

Katz: Linda, I don't want to hear from you.

Francesconi: To narrow it even further, we don't have an option developed. I'm not going to support going to three-four in the office area the way the central eastside originally proposed. They want to go—we're going to narrow the districts. You need to prepare another option. Do you see what i'm saying?

Hales: No. I don't understand.

Francesconi: That's all right.

Katz: You came—you came originally—

Francesconi: Forget I said anything.

Katz: You came originally on that item with a 2.5 recommendation.

Hartnett: staff's recommendation is 2.5 per thousand. The amendment in front of you proposes 3.4 for all of the subsectors. As I understand it, commissioner Francesconi is saying 3.4 just for subsectors 1, 4, 5 and 6, and leave 2.5 for 2 and 3.

Francesconi: Page 5, I crossed out this idea of expanding to 3.4 in areas—

Hartnett: correct. As I understand what you're saying, it's delete the first paragraph under the column proposed amendment, but keep the second paragraph. So is council asking me to propose two—give you two options—three options? Staff's recommendation, central eastside's alternative, which is what's in front of you, and commissioner Francesconi's alternative, which is—

Francesconi: No. What i'm saying is, the third option in central eastside, in effect you have three votes— [no audio]

Hartnett: just bring back the two. Staff's recommendation and commissioner Francesconi's alternative.

Katz: And if there's anything else that makes some sense, i'd be willing to look at it. But I haven't heard of anything.

Hartnett: you're asking me to pull a rabbit out of a hat. You're asking me to pull a parking stall out of a hat.

Katz: All right. So we've adopted everything except item number 4 today. We have had a lengthy conversation, a good one, on the future of the central eastside. And the issue of parking there. I agree with commissioner Hales. One of the major complaints on the central eastside is they can't move. They don't have the ability to move their goods and services and we would be adding more cars on the street. It doesn't make any sense. I also don't glee with our city attorney, but we'll have to come back with that next time we meet.

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Francesconi: I do have another alternative, the rabbit out of the hat. It will have to come from you, mayor that. Is some specificity on a planning process that gets at the whole issue of the central eastside.

Katz: Well, and that would—

Francesconi: That would be the third option that would convince me.

Katz: That may be fair enough. I don't know today what—how I could respond to that. But it's something that I will take to gil and felicia at the same time. So let's put that on the agenda, because we did have a preliminary conversation about that. Okay? We had a wonderful afternoon, everybody. We stand adjourned.

At 3:40 p.m., Council adjourned.