



CITY OF
PORTLAND, OREGON

OFFICIAL
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **12TH DAY OF MARCH, 2003** AT 9:30 A.M.

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

Commissioner Leonard arrived at 9:44 a.m.

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

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

| COMMUNICATIONS | Disposition: |
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| <p>205 Request of Dr. Sam Oakland to address Council regarding final report on the eviction of the Pioneer Post Office (Communication)</p> | PLACED ON FILE |
| <p>206 Request of Carlos Jermaine Richard to address Council to give a simple prayer (Communication)</p> | PLACED ON FILE |
| TIME CERTAINS | |
| <p>207 TIME CERTAIN: 9:30 AM – Create a friendship city relationship with City of Bologna, Italy (Ordinance introduced by Mayor Katz and Commissioner Francesconi)</p> | <p>PASSED TO SECOND READING MARCH 19, 2003 AT 9:30 AM</p> |
| <p>*208 TIME CERTAIN: 9:45 AM – Adopt a 2003 PGE Park Season Program to regulate parking in Northwest Portland and authorize the Portland Office of Transportation to implement the program (Ordinance introduced by Commissioner Francesconi; waive Title 16) (Y-5)</p> | 177315 |
| <p>209 TIME CERTAIN: 10:00 AM – Accept Bureau of Environmental Services efforts to increase diversity in the workforce and in the workforce of those with whom the City contracts (Report introduced by Commissioner Saltzman) Motion to accept the report: Moved by Commissioner Leonard and seconded by Commissioner Francesconi. (Y-5)</p> | ACCEPTED |

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| <p>210 TIME CERTAIN: 10:15 AM – Accept the South Waterfront Greenway Development Plan Phase 1 Report and confirm specific objectives for the greenway plan, criteria for a successful outcome and issues for consideration (Report introduced by Mayor Katz)</p> <p>Motion to accept the South Waterfront Greenway Development Plan phase one report, confirm specific objectives for the greenway plan, criteria for successful outcome, issues for consideration and continuing to work as a team: Moved by Commissioner Saltzman and seconded by Commissioner Sten.</p> <p>(Y-5)</p> | <p>ACCEPTED</p> |
| <p style="text-align: center;">CONSENT AGENDA – NO DISCUSSION</p> <p style="text-align: center;">Mayor Vera Katz</p> | |
| <p>211 Accept contract with Swinerton Builders, Inc. for the construction of Fire Station 12 as complete, authorize the final payment and release retainage (Report; Contract No. 33884)</p> <p>(Y-4)</p> | <p>ACCEPTED</p> |
| <p>212 Authorize the City Attorney to petition the Oregon Court of Appeals for a determination of the validity of a state administrative rule regarding the urban growth boundary (Resolution)</p> <p>(Y-4)</p> | <p>36126</p> |
| <p>*213 Extend Legal Services Agreement with Brown Reavis & Manning for outside counsel (Ordinance; amend Contract No. 34620)</p> <p>(Y-4)</p> | <p>177302</p> |
| <p>*214 Pay claim of Bruce Browne (Ordinance)</p> <p>(Y-4)</p> | <p>177303</p> |
| <p>*215 Amend agreement with Innovation Partnership to increase the amount from \$15,000 to \$25,000 regarding stakeholders and the development review (Ordinance; amend Contract No. 34518)</p> <p>(Y-4)</p> | <p>177304</p> |
| <p>*216 Execute Intergovernmental Agreement between Bureau of Planning and Portland Development Commission to plan and implement urban renewal projects (Ordinance)</p> <p>(Y-4)</p> | <p>177305</p> |
| <p style="text-align: center;">Commissioner Jim Francesconi</p> | |
| <p>*217 Grant revocable permit to Dan & Louis' Oyster Bar Inc., to close SW Ankeny between 2nd and 3rd Avenues on April 5, 2003 (Ordinance)</p> <p>(Y-4)</p> | <p>177306</p> |

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| <p>*218 Accept dedications and easements for the NE Martin Luther King, Jr. Boulevard and NE Fremont Street Intersection Project and authorize payment (Ordinance) (Y-4)</p> | <p align="center">177307</p> |
| <p>*219 Contract with Counsilman Hunsaker & Associates Inc. to provide aquatic design services for the upgrade of Wilson Pool (Ordinance) (Y-4)</p> | <p align="center">177308</p> |
| <p align="center">Commissioner Dan Saltzman</p> | |
| <p>*220 Accept a grant from the National Association of State Energy Officials in the amount of \$95,000 for digester gas field research and testing at Columbia Boulevard Wastewater Treatment Plant (Ordinance) (Y-4)</p> | <p align="center">177309</p> |
| <p>*221 Accept execution of an easement for the West Side Combined Sewer Overflow Tunnel Project granted by Hoyt Street Properties, LLC, and authorize total payment of \$59,500 (Ordinance) (Y-4)</p> | <p align="center">177310</p> |
| <p>*222 Accept easements for pump station, access, utility and sewer for the South Airport Sanitary Trunk Sewer Project - Phase II and authorize payment (Ordinance) (Y-4)</p> | <p align="center">177311</p> |
| <p>223 Authorize an Intergovernmental Agreement with Metro to offer up to \$300,000 from the Solid Waste Management Fund to attract a commercial food waste processor to Portland (Ordinance)</p> | <p align="center">PASSED TO SECOND READING MARCH 19, 2003 AT 9:30 AM</p> |
| <p align="center">Commissioner Erik Sten</p> | |
| <p>*224 Amend agreement with the Housing Authority of Portland for the Consolidated Rental Services reduce available funds by \$20,000 to \$355,361 and amend scope of services (Ordinance; amend Contract No. 34331) (Y-4)</p> | <p align="center">177312</p> |
| <p>*225 Authorize agreement with Lutheran Community Services for \$40,000 for the FamilyWorks East Portland Outreach and provide for payment (Ordinance) (Y-4)</p> | <p align="center">177313</p> |
| <p>*226 Amend the 2002-2003 contract with the Portland Development Commission by \$2,084,485 in Community Development Block Grant funds and \$6,999,454 in HOME funds and provide for payment (Ordinance; amend Contract No. 34405) (Y-4)</p> | <p align="center">177314</p> |
| <p align="center">REGULAR AGENDA</p> | |

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Mayor Vera Katz

*227 Authorize issuance of a Request for Proposals for Garage System Services, exempt contracts for security and janitorial services from the competitive bidding requirements of State law and City code, and exempt the selection of garage management services from the requirements of Code Section 5.68 (Ordinance)

Motion to substitute Exhibit A-1: Gaveled down by Mayor Katz after no objections.

Motion to move the pre-inspection walk-through to March 26, 2003 and pre-bid meeting to March 27, 2003 and move out the QRF proposal date by a week: Gaveled down by Mayor Katz after no objections.

(Y-5)

177316
AS AMENDED

228 Extend deadline to June 30, 2003 for Single Family New Construction Limited Tax Abatement Applications submitted prior to January 1, 2003 and allow additional extensions on a case by case basis approved by City Council up to six additional months to end December 31, 2003 (Second Reading Agenda 181)

(Y-5)

177317

Commissioner Jim Francesconi

229 Adopt the Oregon Department of Transportation Routine Road Maintenance Manual for Water Quality and Habitat Guide Best Management Practices, July 1999, with minor modifications, as an interim guide for the Portland Office of Transportation (Resolution)

Motion to adopt the manual: Moved by Commissioner Leonard and seconded by Commissioner Saltzman.

(Y-5)

36127

At 12:11 p.m., Council recessed.

March 12, 2003

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **12TH DAY OF MARCH, 2003** AT 2:00 P.M.

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

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Linda Meng, Chief Deputy City Attorney; and Officer Curtis Chinn, Sergeant at Arms.

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| <p>S-230 TIME CERTAIN: 2:00 PM – Accept Community Partnership Steering Committee recommendations for reform of Business License Fee and Multnomah County Business Income Tax (Resolution introduced by Mayor Katz)</p> <p>Motion to accept the substitute: Moved by Commissioner Leonard and seconded by Commissioner Saltzman and gaveled down by Mayor Katz after no objections.</p> <p>(Y-5)</p> | <p>Disposition:</p> <p>SUBSTITUTE 36128</p> |
| <p>S-231 Impose temporary surcharge on Business License Fee to provide funding assistance to Portland Public Schools (Ordinance introduced by Mayor Katz; amend Code Section 7.02.500)</p> <p>Motion to accept the substitute: Moved by Commissioner Saltzman and seconded by Commissioner Sten and gaveled down by Mayor Katz after no objections.</p> | <p>SUBSTITUTE PASSED TO SECOND READING MARCH 19, 2003 AT 6:00 PM</p> |
| <p>S-232 TIME CERTAIN: 3:00 PM – Provide bridge funding for Portland public schools for four years until the State Legislature provides adequate and stable school funding and support a county-wide funding package for local schools, human services and public safety (Resolution introduced by Mayor Katz)</p> <p>Motion to accept the substitute: Moved by Commissioner Sten and seconded by Commissioner Saltzman and gaveled down by Mayor Katz after no objections.</p> <p>Motion to amend page 1 the second whereas under Public Schools add at the end of the last sentence or mental or physical abilities: Moved by Commissioner Saltzman and seconded by Commissioner Leonard.</p> <p>Motion to amend page 3 the second whereas, third paragraph after children of color add the words children with disabilities: Moved by Commissioner Saltzman and seconded by Commissioner Sten.</p> <p>(Y-4; N-1, Francesconi)</p> <p>(Y-5)</p> | <p>SUBSTITUTE 36129 AS AMENDED</p> |

At 4:47 p.m., Council recessed.

March 13, 2003

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **13TH DAY OF MARCH, 2003** AT 2:00 P.M.

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

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Frank Hudson, Deputy City Attorney; and Officer Curtis Chinn, Sergeant at Arms.

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| <p>233 TIME CERTAIN: 2:00 PM - Consider the Land Use Board of Appeals remand of the application by Rowen Rystadt, applicant and Terry Carney, property owner, for a zoning map amendment to address the adequacy of Police Services and the On-Street Parking Management at 8816 N. Edison Street (Previous Agenda 178; LUR 02-00027 ZC)</p> <p>Motion to adopt Council's previous decision and add new condition of a limit of 35 units: Moved by Commissioner Sten and seconded by Commissioner Saltzman.</p> <p>(Y-4; N-1 Commissioner Leonard)</p> | <p>Disposition:</p> <p>TENTATIVELY DENY APPEAL WITH MODIFICATIONS. PREPARE FINDINGS FOR APRIL 3, 2003 AT 2:00 PM TIME CERTAIN</p> |
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At 3:25 p.m., Council Adjourned.

GARY BLACKMER
Auditor of the City of Portland

By Karla Moore-Love
Clerk of the Council

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

MARCH 12, 2003 9:30 AM

Katz: Council will come to order. Karla, please call the roll.

Francesconi: Pretente.

Katz: Grace, right?

Saltzman: Here. **Sten:** Here.

Katz: Present, thank you. All right, let's take 205.

Item 205.

Katz: Come on up.

Sam Oakland: my name is sam oakland. Live at 3446 northwest thurman for the last 30 years. Since 1995, 1996, i've been fighting to stop three judges from taking over the pioneer courthouse post office evicting the post office. Friday is the last day of service for the u.s. Post office. In the history going back to 1875, and if we do not continue to fight, we will lose it forever. As you know, it has to be seismically upgraded, and they are cutting a hole in the side of the building, and someone figured in the g.s.a., that we can just build a parking lot underneath. You have documents that now say it's also going to be for delivery trucks. Delivery trucks will be going underneath the pioneer, and that's wrong. Cars going under it is also wrong. On friday, will there be a rally at 12:00 noon. Congressman blumenauer will talk. I hope explain legislation that we will try to push through to keep the post office and allow it to go back. The post office has agreed to put in a temporary station there on pioneer square if we can agree that they will be allowed to come back after the seismic upgrade, but only if we can agree they will be allowed to come back. The issue is very clear. The whole building goes over to three judges. They tear out front and build a new entrance for themselves. They cut in the side and build a parking lot underneath, and of course, they deprive 900,000 people of the benefit of going into the post office. So, I invite you, mayor Katz, and other members of the council, to come down at noon to just be a presence. If it rains, we are going to move inside the post office. The post office people know this, and we are going to sing lampooning songs after, after, in the great tradition of satire. I thank you for your kind consideration after all of these years, and I hope this doesn't have to go to a lawsuit. I hope that. And I hope the post office comes back. And I hope we can keep the building for the people of Portland. I know you have tried. I know you have that issue of crossing the tracks going into the building, but now it's going to be trucks, as well as cars. Thank you very much. I won't be seeing you for a while. Thank you.

Katz: I think I can fairly say on behalf of the council, thank you for taking up this issue. Historic preservation is something that, that's important to a lot of us here in the city. You have taken a banner, basically, alone with a few others to help you, and I hope that we will all succeed and we will be able to bring the post office back. Thank you. All right. Item 206.

Item 206.

Katz: Make it simple. Hi. Identify yourself for the record.

Carlos Jermaine Richard: Amen. My name is carlos jermaine richard, and I say good morning to the mayor and the distinguished council members. We are missing commissioner leonard, but that's ok. We will let the mayor and the council members know you are definitely in our thoughts and prayers away from city hall as you deal with the things you have to deal with and some of the

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issues that are facing our city, but we also want to let you know that we are with you inside of city at all, as well, so this is why we come and offer a simple prayer not only for the mayor and council members but for our elected officials in the city in hopes of one day that some, some things will turn around and our city will not only be the number one livable city, but it will generate some finances and some revenue so that all of our citizens can certainly enjoy the number one livable city right here on the west coast. Father, we thank you for being here guarding us inside the city council. We thank you for this open door, god, that the council members and the mayor and the citizens have provided for individuals to come and pray, father, for the council members and for the mayor and for all elected officials. God, we just pray a prayer of encouragement knowing that it's going to get better, knowing that it's going to get better in this city one day soon. We thank you, god, for a sweet restoration of the things, god that, have been troubling the city. Father, we thank you for wisdom and prudence. We thank you for guidance, lord, that you are going to give the mayor, council members, and all the elected officials, god, as to the direction of this city. Father, ultimately we hope the city comes back to you. We offer up this prayer, father, in your name, amen. Thank you.

Katz: Thank you, let's take the consent agenda items. Any items to be removed off the consent agenda? Any items wanted to be removed off the consent agenda? If not, roll call.

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

Katz: Mayor votes aye. All right. Time certain. 207.

Item 207.

Katz: As you are coming up, we are happy to welcome our seventh sister city for the city of Portland. It's, first, true european city, and it's been one that's been on a lot of people's minds. It's a city called "bologna" it is very similar to us. It has a highly educated population. It rains a lot. They love food. And the arts and with the lufthansa service that will be starting very shortly, we will have opportunities to reach you in a much quicker way, direct flights from the city of Portland.

So, I will turn it over now to commissioner Francesconi.

Francesconi: Well, thank you, mayor, and thank you for allowing us to be our next sister city. What we are going to do today is formally establish bologna as a friendship city, and I will save my thank yous for later, but let me introduce the chair of the board, george passadore, the president of the board josepe d'alessandro, and the italian consulate andrea bartoloni. Who will explain more about what's in this for the citizens of Portland. George.

Francesconi: Or joe.

Joe D'Alessandro, Portland Oregon Visitor's Association: [speaking in Italian]

George Passadore: Thank you. Members of the council and mayor, thank you for giving us this time this morning to be able to just spend a few moments talking about the subject, but i'd like to preface my comments by mentioning that we know the burdens that you are facing at this time, and in many ways, it seems trivial for us to be here today on a day where you have got so many other activities that you are going to be dealing with of a much higher level of importance. I'd also like to let you know that in addition to chairing the Portland, Oregon, bologna, italy sister city association, I also serve as chair of the Portland business alliance. I want you to know although we have some divergence of opinions, that we are committed to partnering and working with you in helping you solve the problems that we all face. Now, onto the subject of bologna, it was about a year and a half ago that, and perhaps just a little in advance of that, that commissioner Francesconi started to, to playfully talk with some of the members of the italian community, including ourselves, about the possibilities of a sister city. We put in organizing group together, and we held a dinner meeting, which we had the mayor in attendance, as well as commissioner Francesconi, and about 26 individuals who helped us begin to frame what would ultimately allow us to be here today in talking with you in this setting. We had felt after we got over the initial fun of talking about a sister city in italy, we really thought about how we could make this more of an economically viable, as well as

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culturally entertaining and educational activity, and that is what we have been doing over the past year and a half. This past week we, we organized a -- we moved from an organizational board to a formal board this week, we adopted formal bylaws and resolutions. We have put into motion through our attorneys the necessary legal work to qualify for 501-c-3 status, and we believe we are well on our way. We have a delegation of bolognaise who will be here in june for the rose festival. We are planning a number of activities, which we will also be asking the mayor to be at the center and the focal point of a receptions and opportunities to meet and greet our guests. As to the economic aspects of this -- we have been doing a lot of work. We have been working with Portland state university, who has developed a complete plan, has already submitted a plan through their college of urban affairs where we have been instrumental in helping them develop an italian study's program of how we will be able to interface our university with the university of bologna. We have been working with the Oregon health and science university as university of bologna, which, incidentally, is the oldest university that's still in existence, founded in 1053, has a huge medical component with it research activities that have gone on there include research in leukemia and other areas of significant disease, that mirror very closely the work that is taking place at Oregon health and science university. We have met with officials at tri-met as this is one of the largest infrastructure needs that the city officials in bologna have discussed with us, their need to be able to move their citizens around in a manner, we feel, in this area that we have put a model in place that has not only caught the attention of the people of bologna, but has become a model for Portland to the nation. We will be meeting with the -- when the bolognaise are here, they will be meeting with the engineering companies that helped build the tri-met system, companies such as david evans, shields oblitz, parkers and brinckerhoff, so that they will have an opportunity to show their wares and in the hopes that economic trade would develop between them. We work with the art museum, and they are quite anxious. In fact it was john and lucy buchanan who felt that bologna would represent the best opportunity for exchanges because of the museums and the art that was held within those museums. So, we are -- we are well on our way structurally. We are well on our way financially, which is also very important. We had over 60 people in attendance at our fundraising dinner monday evening at the zoo, and we have got a lot of activities that we are planning for this visit in the summer. I'd like to also ask the members of our board and organizing committees who are here present with us today if they could just stand and have an opportunity to see them.

Katz: Nice to have you here. Thank you.

Passadore: To summarize our goal is to make this more than just fun. The travel bank that was created, which took a big step in securing the nonstop flight from Portland to europe, did not influence any travel that could be related to an activity like this. We already have a number of individuals who have asked to have us put together travel plans for that, and we are doing that. Sho dozono of azumano is also board member of the city sister association and we are looking forward to scheduling that trip and looking forward to having our mayor lead us in that regard. With that, andrea.

Andrea Bartoloni: Good morning. Andrea Bartoloni, the italian vice council. I am going to talk about the process that we went through to choose bologna as a sister city for, for Portland. Again, as mr. passadore and the mayor indicated, jim Francesconi was instrumental in spearheading the project, and at the beginning, we began looking at several locations in italy, and we explored the possibility of pisa as a sister city. And I don't know whether joe is going to put the map on the -- oh, you can see it. Ok. There it is. We explore several locations in italy, and we looked at pisa we looked at genoa. There was some insistence about looking about, considering luca as an alternative, but we dismissed that rather quickly, and.

Francesconi: That's the home town of joe and my parents.

Bartoloni: And we focused on bologna. The reason we focused on bologna is as the mayor indicated, there are significant similarities between Portland and bologna. Bologna is the 5th

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largest city in Italy, and has a population of approximately a million people. As you can see, it's, it's, it's located approximately 60 miles north of Florence and about 100 miles north of Milan, and it's a hub for the transportation system throughout Italy. As Mr. Passadore and the mayor indicated already, Bologna is renowned for its food. If we think about Parmesan cheese, we think about prosciutto or about tortellini if we think about lasagna all these foods originate from Bologna. It is truly the culinary capital of Italy. It's known for its university, which is one of the most prestigious universities in Europe and one of the oldest. As Mr. Passadore indicated, it was founded in 1053 and has approximately 100,000 students now. And it has some, some unique architectural components, and you can see them in the pictures now. Geographically it is located similarly to Portland, and they received a significant share of rain, but to try and allow the Italian need to stroll -- there's approximately 20 miles of culvert archways throughout the city, so regardless of the way you can go shopping and you can go eating and you can do all the things that Italians enjoy doing. But, as Mr. Passadore, there is a good example of the selection of the foods there. [laughter] but, as Mr. Passadore indicated, we wanted to be more than, than, than an opportunity to develop cultural and friendship ties between Italy and Bologna and Portland. We wanted to be an opportunity to develop financial possibility and financial gain for both our city and Bologna, and so we were trying to focus on, strengthening our economic and trade ties. There are some excellent examples of the relationship there already in place between Italy and Portland. If we think about the project that is now under way here in the city, of the construction of the tunnels and the city that stand by the Italian company, Impregilo, and we have now a significant presence. Italian engineers and professionals in the city. There are other projects that are smaller, such as we have a winery, Cooper Mountain Winery that is working on developing the first balsamic vinegar here in the United States, and it's a long process and they are getting ready to, to come on the market. But, to conclude, it's a -- a lot of work has gone into it, and a lot of work has gone into making sure that there is going to be more than just a simple sister-city relationship. It's truly going to be the basis for economic growth for both, both cities, and we really are excited about that. Thank you.

D'Alessandro: I am going to make some comments, when we were there with our delegation and we met with the mayor of Bologna, who is featured in this photograph, and leaders of the business and tourism and cultural communities, they are equally as interested in this relationship as we are. They see the significance of establishing connections with Portland. There are so many as we have heard from already. For example, Nike in Italy is headquartered in Bologna and employs about 300 people in the city of Bologna, and Italy has the largest market share of Nike products in Europe, so they see it as another opportunity for an Oregon company who has a significant presence there. This year as we said, we are going to have the mayor of Bologna and the delegation come to Portland in the week of the Rose Festival. We also plan on leading a significant delegation to Bologna in the first week of October to formalize the relationships. What our goal is, is to establish the connection between the cultural institution, the educational institutions, the business interests, of Portland and Bologna, and open the doors for the relationships that can go on an ongoing basis. That's it. These drawings, actually were done by Rick Petestio a member of our board, on a recent trip to Bologna, but it highlights some of the architectural features.

Katz: Thank you. All right. Is that the presentation? Thank you. Let's put up the lights, and do we have anybody signed up? No. Do you want to keep it brief? Ok. Questions by the council. Nobody else wants to testify? Thank you very much, then we will vote on item 207 to create a friendship city relationship with Bologna, Italy, that will grow with all the wonderful people here and all the creative minds and resources will grow into a sister city relationship. Roll call.

Moore: This is a nonemergency ordinance.

Katz: Ok. It is an ordinance. It's not an emergency?

Moore: Right.

Katz: Ok. Then it passes onto second.

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Francesconi: Mayor, if I could say something briefly, what this means is we vote on it next week, since it is not an emergency, just for the audience. We are not going to vote now, but I wanted to make a brief statement since you were here, and that is, speaking on behalf of the whole board, this started out that, that we wanted to give something back to our parents and grandparents. I think that we, like many immigrants, felt beholden to others who kind of paved the way for us, so this started as a way to say thank you to our parents and our grandparents and those others who did a lot to kind of come to this country, just like many immigrants continue to do. But, we also wanted it to benefit the citizens of Portland, and we wanted to expose the council, each of you, when you get to take trips there, and others to the, you know, the importance of Italy and Italian culture. But, we wanted to do it also in a way that benefited educational ties and economic ties between our citizens. Frankly, we think that we have a lot to offer Bologna and the citizens of Portland, one of which is the light rail project. They are actually interested in hiring some Portland firms to do their light rail project because they have heard about our land use and transportation system. They are also interested in OHSU and Brian Druker. They knew him when they went there, and they are interested in establishing ties between the medical school and the university. But, we also think that they have something to offer us. It is a serious moment here, as George said, but it's also a time to kind of reflect on community and what's basic and what's important to us. Some Italian values that other cultures share about family, the importance of family, the importance of kind of stopping a minute, the slow food movement of just sitting down and having a meal together, which I haven't continued enough in my own family, as well as the architecture, the art, the film and video. They know our, some of Gus Van Sant, so were trying to establish some of those ties. They have a lot to teach in terms of Portland State and the university system, and we just think that economically, they also are a small business region similar to us. So, if this is going to succeed, it's not going to be a small group of people having these trips, so we built in term limits in the board, which I am not sure any other sister city organization have because we really want this to not be just a little group, but we want it to permeate, and we are going to actually create a group, Friends of Bologna, for all the citizens of Portland who they could join, so when they go to Bologna, they can have an extra special visit, so not just be a tourist, by the way Impregilo is building a tunnel through part of the Apennines to collect -- to connect Florence to Bologna in a 35-minute trip by high-speed rail. And so I guess what we are trying to say is it is important to us, as Italian Americans, that we want to share this gift with all the citizens of Portland, and so finally I'd like to thank these people, Wells Fargo and George Passadore who have made a generous donation, as well as Lee Porchelli and Vic Alfonso, and all those who have contributed. Because of your contribution, we are providing a public benefit to the citizens of Portland at no cost to the citizens of Portland. No public money has been used for any of this. Except for some small staffing time done by Phyllis Oster, who this is part of her portfolio. And I would like to thank Phyllis for all of her work. I'd like to thank Carlo Menuchi for all his work in preparing the groundwork for this. I would like to thank Gino Scatini and Piatzi Italia for being a focal point here for us and for all the work you have done, and I would like to thank Pam Chapel, in my own office, for the work that she has done. I'd like to thank the whole board for helping put this thing together. Thank you, Council. After -- I look forward to your trips. You will understand me a little bit better when you come back from Bologna. Thank you, everybody.

*****: Thank you.

Katz: Thank you. Ok. Item 208.

Item 208.

Katz: Go ahead.

Rob Birchfield, City Traffic Engineer, Office of Transportation: Ready? Good morning.

Honorable Mayor Katz and members of the Council. I am Rob Birchfield, City Traffic Engineer with the Office of Transportation. Today I am requesting that Council approve the third year of operation for what we refer to as the PGE Park parking permit program in Northwest Portland. The program is

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designed to discourage pge park patrons from parking in neighborhoods near the stadium. We recognize that the future of pge park operations for the coming year remains uncertain and therefore, we think it's best to proceed with the expectation that triple a baseball, soccer, and other events will occur as they have during the past two seasons. With your approval of this program, during the next month, we will distribute approximately 4,000 parking permits to residents and businesses in northwest Portland. These permits exempt them from parking time limit regulations that regulate visitor parking. The permit area extends from burnside to hoyt and approximately 16th to 24th. We are hopeful that this is the last season that we will need to request authority for this particular program. On april 8th, the planning commission will give final consideration to elements of what we are referring to as a more comprehensive parking plan for northwest as a part of the northwest district plan. Subsequent to the planning commission's consideration of this and action, the northwest district plan is scheduled for, for city council hearing on may 21st. Originally the agreement with the neighborhoods was that this was intended to be an interim program for one year. The good news is the program has been quite effective in regulating parking behavior of visitors to the stadium, but the bad news is it's taken us basically those three years to craft what we think is the more comprehensive plan that addresses issues well beyond pge park to bring back to you for consideration and hopefully sunset this interim plan. I think we have chris smith from the northwest district association here for testimony, and then i'd be happy to take any questions you have.

Katz: Chris, why don't you come on up. Do we have anybody else signed up?

Chris Smith: Good morning. Chris smith, 2343 northwest pettygrove street. Can't resist a comment on the last item. The smiths are irish but I have a grandmother who was born in piamonte, jim, so I think it's great and if you need a liaison to neighborhoods in bologna, I will volunteer.

Francesconi: There you go.

Smith: Re-approving this plan for the third interim year is a necessary step. And I certainly encourage you to do so. I want to put it in context, however. This was supposed to be a one-year temporary plan and this is year three. We have had, in fact, an onstreet plan written and on the shelf since last january, some 13 months ago. The challenge is that, is that the neighborhood business association has objected to its implementation until we address offstreet parking, and I think we are at some risk of perverting the original purpose of this process. We are still at the table negotiating good faith with the business association, and rob and the bureau of planning staff has been very helpful in that process, but what I would like you to remember is that the goal is to incrementally address the parking supply problem in northwest Portland, not to add so much parking that we change the character of the neighborhood and when that plan comes to you, I want to you keep that in mind. I also want to say that this, this component of the overly comprehensive transportation management plan for pge park does not exist alone, and in fact, the most significant component of that plan is the transit subsidy on tickets for pge park, and I know that you have to consider the renewal of that this spring. While this plan, as rob said, has largely proved effective, I think that if there were not that transit subsidy in place, this plan would not be effective in preventing people from parking in northwest Portland, and I think that the neighborhood with whom you are a party to the good neighbor agreement really feels strongly that, that it's important that the city keep up their end of the good neighborhood agreement with that transit subsidy.

Thanks for your consideration.

Katz: Anybody else want to testify? If not, questions? If not, roll call.

Francesconi: Rob and chris, thank you for your work on this. Rob, in particular, I really appreciate it. Given the issues around pge park and the question about, about where we are going to find the money to continue the subsidy, it's really important that we continue this pilot program, especially with all that's happening here. This is a good program. We see it works. We now have to address the issue of the subsidy, and how we are going to continue this. I think the larger

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context, which is going to come to us shortly, will help, but in the meantime, this is very important, and rob, you are a part of what's going on here, is that you established credibility with both sides, and that's really important as we work to this solution, so thanks for your work. Aye.

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

Katz: I want to thank my neighbors. It is difficult during those days when we have games and the community has stepped up with pdot and to make it at least bearable, but it's wonderful to see people actually parking and walking to pge park. That's really what it's all about, so thank you for all your efforts and yes, the northwest district association plan will be in front of us. Yes, the parking issue will be in front of us, and we will have to deal with it at that time, and we will. Aye. All right. 209.

Item 209.

Saltzman: Madam mayor and members of the council, we are pleased to highlight the bureau of environmental services efforts' to increase diversity in the workforce. I think as all of us know we are in the midst of the largest public works project in the city of Portland's history. Eliminating combined sewage overflows from the willamette river and the columbia slough. We also spent a lot of time maintaining our existing infrastructure, our existing sewer collection system, which is aging and deteriorating and needs a lot of work. And this work creates a lot of opportunities, job opportunities which is something that we also very much need in this time of record unemployment in the state of Oregon. We need to make sure that we are bringing more people into the workforce from all walks of life, and I am pleased to say that the bureau has entered into a contract with cmts in january of 2002 to develop an inspector training program in collaboration with the city. The objective of this program is to recruit, select, train, and provide on the job experience to minority and women candidates. Participants gain the ability to provide quality public works inspection in the construction industry and to, to compete for public work inspector positions. The council will get a chance to hear more about this program, the partnership and to meet some other participants. I'll turn it over now to dean.

Dean Marriott, Director, Bureau of Environmental Services: Thank you, and good morning. Mayor Katz and members of the council, I am the director for Portland bureau of environmental services. This is really, as commissioner Saltzman said, about teamwork between the city and private contractors. It's also about real people, and you will get a chance to meet them in just a moment. That's probably the nicest part about this story. You will hear a brief description from, from sue williams, bes, colleague of mine who will describe how we got into this and what we liked about this program. You will also hear from yvonne mcclain who works with them to see why cmts is so excited about the program and it underscores their equipment about the community. Let me say a word about the program. It definitely improves our, our diversity and our -- and it underscores our commitment to a more diverse workforce and underscores our commitment to providing access to training and opportunities for all of the members of our community, and we are very excited and pleased about that. So, without any further comments from me, i'd like sue williams to talk about the program. Sue?

Sue Williams, BES: Good morning. I am sue williams, and I am with bes, and as you mentioned, I am the program manager for this effort. As you are probably aware over the past number of years, bes has contracted with firms for inspection service to say supplement our workforce during peak periods and we also recognized over the course of those years the need to increase diversity on the construction work sites. Back in the early 90s we started our first inspector training program with another firm, who we are contracting with, that was very successful effort, and in fact one of the graduates from that program is currently the president of cmts, florida office, and he's administering a similar program down in jacksonville, florida. In the mid 90s, we tried a program using city intern positions that wasn't as successful so when we came up in renewing our contracts this past time, we decided that we would go back to the public/private partnership, so, we contracted cmts

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was the successful firm that was chosen, and in January of last year, started recruitment efforts to find candidates for both who were interested in becoming inspectors but willing to put forth the time and energy that requires for them to be successful. We did start out and hire four candidates who have been in the program now. Three of them are still with us, and the, cmts pretty much takes responsibility for the curriculum and classroom training part where the city takes the on-the-job responsibilities, so it's a real partnership. We are really proud of the candidates and I am happy with all the effort that we have had with cmts staff with the city staff. Everybody is really committed to this program, and that's why we are here a year later celebrating where we are today, so I will let Yvonne talk a little bit about cmts and give you the status of what's going on.

Yvonne McClain, President, CMST: Good morning. My name is Yvonne McClain and I am the president of cmts inc. We are a minority-owned construction management and inspection firm, and we have to say that we have been a consultant to the bureau of environmental services for several years. And today I really would like to introduce the, trainees that we have on staff, as well as a couple members who have really participated as the core group. Again, as Dean and Sue had indicated, this really has been a collaborative effort between cmts and the bureau, and we are very excited and proud of the candidates that have participated in this program. Again, we did reach out, outreach to the community, through the various organizations, like Oregon Trades Women as well as engineering firms, and northeast workforce and southeast works and Portland YouthBuild which are the community surrounding the Portland area. We outreached to them to find the candidates that would be best suited for this particular program, and I am happy to say that cmts is very excited to work with them since they have been the leaders, providing outreach community services, specifically inspection services as the organization. At this time, I would like to introduce our candidates, if they would please stand. Starting to -- on the right-hand side is Lindell Walton. Actually, Lindell has been a previous employee of cmts, and he worked out of the port of Portland. His background was surveying. He was also an Aoy inspector out at the port for us. Veronica Ferguson, she actually came from construction industry. She used to be a backhoe operator, and she -- it's nice to see a woman who was actually in the trade who is now on the other side of the table and actually inspecting work instead of actually doing the gruntwork, herself, and then here we have Lee Moore. He came from the, from the IT industry. The key to him during the interview process was, he really wanted to understand the infrastructure of how cities are put together and I think that that's a real key on why we said, I think this person would really be interested in this program, so we are proud of these people here, and we have Neil Chote, who is the senior inspector, and he's the on-the-job coordinator, and in the back we have Jean Apple, who has done most of our curriculum training for cmts. As well as Harvey Lockett whose also been on our core. Thank you.

Katz: Thank you. Did I miss something? How many years have you been a company that has been doing this?

McClain: Providing inspection services or, or -- actually, it started in 1984, originally, in Denver, Colorado. We have been in Oregon since 1995.

Francesconi: What bureaus do you do business with other than the bureau of environmental service?

McClain: Transportation, and we have done also work for the bureau of water, as well.

Francesconi: What have you done in those bureaus?

McClain: Inspection services.

Katz: Ok. Dean.

Marriott: Thank you very much. We just wanted to make a report to you and talk about the progress and celebrate the success that these three fine people have enjoyed.

Katz: Thank you. Questions by the council?

Leonard: What is the pay for those that work for you?

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McClain: It starts in incremental basis. We start off at \$12 an hour. They basically have 5% increase every six months. They start off as trainees. They have successfully taken a rigorous exam and been promoted to interns prior to the year of the anniversary and this goes to 17 and it climbs up to the same pay as a regular city inspector. Contract city inspector I should say.

Leonard: And the benefit side?

McClain: We provide full benefits, health, medical, 401(k) after 30 days. We are very comparable, medical, as the city inspectors will --

Leonard: Thank you.

Katz: Thank you.

Francesconi: I have one -- I don't know if this is a question or a request. Have you discussed this program with the other bureau managers? I mean, we tried under the mayor's leadership a few years ago to invest in apprenticeship training programs throughout the bureaus, and then for some budget reasons and other reasons, it didn't -- it seems like, you know, with the expertise here, you are working a couple other bureaus. We need a, need a systemic approach here as opposed to one bureau. Have you had -- does anybody want to respond to that?

Marriott: I am not aware that we have -- I just was checking with sue to see if she had been in contact about this with the other bureaus. We have not had specific contact with other bureaus. I'd be happy to, to initiate a description of what we have been able to accomplish.

Francesconi: And maybe with commissioner Saltzman's leadership on this and the mayor and the rest of us. We talked about it a couple years ago, and, and we need to do this. We cited the fire bureau as an example of when you invest in the apprenticeship and training program. You can really make some significant differences, and other bureaus have done it, but we haven't really looked at it systematically, I don't think, since the mayor --

Marriott: I do recall that, as sue williams mentioned, several years ago we tried a similar approach just on our own within the city system. We found it to be not as successful, frankly, as partnering with the contractor who can bring other resources to bear, so we've kind of included that as a cost of doing business for contract inspectors --

Francesconi: If you could bring it up and in the bureau of manager's meeting.

Marriott: Glad to do that.

Francesconi: I notice that gill kelley walked in. Who I think convenes that group. Thank you.

Marriott: Thanks very much.

Katz: Let me find out if there is anybody else that wants to testify. Anybody else want to testify on this item? If not, we will take a motion to accept the report.

Leonard: So move.

Katz: All right. Do I hear a second?

Francesconi: Second.

Katz: Roll call.

Francesconi: Commissioner Saltzman, when this project -- when the tunnel project happened, you said that you would follow up on this and you would make sure that, that this became a model. To get this up to scale, we do need a systemic approach to this, and so it would be good if, if under the mayor and commissioner Saltzman's leadership, as well as all of us that have infrastructure bureaus, we could really work on developing this. This is a good start, but we have got quite, quite a ways to go, and all of us are spending substantial dollars in these projects, so I think that this is the right approach. It provides the wages and benefits behind commissioner leonard's questions, and at a time that our workforce is turning over, there's a great opportunity here with our diversifying population to get people into good paying jobs. That they can be successful with -- not only in government but outside of government. So, thanks for your work. Aye.

Leonard: Consistent with that, I am, I am very pleased of the work that commissioner Saltzman has done here, but it's as important to me that men and women receive decent wages and benefits so

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they can live a, a life that allows them to enjoy all of the city's riches, and so I appreciate that, that this program also recognizes -- it appears clear to me the importance of, of family wages and benefits, and I appreciate that. Aye.

Saltzman: I want to thank not only the bureau of environmental services, but it really took our contractor, cmts, to show substantial initiative to really want to do this because as you heard past efforts were we tried to do this within our own city have not been as successful, so having cmts really step up to the plate and really want to work with to us make it happen, to achieve the goals we all to want achieve of a more diverse workforce that pays good wages, it wouldn't have been possible or successful. We wouldn't have three successful candidates right here that we do. Without the efforts of our private partner, so I really want to thank not only all the people in the bureau, neil and dean marriot and sue williams, but people, all the people at cmts. Keep up the good work. Aye.

Sten: I agree. It has been a successful program for some time, and worked closely with the contractor in years past, and compliment you for taking it to the next level, that's good stuff, aye.

Katz: Thank you, commissioner Saltzman and dean for making this happen. This is an important issue for all of us here and you, you are making it work, thank you, aye. All right. Item 210.

Item 210.

Katz: You remember that when we passed the south waterfront plan, we -- part of that was defining the element of our work was the greenway, and the council made the greenway a priority to try to demonstrate that the environment, the densely build environment and the natural environment can co-exist. The council put the greenway as a priority investment, and I shared with all of you a letter trying to, to figure out how to bring three bureaus together to plan, to design, and to implement, and what we finally decided that the planning bureau will do the first phase, which is to, to identify the goals and identify the elements of the greenway plan, the development plan, and that it then will, be phased to parking -- parking, to parks -- oh, I am tired. That's a real freudian slip. It will be phased to parks who will then actually put pencil-to-paper and do the design, and then hand it off to pdc, who will do the implementation. In that way every one of our bureaus plays a role, and during the process of all these phases, they continue to talk to one another, to make sure that the vision and the plan is being implemented through the design and then being implemented through the actual construction. So, what, what's before you is the completion of phase one. Gil.

Gil Kelley, Director, Planning Bureau: Good morning. Gil kelley, planning director. Just building off on what the mayor said, I am really here today as the leader in this phase of an interbureau team, so this has not been developed exclusively by the planning bureau but with the participation of parks and pdc and bes to really define clearly the objectives and desired outcomes of the greenway development plan process. You will recall that in the adoption of the south waterfront plan, as part of your action you adopted a zoning code that had minimum averageable setback from the top bank of 100 feet but you also adopted the plan language which expressed the desire through additional incentives and negotiations to have an average of actually 150 feet, which allows a more creative bank treatment and more activity within the greenway in trade for other development rights. The first step in this process was to really get this team together to define a clear set of objectives that we can then hand to designers, which the parks' bureau will be contracting with, and we will have an open public process to do the actual design work for this in participation with the property owners and the public, so we have consulted with the property owners and the district on development of these objectives, and with the other bureaus and we feel that we have a very good not only consensus document, but a, a visionary document which will actually really lead the design team to the ends that we want to see. So, the next thing you will see in the process is actually an rfp, a request for proposals for the design services issued by the park's bureau and the leadership baton will be handed from me to them at that point in the process, but we

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will all stay engaged throughout it. We were expecting Janet Bebb from Parks to join us today. She may not have been able to make it. Kia Selley from PDC is here. She has been very actively involved in this.

Katz: Is anybody here from Parks? If not, why doesn't PDC come up and -- hi.

Kelley: So, I think -- thank you. So I think -- what we would really like to do is to have you just, really affirm this is direction, you want us to move in, and then we will proceed with the rest of the process. The only action that's really required of you is to confirm that, that this is the foundation for the design work to proceed. If you would like, Susan Hartnett, who has led this portion of the effort, can walk you through the basics here if you haven't had time to go through it, or you have questions about it, we will save time --

Katz: Quickly run through the basics, Susan.

Hartnett: Ok.

Katz: Identify yourself.

Susan Hartnett, Bureau of Planning: Susan Hartnett, Bureau of Planning. Good morning. We started with a little four-page vision statement that has been collaboratively written by the Bureaus back in October. We have expanded it to gather together more text and more descriptive information about how the Greenway has been envisioned throughout the development of the South Waterfront Plan. Make sure that they were all in one place so that the design team could have, have a, a condensed notion of, of conversations that have been going on for a long time. We have added a few key issues that we wanted to make sure that we are clear to the design team. One has to do with the sort of challenging environment related to development in the Greenway between the local regulations that apply to Greenway development as well as the ESA listing and what that leads to. A lot of the ideas really need to be tested around whether or not they are going to be implementable, so we wanted to raise that issue to the design team. We also wanted to incorporate the notion that the River Renaissance Management Team was part of this process, and that they would be contributing. They did contribute to the document in front of you, and we do expect for the process to check back in with the River Renaissance Management Team as it is being developed. In the sort of-- the content of the document, there is four major areas. The first two, one is called the essential themes, and the other one is called the Greenway components. We have tried to sort of describe the, the desired to outcome and the vision of the Greenway from sort of two perspectives. One is a set of ideas, a framework that should run throughout the Greenways, so we talk about the context and connections. We talk about, the linear experience. We talk about the edge experience. We talk about integrating the river, the Greenway and the urban community and looking at that from both coming up from the river and coming down from the urban area. We talk about sustainability and environmental enhancement, which is a very key element for the South Waterfront Plan. We also talk about, about the response to opportunities, looking at what's actually there right now and how do we take advantage of it. The importance of art and the fact that we need to be paying attention to security and maintenance. The next section, components of the Greenway sort of chops the Greenway and the river into segments, so first, we are trying to talk about what's happening along the entire thing, and then we are saying, look at these pieces. What about the water, itself? What about the river bank? What about the urban community? And describe it in those terms, so we are trying to sort of cut it both ways, that the design team gets the notion of, of how integrated and intimately related these pieces are. You can't really take one out of the other without losing some of the key notions. The last two sections, the public involvement and decision making is really, really sort of an overview of how the, the public involvement for this project is intended to, unfold. There will obviously be more detail about that in Parks's request for proposal, the design team needs to know with a lot of specificity what's expected of them in that arena. And then Greenway implementation is a piece where if, if you have questions, Kia might be a good person to talk with. The third phase of the Greenway development plan is the implementation strategy, and that's the

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piece that pdc would be taking lead on. It's envisioned, though, as taking place concurrently overlapping with the design phase. We really need to be able to look at the implications of operation and maintenance, the feasibility of actually implementing the ideas, so, pdc is going to be also bringing on some consultants who will help inform that, and they will be integrated but not part of the same rfp that parks is doing. So, that, that is a key, third piece that isn't really spelled out in a lot of detail here, but we expect and have certainly have pdc's commitment to continue to work in the interbureau collaborative that we have up to this point in putting the project together. Do you want to add anything? Ok.

Kelley: I would just add one thing, which is that I neglected to mention that the office of transportation was a key participant in this process, as well, and --

Hartnett: Did you mention bes?

Kelley: Yes, I did. And I think that, that really what we have got represented here is an opportunity to, to kind of fold in three kind of historic streams of effort. One is obviously the project development in south waterfront, what used to be called north macadam, and that's proceeding along, and their designers and developers there who are working and will be joining in sync with this effort. It obviously embodies the river renaissance themes in a very explicit way, and we will, essentially, be a great model and proto-type exercise for the river renaissance themes. And finally, it builds on the park's 20-20 planning effort, as well, which called for access and recreation along the shore. So, I think it's a way to just bring together a whole lot of, of aspirations into one segment of shoreline and make a great demonstration project for the future.

Katz: Thank you. Questions? Anybody else want to testify? Ok. Thank you. Thank you, ladies and gentlemen. Thank you. We will be here when phase two is completed. Come on up.

*******:** Thanks. I appreciate the opportunity. I wasn't really planning on testifying today. I came to hear the earlier presentation.

Katz: I know. Identify yourself.

Allen E. Polito: I am allen polito. I live in southeast Portland. I am just struck and I would encourage the council and these bureaus to work together in this effort. There's a linkage between the two issues that have just been presented. I have been working with some of your staff and some of your bureaus on it. When we do environmental regulation, the city particularly progressive environmental regulations, steamside setback, restoration, stormwater run-off programs that they will be implemented in the future. Those create an economic opportunity for the consultants that are going to build on the design of this system, for the contractors will ultimately get the jobs to build the new restoration systems, and it seems to me given our earlier conversation about trying to increase opportunities in bes for inspections for minority and women-owned firms, that there are opportunities also available in these progressive environmental efforts to create those kinds of economic opportunities, and so I just make a note that that ought to be a consideration, that as we look to the rfp's to design, these innovative systems on the greenway, where the opportunities or how do we make the opportunities available and how do we build the capacity of small firms in low income and people of color to bid on those contracts, to participate in the economic opportunity that's there and create it. So --

Katz: Thank you Allen, that's a very good point. We do have -- we should be looking ahead because this is a huge project that will reshape the edge of the city in that particular area, but we will have others, as well. We are going to have the crescent, the completion of the esplanade, as well as other places along the river, so thank you for making that point. All right, if there is no -- did you want to add anything, gil?

Kelley: It would be helpful to us as we go forward in the process if you actually adopted a motion today that --

Katz: I will.

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Kelley: Ok. Essentially, the first sentence of the last paragraph of the cover letter, that would be great. Essentially, then we can tell consultants and the public and all the stakeholders that this is the direction that the council has, has set as we moved forward.

Katz: I will take a motion to accept the south waterfront greenway development plan, phase one report and confirm specific objectives for the greenway plan, criteria for successful outcome, issues for consideration and continuing to work as a team.

Saltzman: I will make that motion.

Katz: Do I hear a second?

Sten: Second.

Katz: In our form of government, that's important to continue saying that over and over again. So, even though that was inherent in all of this, the council now is saying you shall work together, all right. Roll call.

Francesconi: There are enormous challenges you have the conflicting regulation asks there are the questions of how are we going to pay for this. But having said all of that, this greenway on south waterfront represents one of the most exciting design opportunities for the whole city, and, and this is the right way to begin this pros, and mayor, I actually -- on behalf of parks, we are very appreciative of the process and how it has been set up and the roll that the parks has been given, but we know that we need our partners for the planning and pdc to, to make this happen. It's really going to be difficult and exciting because we are trying to, to do a natural edge to the river in a very environmentally sensitive way, and at the same time, have it be an urban setting, so actually, we looked across the country, for examples to point to, and the truth is there are not that many good examples so, so this points to the need to have this consolidated approach because we do have to keep in mind cost, we do have to keep in mind the conflict in regulations, but this is really, really important in the future of the city, so we have gotten off to a very good start with this process. Thank you. Aye.

Leonard: Aye.

Saltzman: Well, it's great work and look forward to the continued collaboration between planning and parks and pdc and making this, this is an exemplary waterfront project, aye.

Sten: I agree, aye.

Katz: I will read a section of this. We have been dealing with such hard topics lately as a council, so this is a little food for the soul. The river it self is perhaps the most mutable and most changing aspect of the greenway experience. Becoming aware of its motion and rhythms can provide a moment in calm in an otherwise hectic urban environment. The changing water levels and colors the reflection of sky and clouds and the sounds of waterfowl that attract our attention and reconnect us to nature. Historic role of the river to native peoples and prior generations can connect us to our past. Looking at the greenway in the build environment is very different when we do it from the water surface. An imaginative greenway development plan can incorporate these special aspects of the river experience and reflect the multitude of uses and users the river supports, as a natural resources, as a transportation corridor for wildlife, people and goods recreational amenity an educational opportunity and a destination. So this is really what it's all about my only and I wasn't going to make an amendment to the report but when you talk about water taxis, now that we have potentially a sister city in italy we ought to think about gondolas. Aye. All right. Thank you everybody the work begins, very exciting. Item 227.

Item 227.

Katz: All right.

Ron Bergman: Mayor and council I'm ron bergman, director of general services. The item before you is to authorize the city to seek competitive proposals for the operation of its downtown garages for overall management, security and janitorial. The contract in the past has included marketing and promotions work but its not included at this time. The reason for that is are recent business

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assessment work that indicated that that particular activity is not really a function of the business of the garages and that we will commit to come back to the council with options for a competitive marketing program when we are complete with this process and know what are net dollars might be available to do that work and the council can make decisions about what it wants to do about marketing at that time. Request for proposals has three options for submitting those proposals on a competitive basis. The first is the full service contract option where a single firm provides all of the services involved. The second option is for individual services where companies or organizations can submit on each of the parts of the contract and we would package together a team for the complete work. Or the third option is a master lease of the entire business operation really built upon the model of the pge park agreement that we have. The evaluation criteria that is set really looks a number of factors beyond the issue of cost and financial benefit. We look at the experience of both the organization and the staff. We look at the diversity of the staff and we look at references for the way the organization has served customers in the past. We also look at other factors for the master lease operation. There are three...

Katz: Let me interrupt you for a second. We have young children here. Hi, where are you from?

*******:** Sherwood.

Katz: Sherwood, well welcome to the big city. It's nice to have you all here.

*******:** were having a great time and there very excited to see the council in session. Sorry to interrupt.

Katz: That's all right. This afternoon were dealing with an issue that of importance to our children which is education. Right now were dealing with an issue that's important to this community and that's parking garages.

Bergman: The ordinance itself provides for three exemptions from the code. The first allows us to consider things other than price for the janitorial and security portions of the work that allow us to look at the issue of references, diversity, experience and quality of work that under the normal service provision we would only be allowed to look at the price issue. So that's important to us the second exemption really is a fail safe were following all the process and procedures and under our pte contract. But is its hopefully a way to streamline the processing the event there may be appeals in the future. The third option also adjust the appeals process to make that a little faster at the end if that becomes necessary to have the purchasing agent hear the case and make a recommendation directly to council rather than go through the appeals board. And that's really because of the timeline, we have a contract that ends the end of July and we want to be able to meet that target. Our selection committee is a well rounded committee. We've worked very hard to make it both divers and neutral in terms of the potential proposers on the agreement that we have here and I think you've all had an opportunity to review that. Our schedule is longer than most but tight in terms of the work that needs to be done. We will be issuing the rfp tomorrow on the web. We have qrf submittals that are due later this month and other submittals due the middle of april and hopefully will be back to council around the middle of may for award of the contract and contract work to begin the first of july. With that any questions.

Katz: Questions?

Leonard: Yes, the exemption for the janitorial services and you mentioned that you wanted to broaden the criteria?

Bergman: Yes.

Leonard: Where do I find that at? That criteria.

Bergman: In the evaluation section of the rfp it looks at --

Leonard: Can you give me a page and a site.

Bergman: Sure, let me find it for you.

Katz: Do you need a little bit more time, ron?

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Bergman: No, I think on page 58 for example janitorial going on to 59 to the proposal evaluation. We have the proposer experience of the firm. Proposer experience of the staff of the organization. Item c is kind of the cost issue that normally we would just be limited to following on the page 60--

Leonard: I'm sorry I don't know if I'm looking at the right page 58 and 59.

Katz: This document here it's the ordinance document.

Bergman: And then goes on to look at the diversity of the organization and the references of the organization.

Leonard: The reason I raise that, I'd like there to be one other factor. That would be how we could possible give preference to the custodians that were laid off at the portland public school district. Companies that would target those laid off employees.

Bergman: Our city attorney's here in the background. I'd need to get some advice from him.

Katz: Why don't -- can you jim can you respond to that? I hate to use a baseball metaphor but it came out of right field or left field. So we need a little bit of time.

Jim Van Dyke, City Attorney Office: At this point the proposal evaluation does not include that criteria commissioner. In terms of giving preference to those employees.

Leonard: I understand that. I'm asking that it include that.

Katz: I tell you what. Why don't you go and talk among yourselves and come back and answer that question so that we can proceed. You guys figure this out come back and give us reasons why you can, reasons why you should. And figure out a way to do it assuming it's legal. This is an emergency ordinance so we would have to make that amendment today. All right lets open it up to public hearing.

Jo Anne Bowman, Vice-Chair, African American Chamber of Commerce: It's a pleasure to be here this morning as you know there's been a coalition of minority chambers that have been following this process through to today to have an rfp that hopefully will be fair and just and will give people and organization an opportunity to finally bid on these downtown parking garage contracts. I have to say because it's a 200 plus page document that we have not seen as of yet. We don't have any comments on what the details are. I did want to make a comment on commissioner leonard's request about utilizing janitors from portland public schools. Right away that creates barriers to other people to participate in the process. The one comment I'd like to make about option one that would lock in an entire contract for 25 years to me seems to be where we've been and I don't think we want to go back there to having a single source contractor for that significant period of time. So I understand you have 3 options in front of you. One option is a master lease one option is having one company who would manage the 3 separate pieces of the contract. And the third option would be to have separate rfp for janitorial, security and for management of the parking garages. And I just want to say in the hopes of this being a very open process and a process that will give many people an opportunity who haven't had that opportunity in the past to compete I think that that's probable the least good option would be the option of the master lease that you have in front of you today.

Katz: Okay. Thank you. Just for everybody the shouting is advertising the peace march this Saturday.

Roy Jay, President, African American Chamber of Commerce: I just want to echo some of the things Joanne bowman has already laid forth in front of you. Like Joanne I have not really had a chance to have privy to the document. The only things I've heard both here and elsewhere I am concerned about the validity of this ordinance. The way it is going to be presented to you there's the marketing money which we had talked about in earlier sessions has been exclude from this particular rfp. The current contractors we have asked for certain documents from the city which we hoped the council would step forward and help us try and recover so we can take a look at some of these things. Just to give you some ideal of current expenditures and this is according to public information that we have right now. You are paying over \$248,000 dollars a year for somebody to

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come pick up garbage cans at each parking garage twice a week. In the time were trying to save a lot of money for the city. We have to look at what is going to be best for the city. The 25 year contract requirements I think should be totally off the table it systematically excludes any of the smaller operators from even wanting to try and bid on this. This is the thing that we went through in the past where certain requirements were imposed to somewhat exclude other operators. And I thought that from individual conversations we made it real clear that we want to try and make this an open process. I think each of you is somewhat committed to that. I've got some real, I understand this is going to be moving forward but hope that as they select this group we have no idea who is sitting on this committee. We didn't have any input on that. We would hope that there is going to be a lot more financial accountability. For this contract as well as the current contract. We have constantly asked for financial audits of all of these transactions. There are certain transactions that have been going on and I think the city should be aware of. I want to thank you for your time and I want to turn it over to our chairman Harold Williams.

Katz: Thank you. Let me just flag we sent ron outside so he can think about the issues that just were raised. Ron, there was the issue of the long term 25 year master lease contract. Concerns about that and then the issue of the marketing money, which I think you explained.

Jay: Correct.

Katz: Okay, go ahead Harold.

Harold Williams: Good morning mayor my name is Harold Williams and the council members. One of the things also we have concerns about the march 19 and march 20th date for mandatory participation of those who are interested in coming to the prebid meeting. That's not enough time for those who would like to be involved and broaden that base. Also, as you look at it we hope that whoever is selected to be on the committee and reviewing the rfp that it is a balanced board. And is not for those who have the interest as has always been in the past. And if you are talking about true participation in letting this be a smorgasbords to be inclusive of all persons of color then that means that how we approach it will be a little different. Were not asking for a lessening of standards but we are saying there is professionalism and to assume that you give it to one person or one organization that has always had it. That there is nobody else who stills that is a misnomer. We found in our research and our partnerships that we can address all of the areas that are required of this proposal. And in given that we would like to see true competitiveness across the board in this project. If that's the case I think that you will find that we can save money we can be creative and the marketing and of course from a historical standpoint we know that we can manage custodial projects. You know that's been the case all the way across the board. And we want to take that and the whole gamete and show professionalism for all representatives for this organization. We have the Pilipino chamber the African American chamber and others Hispanic chamber, involved through degrees we can participate and do this job. And we have people who have the expertise and we are hoping that you will look at it and look at all the concerns that we presented today and give us all an opportunity to be on the stage to compete. And make this a savings for the city and other people who have business opportunities. Thank you very much.

Katz: Thank you Harold. Thank you everybody.

Leonard: Roy or Joanne or Harold have you had a chance to look at the rfp to identify any of the issues that have historically precluded.

Jay: No. We have only had conversations commissioner with people from the bureau. In this they have been just somewhat cursory. This is sort of a guarded situation right now because we have not had a chance to review this document. Which I understand is about 150 pages. We want to make sure that the language in this is not purposely designed to systematically exclude people that have never had a chance to come to the table. Or we want to make sure that it does not favor those people that have already been at the table for 20 some years.

Leonard: I'm just asking the mayor this then how do we get to that issue in this document?

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Mayor: let me just say that that was a very important issue that was presented by Harold and Joanne and roy jay to me as well as others at a meeting. I guaranteed them that the elements of this document would give them the ability, if they so choose to find a way to bid. And that we would leave, we would change some of the criterion, ron will share that with you. One of the criteria that has kept other people in this community from bidding. And that has been changed.

Leonard: So that's the direction...

Jay: I'm and again, not to cut you off. I'm hoping that this way of being able to go out here and bid, I hope that they did not split this janitorial up thinking that the ethnics groups were only interested in the janitorial or the security. We are definitely looking at the marketing money as well. And that's not on the table.

Leonard: I guess what I'm asking is really more specific. One where we have an opportunity to have this group take a look at this to say there are in fact issues they raised in meetings with us have been addressed on this last piece.

Mayor: I want to bring ron back up to answer those questions.

Leonard: Can I have one more thing. This is to Joanne, just to be real clear on my quest for the janitorial, the school custodians that are laid off. What I'm envisioning is for an example a minority, a women owned contractor who got the bid would then look at that pool of laid off people first to be there work force. There's no way intended to give some preference. These are just the workers that we have asked the contractor to use as their first resource, if their available.

Bowman: I see. Madame mayor and commissioners that's probably something we can consider. But I would really like to have an opportunity to review the entire rfp and actually be able to give someone the questions that come up after reading it. It's hard to make suggestions when all we've seen is the ordinance copy.

Leonard: I agree.

Francesconi: I don't see how I can vote on this without you having seen it. I believe its actually in there and the protections are there. Part of this is just a process thing. So I don't see how we can pass on today, frankly.

Mayor: thank you. Ron come on up before we get into any deeper on this. I just need to understand, do we share rfp's with other, when we do an rfp on anything?

Bergman: Because of the nature of this particular rfp and the potential for controversy surrounding it. We have been very assiduous in our approach to be very fair to every potential proposer. As a result we have not asked for comment or shared the draft document with anybody on the outside. So that there would not be the opportunity for a competitive disadvantage or the appearance of favoritism by having some organization provide input into the preparation of the rfp.

Leonard: But ron, you...

Bergman: let me finish here. The process itself allows for comments, questions, issues to be raised by proposers through a formal submittal process where then the city can respond. And if there are issues that need to be adjusted we do that through an amendment to the rfp. We actually then notice everybody that has gotten a copy of that with any changes that might result because of those comments that are there.

Leonard: Ron, what is it about, about what we are doing today that creates an opportunity, I'm trying to understand what you said in the context of the concerns that have been raised? What is it about the process you just described that creates an opportunity for anyone to look at this rfp and have it be changed, if we adopt it today as a council?

Katz: Do you understand the question?

Bergman: I am trying to -- if you adopt this now, that, that, essentially, gives us authorization to, to start the process

Leonard: Start what process?

Bergman: The process of seeking proposals, by issuing this, request for proposals --

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Leonard: Maybe if you would allow me to ask the question, you will understand better. There is a perception from some that governmental entities sometimes issue rfp's in general. I am not talking about this one, but in general, where they have decided before they issue the rfp, who they want to receive the bid, and they design it to reflect that. I am not saying that you have done that here, but that's the concern. What, can we do, procedurally, to allow people who are interested in bidding to look at the rfp before we adopt it and identify inherent locks that they can't get over that would indicate that there is just one group that's going to get this contract?

Bergman: I guess my sense is the way we do that is to formally issue the rfp as it is drafted and allow for anybody that has comments about that rfp to submit them in the normal clarification process. In that clarification process if there are --

Leonard: I understood you. I heard that before, but what I am asking is, is it appropriate for us to adopt that -- this now before that process? Shouldn't we, as commissioner Francesconi indicated, postpone adopting this for that process to occur?

Van Dyke: Can I ask a question?

Saltzman: Go ahead, answer jim.

Van Dyke: Commissioner, I think there is two way to proceed, one is to postpone adopting this today, and the other is to adopt this today but the process allows for addendums to be made, in other words, formal changes. So that if the city receives comments about the draft, including the criteria used to evaluate the proposers, and it's decided that those criteria need to be changed, there is nothing that precludes the city from issuing an addendum that changes the criteria that will be used to select the ultimate contractor after its adopted by the council today.

Leonard: I can tell you I am not comfortable with that. That latter alternative.

Saltzman: I think you might have answered my question. Did you say that there is the ability in response to the prebid meetings and all that, and comments that may be filed by proposers to change the evaluation criteria?

Van Dyke: Yes.

Saltzman: Including the waiting, the number of points?

Van Dyke: Yes.

Saltzman: So that's built into this process?

Van Dyke: yes, yes.

Katz: Let me ask you because we have had -- ron and I have had this conversation for a while. Would you identify some of the things that have been changed to open up the process, which was really the goal that, that we all together identified.

Bergman: Right. In the past the minimum experience levels were in the 15-year category of managing downtown structured parking, and so it really very narrowed the field of who might propose, for example, what we have done here is we have reduced the minimum experience to five years parking management experience, so it's not quite so limited in terms of what the threshold is for submitting a proposal, so we have gone through and all of the minimum criteria to make it as open as we possibly can, to have some minimum level of, you know, experience so that they are qualified to do the work, but it is nowhere near as stringent as has been in the past.

Katz: Ok.

Francesconi: Can I ask you a couple questions? Jim, what's, what's the standard procedure on major rfp's as to, as to whether we give notice ahead of time before we adopt ordinances authorizing rfp's or do we adopt the ordinances first and then give -- what's the standard operating procedure on the major contracts, major importance to the community?

Van Dyke: The standard procedure would be the one that I think has been followed today, which is that we present the, the rfp and the ordinance to council first and then take comments, and the reason that I advise in that direction and the reason that I think that other governmental entities around the state move in that direction is to foreclose the appearance that we are secretly handing it

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out in advance to one group but not to another, and therefore, people will say on a complicated rfp, that group has had more time to look at it and understand it than I have had.

Francesconi: And how much time you do give people to comment?

Van Dyke: there is no -- we can give them so much time as, as the council and the city wants to.

Katz: There are dates on there, and I think that that was another issue that was raised, is that what you are aiming at?

Francesconi: I don't know.

Francesconi: How much time?

Bergman: Two issues there. I think the last date for comment is seven days before -- the last time that the city could issue a, an addendum is seven days before when the proposals are due.

Katz: That isn't going to work. What is it? Oh, when it's due?

Saltzman: When it's due. So the last date you could issue clarification --

Bergman: Would be the 10th of april.

Katz: April 10.

Saltzman: But if I can follow up --

Francesconi: Please do.

Saltzman: I think what you are saying, jim, is we typically don't have draft rfp's and have public hearings on those draft rfp's and then bring those draft rfp's to council. That's, that's not typical of what we do.

Bergman: That's correct.

Francesconi: But I want to make sure that everybody has adequate time, and that they can do those, and let's say that they bring the comments to you, do you automatically make -- do you decide what, what's changed and what's not and then you bring those back to us? Or how does that work?

Bergman: no. I just -- I just come up with the wording once the decision is made. I think those comments go back to the bureau, and in a typical rfp, the bureau, in consultation with whomever they need to consult with, looks at the comments and makes the decisions about how they would like to change the rfp, and when those business decisions are made, then they would inform our office and we would try to issue an addendum or the bureau of purchases would in conformance with those businesses.

Francesconi: One of the requests that harold made was, and that, that we all want, is that the people on the committee are the right people making the decisions. I think that I have a list of names in front of me as to who those people are. Have we shared those with people? And if not, why not?

Bergman: We have not shared the list of names. We wanted to get actually council approval for the process and then we were going to make the names available at that particular time.

Katz: The reason for that, ron?

Bergman: Really, it was the same issue on the rfp. We wanted to hold all of our cards so that everybody had the same opportunity at the same time to make comment.

Katz: Which is, is that a normal procedure, as well?

Bergman: It is.

Leonard: I did have other issues, but I wanted to --

Katz: We haven't finished with public testimony yet.

Leonard: But with them here, I wanted to be real clear that the issue for me is, in fact, that is the standard way that we have developed an rfp. That is my point, and it clearly hasn't worked for a number of the members of our community, and so that is the reason I want to do it differently is because we haven't done it that way, and some might consider it disingenuous to say you are showing favoritism by publishing it earlier when, in fact, the perception is favoritism is shown by not including people earlier. Having said that, and closing my remarks on that, I am concerned that

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the rfp -- well, let me ask you this -- is it my understanding in the current contract that we have, that the city is unable to get financial information with respect to being able to audit the operation of the garages currently?

Bergman: No, that's not correct.

Leonard: Ok. So you have got all the financial information that you want?

Bergman: We have been able to conduct an audit --

Leonard: I asked you a direct question. Have you been able to get all the financial information that you want?

Bergman: There are some items that we have not been able to get but we have been able to have an outside auditor do an audit of the cash collections and the process of those dollars as they flow through all the various contractors to the city.

Leonard: What information have you requested that you have not been able to get?

Bergman: Copies of subcontracts that the organization has with other firms that do some of the work for them

Leonard: And what is the justification given to you for not giving you that information?

Bergman: That the contracts have confidential information in them, and that they can't be disclosed.

Leonard: And do you disagree with that?

Bergman: I think the contract that we have with current provider requires them to provide that information to us.

Leonard: Have you then, based on those concerns that you have, and their interpretation of the current contract, addressed that in the rfp or the contract that you would have the new leasee sign?

Bergman: yes

Leonard: So you have clarified that issue from whomever gets the contract?

Bergman: yes

Leonard: So how are we going to resolve this issue under the current contract of getting that information?

Bergman: well we have done to date is we have negotiated an arrangement where a city staff person was able to read through the contract at one time and make notes, but we couldn't get a copy of it.

Leonard: Am I the only one concerned about that?

Katz: No and don't pick on this man because this man has tried --

Leonard: But I like questions to answers that I ask not other questions.

Katz: This man has tried very hard to get the information, has tried to make sure that this process is open, has gone out of his way for months and months and months to get to closure on this, so I just want -- I want everybody to know.

Leonard: It would help if that information was shared.

Katz: And roy is nodding -- and -- yeah.

Jay: He has done as much as he can under his capacity. It is time for the council to step forward.

Katz: Ok.

Jay: we intend to get it by Friday.

Katz: Ok. I just don't -- I just wanted to make sure that everybody knew that ron has tried very, very hard in getting that information and has not been able to get it.

Jay: Remember that is your contract.

Katz: We know that. We know that. Ok. We have legal issues.

Saltzman: I have some questions, too.

Katz: Are you finished go ahead.

Saltzman: I did have a question. The 25-year term is for the master lease?

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Bergman: it is a -- the master lease is for a term that would be proposed by the proposer up to 25 years. So, they can submit whatever term they think is appropriate. Part of the reason for that open-endedness is that they would be required to, essentially, refinance or take out the city's debt on the current parking structure, and they would need time to, amortize that cost out, and what term that they amortize that out will just depend on what their financing arrangements are.

Saltzman: So the terms for the individual services --

Bergman: are five years with two one-year extensions.

Saltzman: Because I did think that 25 years sounded like a long time, but then I guess if they are refinancing and stuff like that, that's probably not inappropriate. Let me just on this rfp, public request for information issues, I mean, it seems to me the public request for information, the minority chambers are pursuing, we have tried to get you know, correct me if I am wrong, but this rfp is looking forward and saying, ok, this is looking to the future. How we are going to do business. The request for public information and the refusal to disclose subcontracts are really kind of looking at the past and trying to prove whatever, whether it's, it's favoritism or, you know, somebody is making a win-fall profit or whatever, they are valid questions, and maybe we have erred in the past, but the questions really, I don't see them as necessarily, or the answers, or the information as being germane to what's at hand right now in terms of this is to say, forgive us for our sins of our past, but this is the new rfp. Here's the new ground rules, and here's the new game. And we have tried to level the playing field and make it as open as possible. We may, each one of us may agree or disagree with that statement I just made --

Bergman: exactly right.

Saltzman: Am I capturing that right. All these requests for public information are trying to sort of prove --

Bergman: current agreement, that's correct. But, I think that there are lessons to be learned out of the current agreement and we have tried to deal with the ones that, we are aware of through the preparation of this rfp.

Francesconi: Back to the issue of marketing and what's going to happen. Tell me why we pulled this out, but then also address, when is it coming back and how is it going to come back and what's that going to look like?

Bergman: the issue of the marketing has several components. The first one is the business assessment that we had done on the parking garages to look at what this operation should cost the city. What we found is that a good share of the operating costs for the garage were devoted to marketing of downtown. Now, that may be a very appropriate thing for the city to fund. That ought to be a council decision. What the business assessment indicated is that that's not a cost of doing -- or managing the garage business, itself. And so what it recommended was that any effort to market downtown should be, essentially, a below-the-line expense. You get the net profit out of the operation of the garages. You manage that garage, business as tightly and as closely as you can to generate the maximum return, and then the council would have its decision making ability on how to spend those profits that would come out. So what we have done in this rfp is followed that recommendation to make this an rfp for running the business of parking garages downtown, and then we would come back to the council. Once we know what our costs would be, under the rfp, how much money is going to be available to do marketing, to then present to council some options for -- to consider on whether to go forward and in what manner with marketing.

Francesconi: Go ahead, mayor.

Katz: Let me just say, please explain to the council that we are draining our fund out now, that that was one of the issues.

Bergman: that's very true. The other issue is that over the last several years, we are spending more money out of the parking fund than we are taking in and over this last year, last two years, it has been exacerbated by the state of the economy. Our parking revenues are down and way down. We

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are spending much more money than we are taking in. So, the strategy for achieving balance in that fund was to severely tighten up on the operating costs for the way we handle the business of parking and that's why we tried to provide for as much competition as we could in the provision of the services to get the best price for the delivery of these services. That would then make the most dollars available at the bottom line for council priorities, such as paying for the streetcar debt, paying for support of pdot, paying for any marketing activity that might come from the decision of the council. Those are the kind of the support things that the profits from garages pay for.

Francesconi: Right. But, so we made council decisions that's also affected the validity and the liquidity of the fund. What I am concerned about is marketing, I mean, there is three principles here. One is we have to make sure that we have a fair process. That includes the right people making some decisions here. They are going to have big impacts on making recommendations to us. The second is, is that it has to be cost effective, but the third is, this marketing to the downtown and to the retailers downtown, which was part of the deal, so now what we have done in the beginning of these garages, now we have kind of separated out that third component, which may make sense, but I don't know where it is, or when it is coming back or what the amount is going to be or any of that.

Bergman: I don't know what the amount will be, either, because I don't know what the costs are going -- to the city for operating the garages will be until we go through this rfp process. The plan would be, once we, know what the costs are and we have gone through the process and have a contract in place, then we would be able to come back to the council with options on, on --

Francesconi: I guess -- that's partly true, but I guess the other thing that we need some help with, and it may involve the retailers, themselves, is what should the marketing budget be period, not just the source of it, but what does it take to market, you see. So I guess we need a little work done on that side of it, too, given the fragility of our economy and the fragility toward downtown central city businesses.

Katz: We will have that information before we do the budget, complete the budget.

Bergman: before you complete it.

Katz: So you will have that conversation. I have made a commitment to the retailers in the central city, and in downtown, where our garages are. That a marketing strategy will come back. There is a question of whether the marketing strategy that's been used has gained the results and been effective. That's a legitimate question to raise, as well, so there are a lot of issues that need to be honed in on at the time that the marketing strategy comes to us, and my hope is that, is that we use some experts, outside experts who, in marketing to advise us on what those criteria should be.

Bergman: that certainly would be the plan.

Katz: Let's continue.

Gale Castillo, Executive Director, Hispanic Chamber of Commerce: good morning. My name is gale castillo. You couldn't read my writing. I am the executive director for the hispanic chamber, and I want to thank you for the opportunity to comment. I also want to point out that, that our chamber is working very closely with the african-american chamber of commerce and also the philippine american chamber. Why are we doing this? Because we feel that it's important that all citizens have the opportunity for contracting and participation in our city. Not just for our chamber members, but for all citizens. Many of us are, are involved with our own communities, but we are involved in other broader issues, as well. We are concerned about the quality of life for all citizens in Portland. I want to underscore the concern that we have regarding the selection committee. We have not seen that list. My question to the council is, when and where will we have the opportunity to respond to the people that will be making these critical decisions and how will we provide feedback? Maybe I missed that. I think the commissioners also should be concerned about past performance of the past contractor. If I had a contract with you, and I did not perform in a quality manner and I did not provide you with the information that you requested, why would you want to

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consider contracting with me again? So, in this case, I would ask you the same question. If your past contractor did not perform at the level that he or she should have and if the city of Portland has requested information and you have not received it, why would you want to continue that business relationship with them? I think that it's very important, given our economic situation not only in the city of Portland but in our state and in our nation that the city council present an accountability to the citizens if the city is not receiving the information, that it has requested, how can it be accountable to all the citizens, and I think that that's a key question here. The other thing that we are concerned about is the opportunity to, and you have touched on it, to review the rfp and provide response in a manner that's reasonable, and I think the time lines that you have already discussed are very short, so we hope that we will have the opportunity to review, respond and provide some input. Thank you very much.

Jaime Lim, Chairman, Philippine American Chamber of Commerce: My name is jamie lim. I am the chairman of the philippine chamber of commerce, and we are, of course, working with the minority chambers. Gale and roy jay, and i'd like to echo the comments that they made, and you know, for the city has been talking about fair and equal contracting for city contracts, and yet I have not seen any of that accrue to our people, to our community, to our minority folks. Very little of it, and, and although we haven't seen any of the, the rfp yet and the -- we have just had, had a couple of minutes to look over the ordinance that's before you, it appears to me that, it's designed to, eliminate what we are in the process of trying to obtain from the city. The, the 20 years that the other people have contracted with you and have not been able to, able to make money for the city, I think I would just like to see that, we, we are -- the council of Minority chambers is given an opportunity to equally compete for this contract. Thank you.

Saltzman: Question.

Katz: Go ahead.

Saltzman: You have been lobbying us for some time not to extend the contract, current contract beyond july 1st with the current operator, and now you are hinting around that you want a process that would involve a public hearing on the draft rfp, public review of the members of the rfp selection committee, that the current time line proposed in the rfp to allow those comments, and to allow the changes and still award a new, and still have a new contract up and running by july 1st. You are kind of asking for a lot here, I think. How are you going to have -- you are saying on one hand, don't extend the current contract past july 1st and the other hand it is now march 12th today, we don't have much time between now and the contract award date of, I forgot, april 17th. If we start doing a hearing, I imagine that we are talking, you know, most hearings and public comment periods involve 30 days. That seems to be the rule of thumb around here. So, how are we going to do that?

Castillo: Well, you can extend the time period, but in other public contract opportunities i've been involved in, before the rfp is brought to the decision-making body, there is usually a panel of citizens that review and I don't think that that happened here. I don't think that the community or anyone who is considering participating or, or bidding on this process -- in this contract has had an opportunity to understand what the rfp elements are. So, since it has come to you, perhaps, you know, a little extended opportunity of, a window of opportunity to at least respond to it and make some suggestions is all that's being made.

Katz: We are going to have to then do that for every other firm that we know that is out there that may be bidding, and if there is a firm that we don't know about that's going to be bidding, we could get sued.

Castillo: That's a consideration.

Katz: Yeah, I know.

Leonard: Mayor Katz, if I could just respond to that. If we did the process that way, I would agree with you. But, I envision a process whereby we could make the rfp draft publicly available, and

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general services could have one public hearing over at hearing room c at the Portland building, so that anybody who wants to comment can about the proposed rfp, and legitimate issues raised about it, in other words, there are stumbling blocks that are, in fact, inherent in it, that prevent an otherwise qualified person from bidding, we could take that into account before we voted on this, so I -- I don't envision handing it out to one group, but rather make it publicly available.

Katz: Well --

Saltzman: I think that, that -- I am sympathetic in part to what you are saying but I also realize that exactly that is provided here. There is a prebid meeting. There is a preinspection walk through of all the facilities. The only difference between what you are proposing and what is proposed already is that with the schedule of we are moving ahead. I think that what you are proposing opens a door for all sorts of rabbit trails that will go down, public comments we will receive, all sorts of things that are going to paralyze this process once again, and I don't think that we are going to meet a July 1 date of having a new contract awarded. If we want to throw in the towel and say well not going to meet July 1, then we can have these types of processes, although they are different --

Leonard: I appreciate what you are saying, I guess for me I'm thinking in the larger context of the statements the city council has made, that I support of trying to create avenues that allow minority and women contractors to, to bid on an even basis. And we make those statements but when it comes down to making the tough decisions like this to actually cause that to happen, I am just concerned that we are not listening to the community that we are trying to open the doors for with respect to how they can be able to compete more equitable. We are deciding for them what that should be.

Katz: Let me -- did you finish testifying?

Castillo: I would just say that we are not saying that you should change the ultimate deadline, just saying a bit more flexibility in the response process would allow people to review and study and make comments and then work with the staff a little bit. It seems like the time lines are real short, so we are just asking --

Katz: That is part of the contract, gale. That is incorporated in it. I don't see much difference in having this come back to us. Ron is going to hear from not only the chamber, the minority chamber, he's going to hear from everybody else and I guarantee you I don't know how he's going to be able to resolve those issues if they come from diverse places and discussions on specific items, I mean, I really -- I don't know. That will extend the time, and quite frankly, if it will extend the time, then we have to then extend the contract with the Portland business alliance for a period of time so that they can continue managing the garages. So, I --

Francesconi: I would, I would -- hang on a second. Let's not go there yet, ok, mayor. Let's try to keep the deadline in July. My suggestion would be, since we are at this point, I am not sure this is the ideal process but I don't understand the legal side of it. But my suggestion would be that we proceed with this ordinance today. You are going to have time to review it then, before the rfp is actually led, that a report come back to council after you have had a chance to weigh in on it, then we are going to get a report back to us on any changes that are being recommended, so it's a version of a hearing. You are going to have time to comment. There is going to be a report back to council, after April 10. Then you extend the time for actual, the actual contract, the reporting period --

Katz: This, this, if you vote on it today, it authorizes the issuance of an rfp, so that isn't going to work. Thank you. Thank you. Did you both get a chance to testify? All right. I am trying to make this work for everybody. Anybody else want to testify?

James Posey: Good morning, Mrs. Mayor and council. I am James Posey, and I was not going to testify on this issue, but I, I thought that -- it's important for me to convey what my experience has been, and I am in agreement with Commissioner Leonard that in order to make the process right, we have to start with it being right, making sure that the rfp can in some ways overcome what I

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consider to be a, a, an unfair process over the years. As someone said earlier, this council has made a lot of good intentions. Someone said that this, this particular community is full of good intentions, but unless they are willing to take the necessary action to overcome the historical provisions that caused minorities and women not to be able to participate, nothings going to change. And I am a living witness to that, and all you have to do is travel down martin luther king boulevard and watch the contractors down there who have been getting contracts year after year after year building up experience, building up capacity, and still excluding minority workers and subcontractors from working with them, in spite of all the good intentions and your good efforts through the shelter market and whatever. But, 25 -- when I listened to the gentleman talk about qualification for five years of experience of operating a major downtown parking garage concern, that experience in and of itself doesn't tell me that any person of color has that, background. Maybe there is somebody from new york or whatever, but in this community, I don't see that happening. If I saw that rfp said something like having that experience or comparable experience to do similar-type projects, that those experiences are transferable, then that may give me some hope that somebody other than the people who have historically had those experiences would get this contract. Based upon what I see, it would, again, I agree with commissioner leonard's assessment, you need to build the rfp properly before you go forward. Thank you.

Katz: Thank you. Anybody else want to testify? All right. Come on back. You have been having conversations with minority chamber.

Bergman: Let me just respond in terms of some of the comments that have been made here. I think that we have really worked to make the minimum thresholds as low as they can be in terms of getting as much participation in the process we have only defined it as parking management, experience for that particular work. For janitorial work it's any janitorial work for five years. For security it's, it's similar kind of arrangement. Those are not limited to parking kinds of experiences, so we have tried to open that up as much as possible. I think in terms of the concern about the time line for comments, or for the prebid proposal that got made, we can look at trying to squeeze in a second alternative date if that would help. We really only have a few more days beyond the time in order to get the qrf's in there, but we could do a second date in there if that would be helpful.

Katz: What do you mean by a second date?

Bergman: I heard testimony that there was concern about the walk-through and the preproposal conference that would be essentially next week, that there wasn't enough time to have people here to do that so we could try to squeeze in a second round of those things between that time and when the qrf proposals are due.

Katz: So we would have to change the date on --

Bergman: we could make an addendum to the rfp and get it -- that in there, that would be pretty quick to be able to do.

Katz: Ok. Further questions?

Francesconi: Explain to me and there might be a good reason, why you can't come back with the report to council as to any issues that came up in response to the rfp? Why couldn't we do that?

Bergman: we certainly could report back to council on the, the comments that were received --

Katz: Have a public hearing? If he reports to council, you open it up to a public hearing. Do you want to have a public hearing on rfq's and rfp's?

Bergman: we could certain make the commitment to make sure that each of your offices are advised of the comments that come in and try to keep you -- communicate with you in terms of what the issues are and try to keep the process moving.

Sten: I don't know -- somewhat similar related question. I just want to ask about it, and I will make a comment on actual awarding of this contract. That's going to have to come through the council. I will say on the front end I will expect more -- not of you, but more of a presentation and explanation as opposed to something coming through saying, here's what the committee -- I mean,

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I guess my feeling is that this is likely to be a decision that's debated out there in the community, and i'm personally relatively confident having reviewed it and spent some time that this thing has opened up and ready for bidding in a variety of different ways that are going to give them looking at these guys a very clean shot on this, and I want to make sure that you have conversations with the right folks and have time to talk that through, but I am more worried about opening an avenue where this gets litigated than I am about whether or not it's a clean, open process because I truly believe it is, having looked at this. It's very, very important to me that we get a wide variety of bids on this. But the question really is, you know, how do you see the actual awarding process coming forward, assuming that there are going to be -- you know, this is going to be a controversial process.

Is the council going to make that decision with the advice from the committee? How is that going to work?

Bergman: the selection committee will be making a recommendation to the council based upon their review of the proposals against the criteria that we have set out in the rfp. We can make that as detailed a presentation in terms of the issues that got raised in that as the council would like.

Katz: Let me just say that I think that's a good suggestion to look at the result of all of this. I want, I want to, to lay the -- allay some of the concerns of the council. If the council doesn't agree with the committee's recommendations, what are our options at that point? I want the council -- I need a unanimous vote on this morning, to move this ahead. So, I need to make sure that there's a comfort level on the part of the council as to when this all comes back, what their options are.

Van Dyke: I think the council has couple of different options. One option is to reject the recommendation that comes back to it, and start the process over. Another option is to come to a different conclusion than the, than the committee that's bidding put together brings forward to the council, and make an award to a different party.

Katz: We have the ability to do that.

Van Dyke: I think you have the ability to do that, and I would want to work with the council to make sure that we jump through the right legal hoops so that we address the commissioner's concern about litigation because the rfp process does set out certain criteria, and we have just got to make sure that those are the criteria on which the award is made. Otherwise, we subject ourselves to some substantial litigation on that.

Sten: And I reviewed the criteria, and I think they are better thought out than in past years, and I think that they do give room to look at different, different features, and I am expecting that, you know, I think that, you know, it's going to be up to this council to decide, you know, how, you know, how you want to award these contracts and I think that that's something that I want to be clear on in the front end. Also, my sense is if we did want to, you know, have some more input, what would make more sense, which I am not necessarily -- I am comfortable with the rfp as it is, but would be to, you know, to, if we are going to do something, we ought to bring it back here at some point and just, you know, in a week or something and say, ok, because we need to issue the rfp as this council sees fit so that it's a clear signal that this is what the council's criteria because I think that ultimately the council will have to make this decision. We need to keep that line of authority very, very clear, I think.

Katz: Well, we can take it back, but what -- but, you have got the same issues, if we take it back for another week, again, we don't have the ability or the knowledge of anybody who is going to be bidding out there, so I don't know what -- where -- what would they bring back, commissioner?

Sten: The point being, if somebody wanted more time, rather than having a hearing process over in the Portland -- and I understand the intent of what commissioner Leonard is doing and I agree with it, but rather than having a hearing process where it's a whole piece, you know, i'd like the council to own, you know, this is what the thing says, this is the criteria, and this is the committee that the council is charging to make a recommendation to us, based on that, and really own this process at this level so I am saying that my sense is that if we want more time to comment, I would

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like us to sign off on what the final rfp is and get it out there. I am comfortable with how it is. I have spent, not exhaustive amount but a reasonable amount of time understanding the strategy, and I believe that it's, it's -- I believe that it is set up in the way that I was, at least, asked by various groups, not just this group, so a lot of folks out there who are interested in looking at this thing. I am less worried about the issue of lots of different people doing it because this hearing was noticed -- where I get nervous is if, you know, it goes into a whole other process that people may say well, I didn't really catch that, you know, if it's noticed here and we have a hearing and either voted through today or, or voted through next week, then I don't think that anyone has a leg to stand on that it wasn't a clean, approach. That's my concern.

Katz: Let me ask the council, what's, what's your pleasure? Remember if you are not ready to vote on it today, I do not want to pass it to second reading because -- I want to take it back because, we have got a time frame that won't work, so I need to know, if you don't want to act on it today, what it is that's within the legal realm of what you want to do.

Leonard: Mayor. I didn't realize all of us needed to vote yes on it.

Katz: It is an emergency ordinance

Leonard: I cannot support this ordinance for the reasons I gave. I don't think I am envisioning the kind of out of control process that I have heard some describe. I am thinking of a process -- I have just -- I have also reviewed this and I think that it's a better rfp, I agree. But, I learned a long time ago that I am walking through life as a white male, and I view the world from my experiences and I am very sensitive to other people who have walked through the world different than I am, and their experiences. So, I am not comfortable substituting my judgment for somebody else's who has had different experiences. For that reason, I do not think that it's inappropriate for us to allow this process to take comment from all sectors of the community. I am not envisioning just one group get this rfp, proposed rfp and look at it, but it should be available for everybody to comment. And I think that could be done in a timely manner, a short manner, and a fairly expeditious manner. And what we may end up getting back is yes, that does meet our concern. But, I just think that if we are really committed to changing the paradigm in the city with respect to how we award contracts for, to encourage women and minority contractors, this is an example of how we have to do things different to do that.

Katz: All right.

Saltzman: If you are asking where we are, I'm prepared to go ahead. I guess we won't do it today but if it's next week, that's fine. I think everything commissioner Leonard wants to see happen can happen through the prebid meetings, through the walk-throughs and through the addendums that can be issued and ultimately through our ability to reject the contract and to award it to somebody else. All those issues will play themselves out but they will play themselves out in the time line that will allow a new contract to be awarded July 1. I don't think that any other process that would deviate from that would meet the time line, and I think that there has been a lot of time already spent in meeting with all the interested parties to overcome sort of the inherent biases that, you know, that us white males may have, that we don't pick up on, and I think that those have been well addressed. I think that Ron has worked very hard and met with everybody, you know, and we are never going to have -- we are never going to have a per rfp. There is always going to be quibbling, but let's do it within the context of we are moving to a deadline to make an award or to either award it to somebody else or for the council to reject the award because we do feel that, for one reason or another, something hasn't been adequately addressed. But, I think we need to do it in a time line that's going to allow us to move ahead.

Katz: If I have somebody who is not voting for it today, either I take it back and we will need to convince commissioner Leonard and bring it back next week as an emergency ordinance. We have lost a week, but -- or move it to second and lose a month, I mean, lose more than a month.

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Francesconi: I think it would be good to take testimony again just from one representative of the african-american chamber to get their views on this.

Katz: I am not finished yet.

Francesconi: I am sorry.

Katz: Ron, you have heard the discussion. What would you recommend us, having been in this arena for a long time, would you prefer me to take it back and work with, with commissioner leonard? Or do you have any other ideas?

Bergman: If we are not going to get it adopted today, then I think that we need to take it back and figure out what kind of process we need to do to satisfy the interests of the council and that will probably mean that we won't -- we will not make the July 1 time line.

Katz: I think that's accurate. All right. Thank you. Folks, you can't -- I am not sure that you can have it both ways, but I am open minded to listen to how you can, so Joanne. Identify yourself for the record.

Bowman: Jo Ann Bowman, vice chair of the african-american chamber. I think that there is -- there's some confusion. For us to issue, the issue was the fact that we were supposed to have been able to review the rfp by next week with these two meetings that were mandatory. We felt that that was not enough time to have been able to review the proposal, bring people in to town to do the walk-through, to actually have a list of questions --

Katz: So you need a date further --

Bowman: Yes ma'am. If we just moved it out a week, that would give us sufficient time to be able to get our questions answered.

Saltzman: The prebid meeting was March 27 rather than March 20?

Bowman: That is correct.

Katz: All right, thank you.

Bowman: Thank you.

Katz: Ron, come on up. Thank you. You were part of the solution. Ron?

Bergman: I think that we can accommodate that if we move the walk-through and the prebid conference by a week and move out the qrf proposal date by a week.

Katz: I still need -- are you better off -- do you feel comfortable? Ok. Do we need an amendment on this?

Bergman: you actually need an amendment for that change and also an amendment to substitute the exhibit a-1 that was submitted to your offices yesterday and was indicated in the cover memo that we were going to do that. It's just -- there are no policy or substantive changes to the one that was in the original packet.

Katz: Let's take --

Leonard: What about the, the laidoff custodians?

Katz: Let me get one at a time. Nobody objects to the addendum, the amendment on regular item 227, and any objections on that? Hearing none, so ordered. We need the dates extended to give you more time. You want to give me new dates, Ron? And then we will get to the custodian.

Bergman: It would just be -- I think it's the 19th and 20th so it would be the 26th ..

Saltzman: 26 and 27. 26 for the preinspection walk-throughs and then the 27th for the prebid meeting.

Bergman: just slide it a week and then the qrf proposals would be, would be --

Leonard: So that I am clear, am I hearing from the chamber, the chamber, am I hearing that you are ok with this proposal as long as those dates have been adjusted?

Jay: yes.

Katz: Come on up. Identify yourself for the record.

Jay: Roy Jay, president of the african-american chamber. Yes, we are ok with those dates because there is some people from out of state that want to come in and be able to participate in the

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walk-through, and I have had some conversations while the commission was meeting with ron about providing input on the rfp, and he said that was no problem. That we could do that --

Leonard: What I am hearing here, so we are all on the same page, is I heard some reluctance to amend this rfp if we adopt it today in the future. Are you hearing that? I thought I heard the mayor express concerns about amending the rfp later in the future if we adopt it today.

Bergman: throughout the process, there's an opportunity for any of the proposers to issue concerns or raise questions about the rfp, itself, including its evaluation process or its minimum requirements or whatever. We will respond to that, and if we believe that it changes -- a change is necessary, we will issue an addendum to the rfp --

Leonard: That we would consider here?

Francesconi: No.

Leonard: You can do it yourself?

Bergman: I can do it myself.

Katz: He can do it himself.

Leonard: I just need to feel comfortable that you will, you are open to legitimate concerns.

Katz: You feel comfortable

Leonard: All right.

Katz: Can I say the t word? Trust me?

Leonard: Oh, wow.

Katz: I think that you can feel, I think you can -- well, let me add another comfort level, since this is within my portfolio, if ron comes back to me and identifies some of the issues, and any of them appear to be legitimate issues, I will give him the green light, or if there is other issues that really pop up, then I may come back and discuss it with you or have ron discuss it with you. Is that all right?

Jay: Mayor, you were saying, our suggestions, and we have not seen the document but our suggestion would be things that are reasonable, not anything that would be outrageous.

Katz: But there are other people.

Jay: I understand. Oh, there are?

Katz: Yeah. Thank you. All right.

Leonard: And the issue of --

Katz: Everybody agree to amend the new dates? All right. Hearing no objections, so ordered. Now, the issue of the custodians.

Van Dyke: Thank you for giving me additional time to consider that question because I had not considered it before. Let me answer that question by first starting out and giving you just a little bit of the legal context in which we operate so you understand where I end up. Under state law for, for, if we award individual contracts for janitorial or security services, we must first offer those contracts to qualified rehabilitation facilities, ok. So, assuming that there are no qrf's that are interested for this and we go forward, I believe your question was whether we could give consideration to the custodians who are laid off, and I am going to assume that those custodians would be hired by some firm that was proposing to us. Under the current rfp, the current rfp allows points to be awarded for the experience level of the staff, and certainly that could be -- those folks with that experience would -- I assume, get additional points as opposed to others who did not have their kind of long-term experience. Could we give them points simply because they are laid off custodians from the school district? I believe the answer to that, as much as I have had time to consider it, is, is we could not give them additional points beyond other people who were similar well qualified, and this is -- this is why I am going to get to that answer, I think. Under state law, ordinarily janitorial and security contracts have to be awarded based on price alone, regardless of the experience or who they hired. We couldn't change that. What we are able to do through the exemption process is to consider other factors, such as those in the rfp, but we can only do that if

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those factors lead the council to the conclusion that the result will be a substantial cost savings for the contract, otherwise you can't exempt yourself around the process. So, for example, if a firm came in with custodians laid off who bid a much higher price, than other equally well qualified custodians, I think we set ourselves up for a legal challenge that we are not getting the best price out of it

Leonard: Let me clarify one of the driving motives for my concern. The Portland school district pays self-insured for unemployment compensation, and as you are probably aware, the city is attempting to help the school district in as many ways as possible. If we were able to get some of those people off the unemployment rolls, it would reduce the school district's cost. That really is one of the drivers for my suggestion to do that. Would it help if we didn't say laidoff custodians from the school district but give priority to the custodians who hadn't been laid off at a certain level of experience and had that apply to the entire class of laidoff custodians?

Van Dyke: We might be able to do so with the commissioner's grace, i'd like to, to look at that in some additional detail. I would feel uncomfortable just giving an off the top of the head answer.

Saltzman: As much as I am sympathetic to what commissioner Leonard is saying, I am uncomfortable with trying to do this in this rfp because I do think it sets us up for legal challenge, and also, you know, I heard yesterday there is a million square feet of empty space, office space in downtown Portland so there is a lot of unemployed custodians.

Leonard: That's why I'm just suggesting we make it available to the entire class of unemployed custodians, not just school custodians-- that was my last suggestion, and he said he would look at that.

Van Dyke: I would be glad to take a look at that.

Katz: All right. I am sorry I had to walkout. We have -- it's almost noon, and we have two -- we have other items and then we have a deadline here. So, we are working on a couple of things. So, we -- we resolved -- council is ready to vote on this.

Bergman: We have one more amendment, which is the amendment to substitute the exhibit a-1 --

Katz: Didn't I do that?

Ben Walters, City Attorney's Office: That was handled the first --

Katz: I handled it. Took care of it. All right. And everybody who wanted to testify, testified, yes? All right. Roll call.

Francesconi: It's been a lengthy but maybe important discussion for the reasons that commissioner Sten said. We need to own this process, and so getting us involved in the process, we need to own it because we are going to, we need to make an important decision coming here. But having said that, and I appreciate the help of, of the african-american and hispanic chamber in getting to a yes on this thing. We can't go longer than, than July 1. That has to be the deadline. So allowing this procedure and this rfp creates three options that we can consider. I actually have reviewed it. My concern wasn't the rfp, itself. It was the perception of a closed deal, and so I do think that, that now we will have an opportunity for people to respond to the rfp. The mayor, as well as you, have committed to flagging any significant issues. If you could just let us know, mayor, if there is any red flags as this proceeds because we need to own this process. But, I think that we are on the way to a better product, and I appreciate, ron, personally because you have taken it from, from all sides here, and so I appreciate you hanging in there with us. I also look forward to the work on the marketing contract because that's another piece that really is important to keep our downtown, a vital downtown that's an envy of the rest of the country. But above all else we really need a fair process, and I believe this rfp gives it to us. But now we need to see what feedback comes in. Aye.

Leonard: And I do trust the mayor and the assurances that she gave me relative to my concerns, and because of that I vote aye.

Saltzman: Well, I think we need to remind ourselves we are doing this as an rfp and this allows substantial discretion to us the awarding entity about who we make the ultimate award to. As much

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as I think a lot of the issues raised under the freedom of information request are related to sins of the past. We can factor those into who we decide to do business with in the future, and this rfp is germane to the future and going forward, and I think that we have done as best of a job as we can to level the playing field, and if we haven't, I know we will hear from you both through the addendum process and we will probably be hearing from you through other channels outside the addendum process, as well, when we ultimately make a contract award, but we do have discretion, and we can use that discretion. I think we are all capable, ready and willing to do that if need be. Aye.

Sten: Well, I want to complement ron on some good work on a tough issue. I think this is the - and I won't go on because we talked about this, but this contract is very important on several fronts. It's important services that we need done well. Our downtown drives the whole region if not the state's economy and if things aren't clean and well marketed, which is the next piece, and well run and all those things, then everybody suffers, and so, we also, I think, need to have a very good competition that includes people and so I really hope that people can hone in on the rfp. It may not be perfect, but I think it's clearly an open process, and you have got a very clear message from five council members that we are personally going to review these, that all of the criteria, which are quite different than they were last time around, are going to be judged very strongly, so I think the effort ought to be all of the competitors putting in some really strong proposals, and then let us, let us sort it out up here. Aye.

Katz: Ron, I probably more than anybody else have gone around and around with you on this issue, so I really appreciate your frustration at times with, the contract that we currently have, your willingness to open it up to allow the minority chambers to participate, whether they organized themselves or find somebody to organize with and guarantee that the process is open. You all have my commitment to this, and commissioner leonard, thank you. I will flag issues that I think the council would be interested in and have you then comment on that. This is a business operation, so we will make sure that whatever changes we need to keep in mind that we are operating a business, but on the other hand, we also want to make it available to as many people in this community and maybe in others, who knows. So, thank you, aye. All right, don't go away. We have two more items. 228.

Saltzman: you can go away.

Katz: And joanne and everybody else thank you. That was an easy solution and sometimes the easy ones just aren't available to us immediately. All right. 228.

Item 228.

Katz: roll call.

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

Katz: Mayor votes aye. 229.

Item 229.

Katz: This is important, too, folks. Go ahead.

Francesconi: Actually, it is important. I will save it for the end, this is this is an ordinance that both commissioner Sten and I are co-introducing. Go ahead, jeannie.

*****: over the last several years --

Katz: Identify yourself.

Jeanne Nyquist, Director, Transportation Maintenance: Jeanne nyquist, director of transportation maintenance. Over the last several years we at pdot have changed the way we do business in order for our work to be more environmentally friendly and have less impact on the environment. Some of the examples that we have done at the bureau of maintenance, for instance, when we take equipment out into the roadway, a lot of times we take spill blankets and put underneath equipment to make sure that no oils or anything like that are going into our stormwater system. We have done a lot of work with erosion controls and waterway protection. We use environmentally friendly cleaning agents instead of petroleum-based products, for instance, to keep

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hot asphalt from sticking to the beds of the trucks. We used catch-basin inserts to make sure we don't have asphalt and things going into the stormwater system. So those are just some examples of a lot of the small things that we do that add up over time. These help us to protect the environment and help to make projects like our river renaissance project successful for the city. So, today we are asking that you adopt our road maintenance manual. It's modeled after a road maintenance manual that odot had authored. We have been doing many of these practices for years, but this adoption really authorizes us to increase our environmental protection in those areas. We are also making a management and financial commitment to noah fisheries that we will provide a comprehensive training program to our employees, and we have that underway, and it's very reasonable and practical program. So while we are committing to employing the same road maintenance activities as odot, we wanted to also point out that there are three other areas in which our practice is different from odot, and actually, really exceed the work that odot had done. Number one, our service work, odot tends to do their grinding and pothole patching just in good weather, and we do that all year. So it's important that as it is raining, we make sure that we are protecting the stormwater system. Our sweeping and flushing of streets, we do year around. Odot does those only in dry weather, so that's very important to our stormwater system to keep that, to keep that sweeping program going. And the snow and ice removal. Odot sweeps the sand from snow and ice to the edge of the pavement. We pick ours up, the street sweepers, we take it out to our sunderland yard recycling facility we wash it and reuse it, so it not only cleans up the environment, it also saves us money. If you adopt this resolution today our next steps are that we would sign the cover memo and then noah fisheries will publish our interim submittal in the federal registry for public comment, and we expect a favorable determination from them. Then the next step after that is, since the odot manual only covers a portion of our activities that we perform, we would plan to begin work to expand the manual to cover other types of work that we do, such as our sewer repair and cleaning and traffic signals and our asphalt and concrete crushing operation that goes on out at sunderland yard. So those are three areas not currently in this manual that we will need to do additional work on and come back to you at a later date for approval of those.

Katz: Thank you. Jim?

Jim Middaugh, Endangered Species Program: Jim middaugh with endangered species program.

This is a great example of how river renaissance is percolating all the way down to the street level, and the folks who are out there every day working have really led the effort. The people who watch the rainfall in the gutter every day, and are best suited for telling us how to clean it up, have been the ones who have led this, and I would just like to offer my appreciation to the maintenance bureau, and -- for hanging on with this. We will be the only municipality in the northwest that has this limit from, from noah fisheries if the public comment goes the way we think it will. We have a great relationship with noah fisheries who have helped us through out this process and they are excited to have us move forward, so I think that this is river renaissance at its best, and we're going to keep people moving and we're going to protect clean water and we're going to help protect native salmon, and I think that that's a pretty good bargain for rate payers and the citizens of Portland.

Katz: Let me just out of curiosity, is this one of the issues that the river renaissance team had looked at as part of the umbrella work to clean -- to, to clean the environment and deal with the river?

Middaugh: We have kept them informed throughout the process and in some of the analytical work that's been done by bes and my group shows some of these activities are really going to help us a lot with, with a variety of our environmental obligations.

Katz: But, pdot then did most of the work in terms of adopting the, the --

Middaugh: Yes.

Katz: Ok.

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Saltzman: I think pdot was doing a lot of this stuff way in advance of the endangered species act, a lot of the good practices.

Nyquist: We have been, and I would like to say that there is tremendous amount of grassroots support at our bureau. You might think that all these extra things that we are asking employees to do sometimes when you make changes in people's jobs, they resent it. But, there really is a tremendous amount of grassroots support. Leanne has worked with our p-2 team that includes our line workers that do this work, and many of the suggestions, many of the ideas that we have implement have come from them, and are very practical things that really help us to do our business in a better way. So, we really haven't had any kind of, of pushback from our employees. They really embraced this, and it's really made it a wonderful program, and I want to commend leanne for her work and jim for the support that he's given us on this program.

Katz: Did you want to say anything?

Liane Welch: My name is liane welch and I am the environmental engineer for the Portland office of transportation, and I want to say through this process what we have done is -- it has been a great working relationship with the esa team. We have worked together, come up with some really great ideas that are practical, that are cost effective, and that really benefit the city.

Katz: Good. Ok. Anybody else want to testify? All right, everybody. I need a motion to adopt the, the manual.

Leonard: So moved.

Katz: Do I hear a second?

Saltzman: Second.

Katz: Roll call.

Francesconi: In the distant path, environmental stewardship, we really didn't think about it much in street maintenance, there were examples with, with, in street cleaning and paving, ice removal, especially cleaning asphalt off of equipment and things of that nature, where we would use diesel fuel, even, not too concerned about where it would go. This is the distant past, without the current employees that we have here. But, as you just heard pdot has come a long way, and jeannie, it was terrific of you to acknowledge that it was the employees, environmental ethic but also took leadership from you, as well, and the bureau and commissioner Saltzman. We appreciate you just acknowledging them. But, it really is a new day because of all the efforts. I mean, the leadership, the commissioner, that commissioner Sten and Saltzman have provided, as well as the mayor, in helping us understand that we must always continue to improve the way we do business, and at the same time, protect the fish and the environment as kind of one goal, not separate disconnected strategies, so we are trying our best to incorporate best management practices into our daily operations at pdot, and it's showing in ideas like this, so it is a privilege to work with you. And we are integrating this with other aspects with our infrastructure because of your leadership, but it goes to really, you know, our employees. It all begins and ends with, with our employees working in this manner so it will continue to be a national leader in this regard so thank you, everybody, aye.

Leonard: Thank you for your good work, aye.

Saltzman: This truly is great work, and I want to commend bes, the esa folks, office of transportation. As I said earlier, I think that you have been way in advance of this before we had issues about endangered species act, and the bureau of environmental services works very closely with transportation because so much of what goes down our drains ends up in the rivers. And you know, I have to laugh because I would think that -- maybe -- correct me if I am wrong, but most jurisdictions around the country would laugh when they hear that we pick up our sand and we wash it and use it again. Most say, out of sight, in the rivers, clogging the drains, so what, off the roads. But, you know, it truly does make an impact on the rivers and the fish, and it's a very environmentally good thing to do. I am really proud we do it. Aye.

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Sten: I will be brief, but I really am happy about this and want to thank Jeannie and maintenance and everybody that has worked on it. It's a great pleasure to work with the ESA program, and Commissioner Francesconi's being a little modest he's been really great at helping push this through. The thing that I'd say, the endangered species list is four years old, come the next couple months, I think in April, and this council made a commitment on the endangered species act that we would try and make things better as opposed to make sure that we were just complying with the law, no offense to the federal government but complying with the law doesn't always mean that it gets restored. This is really, you know, a great example and we have done pest management with parks, also Commissioner Francesconi, I should say, as you pointed out and, and we have done the bull run work, also done this, so I think that it's trying to go through piece-by-piece, and the urban environment has been hard on the fish and the way it's built and so to fix it, you have to go through piece-by-piece-by-piece and work on the different issues and retool just slightly how you do things. And I think that this is really a great piece of work. This will add up in the long run, and I think that, that -- you are also seeing four years later, which I will point out, that there is no history of us having huge problems with mimos now Noah in terms of lawsuits and everything we were worried about. I mean, I push a bit on the federal government, say sometimes they aren't effective but they have been terrific partners in recognizing if we are doing work, they are not going to take us out legally in another fashion, so I think that there is some track record here that, that shows this can work and it's critical that, the municipality is showing this type of proactive work and approach can work so that we can show the private sector that's the way to do it. So great work and I will stop there. But a great pleasure to vote aye and thank you.

Katz: Let me say how proud I am of this and the work that all of you did. Long, long time ago it seems like a long, long time ago I said we are going to turn to the river, and we couldn't do it alone, so parks does their part. Bes does theirs. Water bureau does theirs. Transportation does theirs. Planning does this, their part. ESA does their part, and everybody is now truly on the same waive length and to get the work done. So very, very proud, this is another piece, and we will keep adding those pieces as, as the years go by. Thank you, aye. All right, before we adjourn, let me just ask all the members to please stay in their offices. We have a little bit of work to do. We are almost there.

Sten: Are we in quarantine.

Saltzman: Are we on lockdown.

Katz: You are quarantined.

Leonard: I'm scheduled to --

Katz: Then I can have your vote. I think you will be fine. I think that I know everybody's threshold now, and I think we are there. There is still a bit of work that needs to be done within the next two hours, so stand by. We are adjourned until 2:00.

At 12:11 p.m., Council recessed.

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Katz: Hi. Where are you from? [inaudible] nice to have you here. You are watching something that doesn't happen very often in this community, and then we're going to send you tomorrow over to the county. And that will be a lesson in taking civic responsibility to heart and actually saving our schools. All right. Enough of editorial. Council will come to order. Karla, please call the roll. [roll call]

Katz: Before we start I want to apologize to my council members that things came down rather late. We tried to keep you informed, and we reviewed each of the resolutions and the ordinance, and because a lot of people are very concerned about the issue at hand, and because you may not have had time to look at every dotted I and t that's crossed, we have staff that will review the resolutions with you and go over them so that you understand what's in them. But why don't we read -- why don't we read all three of them.

Katz: For the public that's here, 231 will go to second reading. We will -- 231 goes to second reading. All right. Chair linn, come on.

Diane Linn: Good afternoon, Portland city council. I'm Diane Linn, Multnomah county chair. I'm here on behalf of the board of county commissioners to thank you for the partnership we've experienced on three very critical measures before you today. I'm going to run through some quick highlights from our perspective on each of the three, and I appreciate your indulgence, because I'm off to go back to the Multnomah building to continue discussions on some of what we've been calling the devilish details of some of these measures. First of all, on the business income tax and business license fee reform effort, you'll hear from staff. It's been a long, extensive process. We're still bringing new parties to the table to discuss the real impacts to real businesses, which is what I'm really most concerned about, and also around the revenue we can yield for the jurisdictions to continue to provide the critical services that people that work in this community enjoy. The resolution before you today is mirrored at the county and sets a framework for a new approach to taxing businesses in this community, and again, we're the only jurisdiction, Multnomah and the city of Portland, that taxes businesses in the way we do in the whole state of Oregon. So it's very important that we're very careful and thoughtful about how those taxes are balanced among the different approaches. There are still obviously many controversial issues. We've had a public hearing or two on this already, and we'll vote on our resolution on Thursday. To move forward, and I think the most important next step, is the informational filing that will happen this spring that will bring much more data and information to the table to help us really look at what the yield could be and the rates that we may need to set the consideration of the caps and the other calibration that's necessary to be sure that the implications of this reform are clear to all of us, the trade-offs and the result. So we're anxious to work with you through this spring, summer, and then next fall when we look at ordinance changes and the specific code changes that are necessary to implement the reform. And let me finally tell you that it's critically important for Multnomah county for us to receive a more reliable tax. Nothing's really stable in the taxation business, but for us we've experienced such dramatic declines from year-to-year, that this is so important to our ability to manage our budget and be able to weigh the trade-offs that we are responsible for providing in the community. So we thank you for your partnership on this very much, and we're anxious to hear from the community about how it's going to impact people so we can make sure it ends up working well. On the schools and services bridge funding for this school year, I was very proud to work in partnership with the mayor, thanks to commissioner Randy Leonard, Erik Sten, to all of you in your help to bring a settlement to the Portland public school district and the Portland school teachers to avert what I think and all of us believe would have been a devastating strike to this community. Your I think -- to set the leadership course to bring revenue from the business community that's reflected in your ordinance today, and the school teachers' willingness to work ten days for free has brought back a

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full school year to this community and this school district, and on behalf of my two children and the 54,000 children that attend Portland public schools, it's an extraordinary effort. It's the right thing. And you'll hear jokes about how we hopefully would be made fun of in the national press, none of that counts more than what it means to our kids. So I strongly support your effort here today to move that ordinance. It is in partnership with the business community with all of us that feel this is so very important to do. And we are, the mayor and I, are completely committed to following through on the elements of the settlement agreement that relate to student achievement, the changes in the contract that are necessary to improve that, and also to look at the costs around the compensation packages for teachers to make that work better into the future. We will be camping on that process, and we look forward to your input about that. Finally, the resolution before you today that will provide bridge funding for schools and services and your support to the county's package that will be in front of us on Thursday, and then for a final review for the referral to voters on the 20th of March is so very important to us. We are going to ask voters to consider raising their personal income taxes to a certain level to help us fund, fully fund schools, avoid cuts, and bring a fair and equitable distribution of those resources to every school student in Multnomah county. And that's 90,000 kids. The other two packages, as you well know, include the public safety piece, which will restore critical services in the district attorney's office, bring back jail beds we lost after the ballot measure 28 measure was defeated, and very important, community supervision services. This community will be a safer place for all of us to live if we can pass this package and bring back those critical programs. Without this, I am terribly concerned that we have a looming crisis on the horizon that could be very, very severe. So that's a very important package. The other package is to prevent what we're calling lethal cuts to people, senior citizens, frail, and low-income elderly, people with physical disabilities and people with mental illness. The package that our team at Multnomah county's put together is really to restore our acute care mental health system that will also impact public safety, and we again so appreciate your support in this comprehensive package that doesn't just look at the immediate crisis in front of us as it relates to schools, but looks down the road a little bit to the comprehensive package that we think the community will support. This won't be easy. And it hasn't been easy getting here today, considering all the issues around the allocation, around the amount of rate of the tax increase that the board is considering on our end. I believe that we've had a lot of very healthy dynamic tension to get us here today. I think we could put it that way. And I really look forward to us turning the corner in the next 48 hours as we move our resolution to -- towards referral, that we will all come together with all of our community partners to help this measure pass into the future. And I just think everybody who's been involved has done an extraordinary job to put together this package on an extreme time line that's been really a 24/7 proposition for many of us. So it's been great working with the mayor on this in terms of our partnership in working with the school funding task force, and the team at Multnomah county has just been extraordinary. So I'll wait if you have any other -- if you have questions for me, and stand by to hear some of your discussion.

Katz: Thank you, chair Linn. It was a pleasure. Again, it's just beginning, but the journey to get here was a difficult one, and one filled with compromises and discussions about public policy, discussions about political realities, discussions about getting everybody on the same page. And without you and without the help of your staff and everybody else, it couldn't have happened. So thank you.

Linn: Thank you.

Leonard: Can I make a small comment?

Katz: Sure.

Leonard: This is just from the perspective of just an ordinary citizen from Portland. Participating and watching you and the mayor work together, as I've told others, it is the only time since I've been here I actually say I enjoyed myself and had fun. It was a real pleasure watching you and the mayor

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work together, getting the settlement that we did. It has been my version of how i've wanted to serve, working with you, developing the compromises that we have, and without your participation and your leadership, it was a key element to getting here. And I want you to know how much I appreciate it.

Linn: Thank you. I appreciate that.

Katz: You aren't a slouch either.

Leonard: Just another guy.

Katz: Just another guy.

Linn: And on election night we'll all celebrate together. Thank you all very much.

Katz: I'm going to ask that everybody refrain from opening comments. You'll have an opportunity when you cast your vote on all -- well, on two of them, and then an opportunity to make whatever comments you want on 231 after we hear the explanation and the testimony. Otherwise, we're keeping people here that might have other business. All right. So let's hear on the community partnership agreement. Who's coming up? I understand you're leaving town tomorrow.

Linn: Thank you, mayor, yes, I am.

*******:** Three days late.

Katz: Ow, who was that?

Francesconi: It was her husband. [laughter]

Katz: All right. Who's going to start?

Sam Adams: My name is sam adams, I work for the mayor's office. And i'll do a quick introduction, quick synopsis of the resolution before you. About 18 months ago you passed another resolution that created the community partner steering committee for reform of the city's business license fee and for a reform of the city's business income tax, and you directed the group to look at issues of equity, allocation, possible disincentives, and a variety of other issues, including administrative costs to see if there's a better way to do that. This was a public-private partnership, and I want to thank the then chamber of commerce and the association for Portland progress that became the Portland business alliance, the ampmva, a lot of other people that contributed, including the Portland development commission, and the county and the city were active partners in this. So a lot of thanks to all those people. One of the precepts of the county and the city's creation of this group was that whatever was recommended that it would establish revenue neutrality to the governmental, both the city and county government institutions, and on page 2 of the resolution, that has been established for the next year at \$76 million, and that includes \$2 million in administrative fees. The resolution itself moves forward the process, moves forward the discussion, it gives some specific numbers, it gives some specific caps, some specific -- some specific exemptions, but those are simply there to be tested against the information on the tax return that will be done this summer. There's a lot of consternation and concern and some happy people about these numbers, but I can tell you the numbers don't add up. They're our best effort, as cathy was quoted once, we've taken the big rock and hammered it into small pebbles, but there's stem cell still more work to be done. It's really the outreach that needs to happen to every taxpayer in the city and the county, the education of what we're trying to do, getting their feedback on what we're trying to do, and having them do a practice -- excuse me, an informational tax return that will give us the information on the payroll taxes that we don't have, and that we can't get unless we do that informational return. So this is very much a resolution that moves forward the process whereas the resolution on schools you're going to hear today really does begin enactment of resources. It's been a source of great confusion and a communications challenge for us to make the distinction between the two, but that is the distinction. In terms of what we'll be testing as part of the informational return is a payroll tax of .395, we're looking at for both the city and the county, for the city we would be doing a virtual payroll tax. The caps that have been mentioned are \$50,000. The -- the informational returns will test both of these. The goal is to keep the payroll tax, maximum of the

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payroll tax not to exceed, and this includes the tri-met tax, the goal is not to exceed 1%. Whether we'll get there, I don't know, but that's the goal, the discipline we've put upon ourselves. In terms of the license fee, it's targeted right now at 1.395. And the caps on those that a maximum a business could pay, the maximum they'd pay on a payroll tax is 50,000 for the city, 50,000 for the county. The maximum they'd pay on income tax is 15,000 for the city and 15,000 for the county. Again, all of this will be tested as part of the informational return. One of the issues that was of great importance to the committee members, and you're going to be hearing from them as well to give you even more detail, that was that we not impact, we're trying to both not drive the big employers, give them a disincentive to stay in the city, and we're also not trying to punish the smallest businesses, as you all know, the city of Portland is a city of small businesses when you look at firms that employ five employees or less, and so also, number 2 on page 3, we have an exemption, \$30,000 for the payroll tax, and an exemption for business these have gross income of \$30,000 or less. They're exempt from both the payroll tax and the business income tax. That's to help the very smallest of firms. The rest of the resolution talks about various things. I'll highlight some of them. One is owners' compensation deduction. It will be increased to a maximum of \$125,000. Currently for the city it's 55.

Katz: Where was that coming from?

Adams: Terry, this -- number 8, i'm going to have tim take you through number 8 on the resolution.

Tim Grewe, Chief Executive Officer, Office of Management and Finance: Number 8 is intended to do the following. It's intended to mature that first -- first of all we have a surplus in our general fund discretionary budget, so we can cover csl service and we've had more revenue growth.

Based upon that, if there is growth in business license taxes in excess of 2%, we've established some parameters for your consideration as to where those dollars would go. Under -- those parameters are under number 8, 4-a. The first 1% of the surplus business tax revenue would be appropriated into the counter cyclical fund, which would provide -- I want to make sure the heads were going like this -- which would provide protection in the event of a downswing in business licenses. The second 1% in business tax revenues will be up to 2% growth --

Katz: Please turn off your cell phones.

Grewe: -- will be appropriated to an economic development fund recommended by the mayor's blue ribbon economic development committee as a means of providing resources to attract and retain businesses both within the city and now also within the county. Resources over that 2% would be prioritized to -- for council consideration in further reducing business tax license revenues. What we've tried to do, in years in which you have surplus versus being in a cut-back mode in your general fund discretionary budget, and years in which you've had both in your business income taxes, you would consider allocating some additional dollars towards these areas. What we were trying to avoid by putting this in was a year in which you had good growth in business license while above -- well above a c.s.l. Percentage, but because of fall-after and other resources, you were at c.s.l. In terms of what you could afford to buy, or you were in a deficit situation. Because then we would be cutting city services at the same time we would be pumping funds into some new areas.

Adams: That's a basic overview. Is there anything you'd like to add?

Katz: I'm going to ask council to hold off. Don't go away. Specifically how many are here just for this specific item? You've got -- why don't you just come on up for this particular item. This is the community partnership steering committee. This is 2:30. Why don't you mention their name. There was a confusion.

Greg Goodman: My name is greg goodman. This is greg peden. I want to thank everybody for what I think has been an amazing effort. We've been able to accomplish a lot. It's the result of 17 months of hard work, and i'm happy to say that we've got a program now that will build to the

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future, and reestablish in our opinion a community that is thriving and therefore has a good school program, good public safety, and that's obviously very important to the business alliance. I'm especially happy that we're able to take care of small businesses to the extent that we have. Sam mentioned that there was -- there's an exemption for small business in the new reform program that -- for payroll of under \$30,000. There's no fee to small business. Again, for income of under \$30,000, there's the same. There's no fee. So it's nice to be able to get this behind us. It's nice to be able to work towards the future, and most importantly, we look forward to reestablishing our schools and participating and reestablishing and having great schools again and working on the campaign with the income tax surcharge to make sure that passes, so we can take and -- talk and work on our schools in the future and public safety.

Katz: Thank you.

Greg Peden: Greg with the business alliance. I'll be real brief. Mayor, I'd say about a year ago we met with you to talk about this issue. You told us at that time that reform of the business income tax was catching the tiger by the tail. It has been a very difficult year. Coming up with the solution that we have today has been the great work of a lot of different people, the city staff, the county staff, a lot of other constituents. I think this package we have makes a lot of sense. The primary concern that was raised by the business community over the last number of years was the flight out of Portland and Multnomah county into the suburban jurisdictions because of the business income tax and the rate it was at. I think the package you have today really works to eliminate that issue. I think that's going to be a critical benefit to the reform that's in front of you. Thanks very much.

Goodman: I'd like to touch on one more thing. Greg said some thank yous, I think it's particularly important to thank Cathy Turner and Sam Adams. They did incredible work on this, and they kept everybody on task. There was a lot of diverging interests, but people realized the task that was ahead of us. The business community realized it was a revenue neutral deal, so I can assure you this wouldn't have happened without their efforts.

Katz: Thank you.

Francesconi: One question, is that all right? You heard the city and the county, I don't know if the county said it, but Sam said the goal was also that the combined city-county-tri-met payroll tax not exceed 1%, because you're also concerned about that, you don't want to just shift one onerous tax to another onerous tax. Do you agree the payroll tax, the combined payroll tax should not exceed 1%?

Peden: I think we do. I think in studying this issue over the last year, we found some levels of how you move these taxes around that are either acceptable or unacceptable. We think that's a key threshold on the payroll tax.

Katz: Thank you. Who else? Steve, I think you and -- on this particular issue, or on the business license fee? It's a separate issue. Come on up. Anybody else on this particular issue?

Steve Schell, Esco: Steve Schell, I'm a lawyer on behalf of Esco. Dale would be here ordinarily, but he happens to be out of town. Esco is very concerned about the schools and what happens with the schools. They would like to caution you, though, about the impact of the payroll tax. Payroll tax goes directly to costs, and so it goes right to the bottom line. When you sell competitively internationally, you have to consider those costs, because there are a lot of -- there's a lot of competition going on. Particularly for Esco in its steel foundry efforts. Esco has about 650 employees, most of them have family wage jobs. And they need to take a close look at what the final proposal is and try to understand it. I understand from Tim Grewe we don't -- there is going to be a kind of mock-up effort, and we'll get a chance to look at that more closely. Esco will be able to understand better how it impacts them at that time. But a payroll tax is of grave concern to Esco and how it fits with this employer with large number of employees in the city. That's really all I have to say. We look forward to working with you on this issue.

Katz: Thank you.

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Kent Studabaker: My name is kent studebaker, i'm the owner of g.s. associates, a small business. We have seven employees. This payroll tax is just another expense for us that we didn't have before. It only adds about \$1,100 a year, but that's a lot for us. We've been struggling to survive for two years, that's about \$100 a month. We've been trying to do everything we can to pay \$50, \$15 out of the expenses we have, and suddenly we get hit with this. This together with the water combined sewer efforts, which adds another \$2,500 per year to our business expense, we just can't keep doing it. You're killing us. It makes it very expensive to do business in this city, in this county, enough so that we're seriously going to look at going somewhere else. Because we just simply can't afford it. I'm not asking you to do something we're not already doing. We've done everything we can to survive this thing, you're making it very difficult for us.

Katz: Thank you.

Nancy Chapin: Mayor Katz and city council letters, nancy chapin from the support group. I appreciate all the work that's gone into this regulation proposal. And I was there, and we have sweated blood over this. As a very small business person, i'm appreciative of the attempt to help our bottom line with the exemption for businesses that earn 30,000 or less and have payroll for 30,000 or less. However, unfortunately as more information comes across my desk, it's clear that the payroll tax hurts so many larger small businesses' bottom line that something more needs to be done. I've been hearing from business owners from gateway to hawthorne, old town, chinatown, to division. They describe their restaurants particularly as fragile. Don't add to their burden with this additional tax. Do you know the cost of a restaurant license doubled this year? The owner of day dream cafe on hawthorne gave me permission to say his growth income decreased 25% from january 2002, it was death 10,000, to january 2003 it was \$7,500. This is a big hit. He's had to lay off five employees in this last year. And that -- the hundred to \$1,000 means something to a small business owner who may not even make \$5 an hour after she pays the bills. I remember a woman, three years in business at the hardware store on division, finally said she was averaging \$5 in income an hour after three years in business. When you -- after you pay your bills and your employees, I think sometimes we forget how much \$100 means to someone when they're trying to keep the doors open. I think when the folks that take care of the children that are serving your dinner, that are cutting your grass, keeping the small doors of a shop open, all those things, that \$25 or \$50 matters.

Katz: Thank you. Your time is up. You know that this is just a resolution to continue the work. And we'll be discovery -- discovering all of that as we get to the examples of the impact this year compared to any of the numbers that are shown on this -- on resolution. So thank you.

Leonard: Can I add, I just wonder, maybe you just said that, you have calculated the difference between what the business license fee currently is for businesses and the change to the payroll tax?

Chapin: We have calculated several of those. The ones we get. Unfortunately that form is really hard to -- for people that don't usually do that sort of thing to calculate, then they have to spend more money for their book keep tore figure it out. We have figured there's anywhere from -- I talked to a small restaurant this morning, nine employees, it will cost them \$550 more. 1 hundred one -- 101-person business, it will cost them \$10,500 more.

Leonard: Have you done the same? Do you pay the current --

Studabaker: It's about \$900 more a year for me.

Leonard: Ok. Thanks.

Katz: You're right. There are winners, there are losers, that's what we're going to uncover as we continue doing the work. So thank you.

*****: Thank you.

Katz: You need to know the vote today is just to move this process forward. You understand that. All right. Let's keep going up on this item, because there are a lot of people who want to testify on the other two. Who wants -- go ahead.

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Connie Hunt, 777 SE Grand Ave., Portland, 97214: I'm connie hunt, my husband and I have owned the east bank saloon and restaurant company for almost 25 years. I'm here representing the newly formed small business advisory council and also the Oregon restaurant association. I am asking you to remove from consideration the business payroll tax portion of the resolution before you. And here's why. Small business in particularly the hospitality industry have not been adequately represented during the development of this resolution. Had it been, the payroll tax portion would not be in it. I've got stats i'd like to share with you to show you why we should have been at the table from the hospitality industry. These are figures from 2001 for Multnomah county. I've got them for you in print. Eating and drinking places totals sales were \$1.16 billion for Multnomah county. Number of establishments, 2,428. Number of employees, 30,337 with a total payroll of \$413 million. Average employee hours per week were 25.6. With sales per man hour, \$28.72. Here's the good one. The number of restaurants closed in 2001, 168. As a board member and an officer of the Oregon restaurant association, I can tell you the hospitality industry opposes the president of imposing a payroll tax for any reason. Hospitality industry is one of the most labor intensive of all industries, payroll tax hits us disproportionately harder. My industry has one of the lowest sales per man hour of all industries. That makes a payroll tax onerous, since the only way we can make it up is by cutting labor. We operate with a low margin. The payroll tax has nothing to do with a business's ability to pay tax. While I appreciate the city's dilemma and the county's dilemma, let me put a personal face on my dilemma. In the summer of 2001, because of the morrison street bridge repair, I lost approximately 30% in gross sales that. Means my business was cannibalizing itself. Just when we began to see recovery, 9-11 hit, and everyone knows business has not been the same. In january 2003, we were hit with a minimum wage increase which will automatically keep going up. Since january 1, I have cut labor 41.5 hours per week and I still have only recovered about 50% of the loss from minimum wage. A payroll tax on top of this will add a minimum cost more people their jobs. The worst case scenario, you add another long-time establishment to the number of closures in Multnomah county. Let me put a personal face on the people that are losing their jobs. They are minimum wage staff who actually report over an average of \$13 per hour. They are mostly women. Seven are college students, two are those are single moms,. Two uses this as a second job and one is a married mom who works breakfast shift on weekends. Tell me which one of those should be the next to lose her job. You have the power right now to stop this. Please do not consider for one moment longer the possibility of including a payroll tax as an option in this resolution. As a test case or whatever. Thank you.

Katz: Thank you.

Ken Turner: Try to follow that. Mayor Katz, council members, i'm ken turner, address 4000 southeast 82nd avenue Portland, 97266. I appreciate the opportunity to be here today. I'm a member of the small business advisory council, chair of the alliance of Portland neighborhood business association, chair of the foster area business association, and a member of the board of directors of the east Portland chamber of commerce. I'm here today, though, representing the newly formed small business advisory council, and we're representatives of the average small business in this community, businesses with under 50 employees, businesses that are geographically based in business districts throughout the city. The proposed resolution before you today will impact nearly every small business in the city and county and most of them negatively. This will impact business growth, jeopardize existing and future livable wage jobs, and be harmful to the overall economic vitality of this community. As connie said, a lot of this is going to impact the lower-income folks. The next time you go down to your corner coffee shop, remember these folks can be negatively impacted. When you go down to get a hamburger, remember, these folks will be impacted by this resolution. Unfortunately, we don't come here today with any kind of defined alternative. As we've only seen this finished product for about a week. We ask you not to fully commit to moving toward a payroll tax and to leave an opening in order to consider retaining the business tax and license fees

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with some consideration for gross receipts criteria changes within the existing structure. In the next few months as we're considering to mix payroll and business income tax, we'd like for you to clearly understand the serious consequences for the small business. Small business of course is interpreted different ways. We talk about numbers, but you have to look at the financial small business. Just because they only have five people doesn't mean they're making it. Doesn't mean they're making a million bucks or a half million bucks. You have to consider that into this mix. We also have the city and Multnomah county to fully recognize the accumulated burden being imposed on small businesses and understand the real financial impacts on the -- for one on the January 1 minimum wage increase. The school financing support, tax reform alternatives. And there's others.

Various trade license fees are going up, s.d.c. Charges are going up. And as a proposed tax reform stand, we will continue to be plagued by the perception that Portland is a city that works, but not for small businesses. And we don't want that to continue. This letter has been endorsed by the small business advisory council, the alliance of Portland neighborhood business associations executive director, the board of directors of the east Portland chamber of commerce, and during a luncheon meeting yesterday at the foster area business association, all in attendance endorsed.

Katz: Thanks. I'm sure you'll be back at some point in the fall. Thank you for making your points today.

David Weislogel, 3216 SE Milwaukie, 97202: Mayor, council members, my name is David, I'm a real estate broker and own a small 23-year-old property management company in the Brooklyn neighborhood. I understand this is a very difficult and complex issue. You've heard some of the concerns of business owners and leaders alike relative to the potential shift to a payroll tax. I do similarly urge you to carefully consider how small businesses might be affected. Emphasis on income for tax purposes can be less than represented with all the accounting methods available, but major emphasis on the payroll tax side will hurt those businesses with smaller margins and larger employees. Caps for the small and large businesses may simply cause successful mid-size businesses to bear an unfair burden. We do not want business to take their taxes paid and employees elsewhere. But we need to pay our fair share for services that benefit us all. I trust we can find a balance that works there. The test that are planned, the test reviews are a great idea, and hopefully they will reveal information that can lead to fair and equitable distribution of taxes so Portland can regain its form. Thank you very much for your careful consideration.

Katz: Thank you. Robert?

Robert Butler: I'm Robert Butler of -- I own a commercial real estate company at 824 Southwest 18th in downtown Portland, 97205. We do real estate work in both Northwest Oregon and Southwest Washington. I was looking back to see -- and thank you for taking up this important issue and letting us speak, by the way, council members. I was looking back to see how old this issue is. I now refer to it as the issue where small employers have to ride at the back of the bus. And I went back, started looking back at my notes, I go back ten years to announcement -- a press release by the National Federation of Independent Businesses, and their press release was May 10, 1993. Portland emerges as the worst tax hell for small employers in the United States. I think about kind of what's been happening since then, and it looked like we had a business that doesn't work, and someone crossed out doesn't, and put on their public trucks and now it says "Portland, the city that works." and I think what's happened now, it's a city that's out of work is what I would put on the trucks right now. I know that's a little sarcastic, but I'll explain. President Bush came here interestingly enough, probably because we have about the worst economy in the United States, to give his economic address. He had a message that I don't think anyone heard. Well, I did. His message was, what's going to pull us out of this? What is it? Two things -- one, small business. He said small business. His other one was entrepreneurialism. Let's talk about this year, how things are going. Evidently the small businesses and other businesses are being so beat up by this current economy in Portland, that they're leaving, they're closing their doors, they're moving out to the point

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that the business income taxes this year are going to be about -- collected this year will be about \$20 million less than last year. Less than last year. And so the solution we have before us, well, we'll just raise the taxes on those people that are still here, and try and get 20 million of -- out of them before we lose them. Then we'll do some other things to keep the big businesses from leaving the city, because that would be politically disastrous if esco left the city. So we got to come up with these back of the bus prejudices to make sure small employers pay more. So we started pulling out these numbers out of the air, like, let's have \$100,000 payroll cap, and \$125,000 working -- owners compensation cap, and \$100 minimum for Multnomah county, and i'm sure -- oh, the \$15,000 income, or I call this finger painting when you pull out these things. Anyway, this is what we have. And the result is absolutely disastrous.

Katz: Robert, your time is up.

Butler: So i'm suggesting now we put this on our trucks, because we're really intending to drive our business out of the city.

Katz: Thank you.

Francesconi: One question before folks leave. Just one. Maybe nancy hit it, nancy chapin. You're going to be doing more survey work of your small businesses. Can you say brief word about that, and tim, if you folks can listen, because how we -- if they're doing a bunch of survey work, and sam, if you could listen to this part, where your business organizations are surveying your members, which you're about to tell us about, I want to know later how we'll fold that into our outreach process so we can take advantage of the work they're going to do. Can you explain?

Turner: Attached to my testimony are excerpts from some small businesses that I received. We are exercising right now e-mail surveying, we're trying to pull as many comments as possible. We're sending out the calculator sheets to as many people as possible. And we'll have as many meetings as possible to get these responses. The real, live, on the street kind of responses.

Leonard: If I might say something about that -- after today the mayor has agreed to give me the responsibility for this continued process, and actually ty will replace sam as the kind of point person, and these issues --

Francesconi: How much money did sam have to give you to do that?

Leonard: It was more in the nature of a threat.

Katz: Remember, he has the bureau that deals with this.

Leonard: That's right. That's the reason.

Francesconi: I was kidding.

Leonard: The -- the issues that are being raised here I just want you all to know, i'm very sensitive to.

Katz: Anybody else on this issue? Come on up. And then after these two ladies testify, we'll move on to -- we'll do -- we'll do the resolution and then the ordinance together. 231 and 232. Go ahead.

Ilene Stoker: My name is ilene stoker, i'm an owner of steamers restaurant on sandy and 82nd. My husband and I own steamers restaurant in northeast Portland. It's a labor intensive business near the airport that has been hard hit by the events of 9-11, and the long recession. We can barely keep up with all the energy increase that's come through during this extremely difficult time for all americans. But trying to put another tax noose around us isn't going to help us pull out of the hole, and believe me, it's a hole. We want to be able to hire more employees in the next year and get people back to work that want to. We also want to regain a little of the losses we had to assume during the past two years. I hope that you will, in good conscience, think about our predicament, because we cannot handle any more increases. This has been a horrible two years, and as a restaurant owner in Portland, I know there are hundreds and hundreds of people in the same boat. I just ask you to consider this in your future vote.

Katz: We will.

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*****: Thank you.

Patty McCoy: Good afternoon, my name is patty mccoy, i'm the executive director of the columbia corridor association. As a recap, the columbia corridor association, the columbia corridor spans from the willamette river along the south shore of the columbia river out to the sandy river. It is entirely encompassed within Multnomah county, though it does include multiple jurisdictions more than just Portland. The columbia corridor association has not yet taken a -- an endorsing or opposing stance to this. We understand your resolution today authorizes you to continue exploration, and I think we would continue to support that, with the caveat that while the resolution describes a revenue neutral situation for the city and for the county, that being that the total collected of revenues would be the same as they are today, I think it's being called a current service level, it doesn't represent as you've heard in testimony and will hear from me, it does not represent revenue neutrality for the businesses from whom we're stealing from peter to pay paul. I understand this is a cake on which the frosting has been spread somewhat unevenly and it is an attempt to even out the frosting, if you will. Let me explain how it does that, reminding you the columbia corridor is the industrial sanction ware of the city, the largest in the state, and so we have in that pod a bunch of businesses that are identified as being under taxed, I think that's the term that's been used. These businesses, as they are surviving today, look only at their current bottom lines and what the proposed change would do to them. Here's what it would do to just five. I will comment that our association, I think jim commented that about the tax form, our association has now circulated that form with its entire membership and we'll be collecting those and is happy to share them in an unidentified data form obviously unaggregating the data from the identity of the company, with the city as we're doing with the county. In scenario number 1 we have a manufacturing -- I should note I asked though preserving the identity of the companies I asked them to identify whether they were manufacturing or service, slash, consulting, as these seem to be the peter and paul in this scenario, I asked them to identify themselves in a size of employees company category. In category number 1, we have a manufacturing who has over 200 employees. Their current tax liability today, \$11,000. Their proposed tax liability under the calculation sheet \$150,000. While I understand there's \$100,000 cap, I think it's important the form points out what the total amount due would be, I think it will help when you're doing the assessment later to understand where that break should be. Should be it at 100,000, should --

Katz: Let me interrupt you for a second. When you say their total liability was 11,000, is that state, local, federal taxes?

McCoy: Thank you. That is the combined b.i.t., b.l.f. In today's world.

Katz: Thank you.

McCoy: In scenario number 2, a manufacturer, 500-plus employees. They're today at \$8900 in combined city and county tax liability. And under this scenario would go to \$102,000, a change of \$94,000. Scenario number 3, I realize i'm over time, in scenario number 3, we have a service consulting firm. They are in the 100 to 250 category. Because of a loss situation and i'm not an accountant, but my understanding is because of a loss situation, the minimum was triggered so their tax liability was \$100. However, with the payroll tax, they would go to \$4,326.

Katz: Thank you.

McCoy: The other examples are just as indicative and no different in terms of the percentages.

Katz: We'll be getting those examples as -- the companies you represent fill out these forms for us, that's going to be very helpful.

McCoy: Yes.

Katz: The work that you just did, would you share that then with the rest of the council?

McCoy: I will. And what I wanted to clarify is, we understand from a presentation that was made by steven janik and eric hovey at columbia corridor association breakfast this morning that either

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the city or county or both will be issuing something like this calculation form as an informational collection survey?

Katz: Correct.

McCoy: My assumption is, that's not a voluntary thing, that's being required of businesses as a function, or it is voluntary?

Katz: It is voluntary.

McCoy: Ok. We are urging our members to do this so the city and county can get the fullest understanding of the impacts.

Katz: And tell your members that the information is not a public document, and so we will not be able to identify who the members of the association filling out the forms are, all we want are the aggregate numbers.

McCoy: Will the number of employees and/or manufacturing categories, will that be contributor of your understanding?

Katz: I would think so.

McCoy: That wasn't on the original form. I might suggest for any other groups, they might add that to theirs as well.

Katz: We'll take a look at it. We have not printed the forms yet. Thank you. We're -- are we finished with this category? All right. Commissioner cruz?

Katz: Council wants questions.

Sten: If you want to do testimony on schools --

Katz: Can you wait, commissioner cruz? Let's then do 231. I wanted to give commissioner cruz an opportunity to testify, but -- why don't you do 232 first and then do 231. It's the same issue. One's a general and one's a specific.

Adams: Ok. I don't have numbers, so is 232 --

Katz: It doesn't matter. Just start. I can't help you from here. [laughter]

Adams: Oh, lord. Ok. Have you a resolution and an ordinance for your consideration. My name is sam adams with the mayor's office. Dave and I will take you through these --

Katz: Why don't you identify yourself, dave.

Boyer: Dave Boyer, finance director for Multnomah county.

Katz: All right. Go ahead.

Adams: As with the resolution moving forward, changes to the business -- potential changes to the business income tax, the county will also be considering the resolution on public schools tomorrow that moves forward on a four-year package, including the schools' three-plus one or -- to help local schools. The various issues that really state why we're doing this. In terms of what this does, under the therefore page 5 is the first therefore be it resolved refers to the ordinance that will impose a surcharge on the business license fee of approximately \$20 million for the current fiscal year, year 2002-2003, and \$6 million per year for the following three years, fiscal years 2003 through fiscal year 2005, 2006. The further resolved -- the city council offers its support for the board of county commissioners to refer on the may 20 ballot a -- to impose a temporary personal income charge -- income tax for Multnomah county to benefit local public schools, public safety, and human services. And just underscore that fact, this example for a discussion purposes only, and one thing you can guarantee from what i'm going to say today, as we perfect this it will change, this really is for discussion purposes only, but it's intended to illustrate what will happen as we move forward. \$32 million out of the total package of all programs will go to county public safety services, dave will talk about those, and county service programs for a total of 32 million. 7 million will go for implementation and administration costs, the bulk of those administration costs are what will be -- what the fee that the state will charge, the county for collecting the fees. \$97 million will be going to Portland public schools. For a total package of \$136 million derived from 6 billion from the b.l.f., and \$128 million moved forward by the personal income tax, and that's on an effective rate of

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estimated rate of 10.25. The allocation of the money for both the city and the county will be done on an admw basis for the first two years. That's the current 20 and then the first six and the personal income tax. And for the following two years, it will be done on admw basis or an equitable formula on an equitable per pupil formula. We put that hick up in because there are a number of efforts under way at the state and local effort to refine what is the fairest per pupil method. It might be the same admw method, but we wanted to put that little hick up in to ensure that some consideration was available for that. The county chair mentioned to us that she will consult, because it will be done in partnership like this measure, that that will be done in consultation with you all in terms of any other changes to the current a. Admw formula. This is really about as we talked, as you all have talked about, this is really about a bridge, and although land is not sight order the other end, we need to aggressively pursue the state legislature to do adequate -- to do their jobs in terms of adequate school funding. We also, in the last, second-to-the last resolved on page 6, talk about any alterations to school equity and special education formulas and adjustments, or limitations to -- limitations on local options that substantially increase revenue available to schools would be welcomed, and in terms of the last resolved section of the resolution, net revenues for the -- for Portland city schools generated from these tax amounts will be to promote the current or improved student teacher ratios, promote a full school year to fund programs designed to improve achievement and success of all students, to fund key student support programs and services that provide a quality school experience and retain students in schools, to fund performance audits, and there's a long section in here on accountability that the auditors of both the city and the county will do performance audits as they currently do for --

Katz: Page 2 and 3.

Adams: Page 2 and 3. Audits that produce savings for us here in the city, and in the county. This also establishes a -- an oversight committee that will include representatives of the taxpayers, teachers, parents, the government, and the purpose of this oversight group, the quality council will be to make sure the money is being spent in a way that promotes those goals and will make sure after the money has been allocated the districts are achieving the results you want to see achieved. That's a quick overview of that. Dave, anything you'd like to add?

Boyer: I'd just like to add, the public safety, the law enforcement and the health, the programs that we're looking at as I think Cathy mentioned, the district attorney's office is getting some of the restoration back to the district attorney's office, the jail beds through our sheriff's office are -- our community justice, the probation-type services, and then on the health and human services, we're looking at the senior citizens, the disabled citizens of the county that we serve, and also the mental health programs that have been severely estacada back. And we would like to restore those and also want to make a point that we work with the -- all the other school districts within the county for an equitable distribution of the tax revenues for the school functions. So I just want to -- we would work with them to get an equitable solution.

Katz: 231.

Adams: Which one is that?

Katz: The ordinance.

Adams: The ordinance implements a surcharge is imposed for the 20 million is imposed on the current rate of 2.2, sufficient to raise \$20 million net of city costs. And for the out years, for the \$6 million, on fiscal years 2003, 4 and 5. This is the first reading for this ordinance, it will be voted on next week.

Katz: Ok. Did you want to add anything to our ordinance?

Boyer: We're in support.

Katz: All right.

Francesconi: Sam, just one little question. You were talking about the oversight committee. I couldn't find it.

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Katz: It's on page --

Francesconi: Then I found it because it in the whereas, but it's not in the resolved.

Adams: I thought it was in the resolved. Maybe we could make --

Katz: Which oversight committee?

Francesconi: It's referred to on page 3, and it says what the charge is.

Katz: It says -- whereas a small efficiency -- shall be established.

Francesconi: It doesn't do that in the ordinance.

Katz: Trust me it will be done. You can amend it if you want, we were trying to follow the county ordinance.

Adams: I don't think they would find if we put it in the therefore.

Linda Meng, Chief Deputy City Attorney: They had some concern about putting in the resolution a part that included other people, because it includes the school district the so without all of the entities doing it, the county was concerned about putting it in the resolved part. That's why they moved it up to the whereas.

Leonard: I would point out it is part of what the school district signed and the city signed and the union signs, and the county signed as a settlement.

Katz: We're going to do it. And I'm going to go over that. I think it's very important at the appropriate time to really clearly spell out for the benefit of the school districts and the benefit of the school boards and the benefit of the Portland association of teachers and the other unions that are involved, what accountability measures we're expecting.

Adams: You'll do that later?

Saltzman: This little hiccup in the distribution formula, this is news to me. Given how long and hard we've all been deliberating this issue, we're talking about another equitable distribution formula, possibly in the two remaining years of this bridge. Does that mean -- does equitable mean per capita? In some form or another, whether we call it admw or call it something, but it's basically based on how many students each district has?

Adams: The bottom of page 5, letter b, the words have been chosen very carefully. Develop a school funding allocation formula based on admw for fy-2003-2004, and consider applying admw and/or other equitable allocation formula for all districts in the county in the following years. And again --

Saltzman: Are you at the bottom of page 5?

Adams: Yes. It's the first be it resolved, be it further resolved. The thinking behind that is that admw is what we're using now. I would say it's sort of the default allocation formula, but if the work that's under way at the county in terms of they've got a number of projects under way that look at underlying costs and benefits on these issues, and the state is also looking at formula changes that this at least once to leave the window open to acknowledge further evaluation of the admw but again, the chair made it clear to us today that that would be done in consultation with you and the community because we know how important this issue is for everybody.

Katz: Let me add a p.s. on this. I think equitable funding is the key words to this. There's been a lot of discussion about the formula. And there's -- if you've been reading in the newspapers, there's been discussion about how inequitable in some cases the formula has been. And the legislature is looking at it, and now that we have almost \$100 million, not quite, but almost, rounded up, we ought to have the opportunity, not this year, not next year, but at some point to sit down and have a conversation, is this formula, is this formula the element formula equitable. And then did you distribute it equitably.

Saltzman: I guess we're just supporting what the county decides to do, so it's really up to them. I would just like to weigh in we should keep it however we twist the word equitable, it's got to be based somehow on the number of students in each district, otherwise we're back in the boxing ring again and we've got the east Portland districts in one corner and Portland public schools in the other

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corner, and the definitions of equity and the Portland public school district crises tend to drive these situations, and I just hope the county will find the wisdom to somehow define this based on admw or head counts in those out years.

Boyer: Chair linn is committed to do this.

Leonard: And I need to say that I absolutely agree with commissioner Saltzman's sentiments, that -- and I appreciate where we've got to on this, because it -- as you well know, commissioner Saltzman, when we went home last night it didn't look like this. And I could not have supported her resolution that didn't at minimum look like this. And for exactly the reasons commissioner Saltzman articulated. It feeds into the perception that there are two Portlands, and I just can't do that. So i'm committed into whatever the formula end up being, precisely what commissioner Saltzman said, it needs to be distributed on a per capita basis.

Francesconi: Wait. Please, i'm sorry, mayor. And I agree as well. I would -- so there's three of us if not all of us. But I would like to encourage the superintendents to continue what they've been doing all along until we appropriately got involved, which is talk among themselves. Because I do believe that if the superintendents themselves came back with something different, then that changes the scenario. So i'd like them to continue talking as we proceed, and I guess that's what i'd like the language to reflect from my standpoint.

Katz: Ok. Thank you.

Saltzman: One other question.

Katz: All right.

Saltzman: The issue of charter schools. Shouldn't charter schools, which are granted a charter by the state, and school districts be eligible for money under this bridge funding, or are they not? It's obviously a big issue.

Katz: Put the sign down, please, thank you.

Saltzman: Can somebody educate me on why they're not in? Or are they in?

Meng: I have to say I don't know the answer. I wasn't aware of a charter school issue.

Adams: I don't know the answer either.

Boyer: I don't either but we'll follow-up on it.

Saltzman: Am I wrong? Are charter schools not --

Francesconi: Wait. Wait.

Adams: I don't know the answer, i'm sorry.

Francesconi: Aren't charter schools authorized by the districts.

Katz: They're authorized by the districts that -- you're correct. They are --

Francesconi: So they decide how that should be. I don't think that's our decision.

Katz: All right. Can we hold off? Hold off. There are people --

Saltzman: I'd like an answer at some point.

Katz: There are people here who want to testify. They also have a march they want to get to, so I want to be sensitive to their needs. That wasn't too cool, was it? All right. Commissioner cruz.

Serena Cruz: Mayor Katz and commissioners, it's my honor as county commissioner serena cruz to be before you today, and i'm even just a little amazed given some of the discussions that we've had over the course of the day in the last week, that we are here today and that I am here speaking in support of the resolution before you today. As we talked about last week at our joint session, we're here because the state has failed to support our schools, and to support our human services and our public safety system. And it gives me tremendous hope that we do have a community, at least we're going to ask our community, to put forward the responsibility and the resources to cover our schools, to fund them adequately, and to make sure that we don't have this turn style public safety system that just pushes people in the front door and out the back. As well as a human safety system that cares for the most frail and vulnerable in our community. I want to make sure that I acknowledge and appreciate the work of you all, your staff, the staff at the county, and all the

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financial wizards we've got working for us on both sides of the river that have truly put in yeoman's efforts over the last number of days to make this happen. I want to appreciate the great hope parents in the audience and those who aren't here today who have pushed us to be a better Portland and Multnomah county in responding to these challenges locally. I want to thank the business community for their partnerships and their work in this effort, and more broadly, the voters as we turn to them in the next weeks and ask them to dig deep, to make sure that we stay a great place to live and work. With that, I will briefly respond to some of your questions, commissioner Saltzman, commissioner Francesconi, commissioner Leonard. The county is working on a school-based program, we want to coordinate all the efforts that we have going on and all the investments we're making in the schools, and when we look at times of finite resources, we want to make sure we're spending our dollars on the kids who need it the most. Now, be assured that our formula, whatever it becomes, will include a factor for population in the schools. There will be a per capita, per admw component. We'll also want to weigh in how many special needs students are at those schools, whether that's handicapped or that's e.s.l. students, or other populations that require special supports to make sure that they're successful again, well -- as well, again, with the idea that no child should be left behind and recognize that it takes more in some cases to be able to make sure that no child is left behind. And it is our hope when we've begun discussions, that we will do -- we will create the formula in a collaborative way, that we'll bring in the school districts and others in the community to discuss how we will come to what is a fair and equitable way to distribute these resources.

Katz: You're collapsing also your own organizations into this.

Cruz: Yes.

Katz: This was a discussion at the Portland-Multnomah county progress board. Everybody's very excited to see how the county is going to be reorganized within quadrants, you call them caring communities or something else, and then those issues will be discussed.

Cruz: We're excited to, mayor Katz.

Katz: Ok.

Francesconi: Commissioner, first let me thank you for all the work you've done. Not only in the schools issue, but our most vulnerable citizens all along for the last many years. I don't want the city doing your business in public safety, mental health, etc. We've got to honor that. Creating a different group to kind of now tell the superintendents what their formula is also causes me some concern, because there's increasing poverty in east Portland as you know, better than I do as well, so I just want to emphasize, you don't need to comment unless you'd like to, the last part of what you said, it's with the cooperation of the superintendents. Because I really believe that they can handle this if -- as you said, we allow them to do it.

Cruz: I agree with you, commissioner.

Katz: Thank you.

Cruz: Thank you very much, mayor Katz.

Katz: All right. Let's take the support list.

Moore: Come up three at a time.

Arienne Newton, 116 N Page, 97277: Good afternoon, thanks for having us. My name is Arienne Newton. I represent Trillium Charter School in Portland. We're one of the newest and largest charter schools in Oregon. We're one of two in the city. We're located in north Portland and we have quite a diverse population of 160 students. We serve 30% free and reduced lunch population 25% people of color, and 40% of our students are children and families that have returned to the public school system from private and home school experiences. We opened last September and we have a full enrollment to date, and next year we're looking at a waiting list for enrollment. We enjoy a really huge support base of dedicated parents, teachers, and students, some of which you see here today, mostly in the balcony, and we want to just come down and talk to you a little bit about what we're facing. Charter schools start at a deficit, as you know, state law allows us to receive only 80% for

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kindergarten through eighth grade students and 95% for high school students of the state admw tax dollars on. So we're already starting in the hole. We're responsible for our building expenses, our construction, our maintenance, utilities, our employers' salaries, taxes, benefits, including pers and insurance, it etc., and in short, all the expenses running a school that we incur. In addition, we've suffered, like, all Portland schools, seeing our budget cut by \$57,000 since october of this past year. Paradoxically trillium has paid substantial city fees related to construction costs on our leased building since we've opened in september. So we're here today really to try to help everyone understand, and I guess there is some confusion about whether charter schools are included in this or not, but we want to be clear that the language of this proposal needs to address this issue, and include charter schools in the allotment of this relief funding. We also want you to know that the reason we feel this is so important is because our students are public school students. Charter schools are public schools. And these children need to be supported just financially and in every other way on par with the students who attend all of our neighborhood schools in Portland, our special focused schools and our magnet -- magnate schools. Trillium is just an option that's kept families in the system, and we're creatively serving those families and we're an asset to the community. So we want you to understand that there is confusion, and to look at it carefully and to urge you to create this proposal so that it has specific language to include charter schools in this relief. And to support all of Portland's children.

Katz: Thank you.

Jacques Allen, 6526 SE 18th, 97202: I'm jacque allen, and i'm a student at trillium. But i'd like to say that i'm still in the p.p.s. system, even though it's a charter school. On behalf of trillium, I would like to say, yes, we're a Portland public school. It funds -- if funds are to be distributed among Portland public schools, charter schools should get a complete equal share. For the p.p.s. System to stay stable, schools should not be singled out by not getting funds.

Katz: Thank you.

Samantha McCourt, 116 N Page, 97277: I'm samantha mccourt, and i'm mostly -- i'm also a student from trillium charter school on the same step as the two of them. I agree that -- last year I wouldn't have been in -- I left the Portland school district, I home schooled last year from another school and came to trillium and I think that charter schools have just about as many rights as any other Portland public school. Our schools have global and urban studies, so it teaches us about the issues that are happening in the world, which sometimes you wouldn't get as much in a normal Portland public school. I just guess that's all I really have to say.

Katz: Ok. Thank you. All right. Thanks. Come on up. You'll hear about charter schools in a minute. More than you probably want to know.

McCourt: Thank you for allowing me to testify. Before commenting on the tax itself --

Katz: Do you want to identify yourself?

Terry Parker, 1527 NE 65th Ave., 97213: Terry parker, Portland resident and homeowner. Sorry. Before commenting on the tax itself, here's how I see the situation. First the Portland school system needs to go back to the books for a better understanding of the worth efficiency and basics. It is unacceptable to fund luxury class sizes of anything less than 30 or more students which was the norm when both commissioner leonard and myself attended school in Portland. Second, past state legislative sessions due to lobbying and campaign support by teacher and public employee organizations have not acted to reform the growing problem. Third, money that could have gone to schools has been siphoned off for political agendas like urban renewal. The city has given away hundreds of millions of dollars on tax breaks to fat cat developers so Portland can be redeveloped to the council's idea of what the city should look like. Revenues have not kept up with the need for services and schools. Now at a time of recession you want a public bail-out. In general I do not oppose new taxes on business because tax equity in Oregon is out of balance with businesses getting all the breaks and individuals making up the difference. However, a Portland only business

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tax does not come without a price. Businesses in Portland will be less competitive regionally along with Portland's transportation policies designed to create more congestion will only add to Portland's negative business persona. An acceptable solution is split property tax roll where business properties pay a higher rate and/or an advertising tax. I strongly oppose the personal income tax surcharge and will campaign against it. Especially in the wake of the 10% increase in property taxes for libraries, parks and early childhood development, but increases in excessively high combined water and sewer rates. Transportation officials want increases in motor vehicle tax, while at the same time failing to tax bicycles providing 100% subsidized free ride. There's a new barrage of scud tax missile attacks. Most people do not receive a yearly tax -- a yearly 10% salary increase to cover the whims of political well-to-do. The recovery will only come when there are dollars to spend in the pockets of citizens and any income tax surcharge should be levied on the upper percentile of income indexed in \$25,000 bumps only on income above the county's medium level and equally applied to business. Just addressing the current financial issues does not fix Portland's ongoing decline in school enrollment. High cost of living in Portland negative impacts on jobs and families, and promoting high density people warehouses instead of affordable homes with yards have contributed to an exodus of families from the city. Portland is in the position of raising taxes to support school spending only to have more people driven to the suburbs for a lower cost of living and better quality of life. If the city council increases taxes municipal concessions need to take place. All commissioners, the mayor and school -- i'm almost done.

Katz: Finish that sentence, because you want us to take a tax cut. I want you to read that.

Parker: I want you to take a tax cut so you understand what a --

Katz: Pay cut.

Parker: Pay cut so you understand what it feels like in the medium and lower income.

Katz: Thank you.

Parker: Real quickly, that's why I gave you the ramen for dinner, so you can donate your full course meal to the schools. Thank you.

Katz: Thank you. Ok.

Liam Ware, 318 SE 28th Ave.: My name is liam, I live at 318 southeast 28th avenue. Probably as you know, i'm a charter school student and we had just started up this year, and I had heard about the budget cuts and thought it was about time -- that was about the time for us to start up. I believe that since I am sure most people in this room have learned how to share, most people -- that we should -- that the money should be shared throughout the whole Portland public district of schools. Multnomah county, mainly. Thank you.

Katz: Thank you. Did you finish?

Ware: Oh, yeah. And I would like to explain how I like about trillium. The learning plans, I really agree with it because they're not only different, but I feel like we have more learning opportunities, such as, for example, instead of taking spanish, i'm taking german from my choice, and without funding, we won't -- we probably won't be able to have those opportunities.

Katz: How many children in your class?

Ware: There are about 21.

Katz: Thank you. Ok.

Paula Lowden, 1023 SE Lambert: Hi. High name is paula louden, I live at 1023 southeast lambert street. I want to first of all thank you and everyone who worked so hard to find a way through this very difficult time. So thank you. The only reason i'm here is that i'm a small business owner, and my daughter goes to trillium, so i'm a parent there. And when I heard that there might be a question of whether the charter school was going to be included in this interim solution, money solution, I just wanted to let you know how much I feel it's important that there's an equal sharing of the money, because the charter school is a Portland public school, and it took many, a huge amount

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of work and vision to establish it. And it very, very important. Not only for what it is now, but as a pioneer for alternative education. So thank you.

Katz: Thank you. Charter school.

Ann Nice: My name is ann nice, i'm president of the Portland public school teachers. Mayor Katz and commissioners, thank you for this opportunity to speak to you today. I'd like to read a letter. This is to mayor Katz, chair linn, with copies to each of you. We are representing thousands of teachers and school employees and many school districts across Multnomah county. Our county faces a crisis in our schools and beyond. We are tremendously heartened to have the chance to comment on a proposal that can substantially ease that crisis. We're writing to offer our wholehearted support to the effort to rescue our schools and critical human services. We are pleased that this approach encompasses the breadth of our community. We believe fairness is an important hallmark principle that this package must include. We understand that perfection in this regard is impossible to achieve. However, the struggle to strike the best balance is an important one for all our school districts, and for the health, mental health, and public safety systems that have also had the rug pulled out from under them by the state. It is likely that everyone around the table will feel an element of the package they would prefer was different. But at the end of the day, we are all in this together. You cannot -- you can count on us to do our part. Joining with our colleagues in labor, parents, the business community, and others who care about this community, we appreciate the work that has been done by our elected leadership and others to get us to this point. There's a tremendous amount of work to be done over the next two months. Let's begin today. This is signed by reed scott, president of the centennial education center. President of the corbett education association, paul mcminn, copresident, gresham barlow education association, george briceon, president david douglas education association, linda timel, president parkrose faculty association, laura hileman, president reynolds education association, and myself, president of Portland association of teachers. So on behalf of our teachers and our students, i'd like to than our elected leaders for fighting for public education in this county. I would like to thank the county chair along with the commissioners, lisa nato, serena cruz, and lonnie roberts, special thank you to mayor Katz and commissioners dan Saltzman, erik Sten, randy leonard and jim Francesconi. Thank you to our parents and those community members who have stood steadfastly for quality public programs for all our students. And thank you to the business community for your willingness to invest in our students and their future. On a personal note, i've never been prouder to be a citizen of this city or this county, and I thank you.

Katz: Thank you.

Peter Hainley, 1125 SE Spokane, 97202: Good afternoon, my name is peter hanley, i'm here representing -- the cochair of the Portland early intervention program pact that does not stand for political action committee, it stand for parent action committee. Madam mayor, members of the commission, it's a pleasure to be here to be able to tell you about my personal story and the personal assistance i've received from the early intervention program and the early childhood special education program. My son was born with a severe form of epilepsy which required surgery at the age of 15 months. That surgery resulted in halting the seizures, but he has severe developmental disabilities that he's now enrolled at the hayhurst school and receiving educational services. Now, if you're a parent of a disabled child, there's a lot of things you have to do. Run them to therapy, back and forth to school, many similar things to having a normal child, but there's the additional responsibilities that come with it. We are recently informed that Portland public schools has decided not to renew their contract to provide these services. These services are now apparently going to be provided by the county, but it's unsure at this time, so many of the parents are left in this state of limbo, not knowing exactly what's going to happen to the whole system. What else is happening out there in the world with disabled children, private insurance is limiting coverage for therapy, so we're seeing therapists leaving the state. We're seeing continual erosion of services at

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the state and local level. It's obvious the state leaders have failed to take care of this, and we're proud to say that the county and the city are taking the lead on this. I think an investment in these kids, these 850 kids here in the city of Portland is a great investment. As far as the resolution goes, I would like to suggest a few changes to it. I notice that it's very similar to Multnomah county's resolution, and in the second whereas, persons with disabilities was included where it is not on current Multnomah county one. I'm appreciative of that.

Katz: Let me just correct you. I think the issue of persons with developmental disabilities will be included in the Multnomah county, and should be included in ours.

Hainley: Good. Thank you. Secondly, I would like to see under the fifth whereas that ensure that all children reach their full potential, and it lists a number of regardless of income, race, gender, sexual orientation, would I like to include or mental or physical disability.

Saltzman: Which one was that? The fifth?

Hainley: Under the fifth whereas. On page 3, under the second whereas, third paragraph, including -- it's the third -- first sentence, third line, including the disparity between high and low performing children, I'd also like to include some language in there about children with disabilities to ensure they have the opportunity to perform at a level. Then on probably the most important one, on page 6, under small c, there's a number of programs there that are defined as where these funds would be going to. And while special education is specifically listed, special education is often thought of as k-12, and doesn't always include special early intervention.

Katz: Thank you.

Hainley: I'd like to include that in there as well.

Katz: Thank you.

Judy Pepler, 221 NW 2nd Ave.: Good afternoon. I'm judy pepler, the current chair of the public policy committee for the Portland business alliance. The Portland business alliance is pleased that we could be part of this solution to the critical issues facing the community on school funding and public safety. The alliance supports the collection of a surcharge with the reform business license fee that provides a more balanced tax across all businesses along with strong support for our schools and public safety. We believe this guaranteed amount will stabilize resources for our schools and public services, yet balance those needs with the need to retain and grow jobs in this community. Finally, the alliance recognizes and supports the need for a partnership between business and government and the community, as critical to balancing the need to keep our economy sound, our schools strong, and our public services intact for the benefit of the whole community. We're glad to be part of the solution today and glad we could help and look forward to working together with you in the future.

Katz: Thank you. All right. Let's continue.

Katz: Which one should I start with? I think I'll start with nancy.

Nancy Hamilton, 2216 NE 14th: Thank you, mayor. My name is nancy hamilton, i'm a parent of two children at irington elementary in northeast Portland. And I volunteer with HOPE. I'm here today to just thank you on the city commission and mayor Katz for your hard work. I think we have done quite a lot of work in the last couple of months when we first asked to be part of this conversation, we had no idea how we were going to fix a very, very vexing and disastrous potentially disastrous gap in our schools. I think we showed what we can do under pressure, and I think we also demonstrated that as a city, we just are going to -- we're willing to buck any trend, I think the national picture looks dreary right now, we have a lot of things to worry about, and it's nice to see all of us come together on behalf of our kids. I know when you pull parents into a process like this, this is our children's future you're talking about, and we're a very passionate group of people and we appreciate your commitment and time at the table, and we look forward to working with you as we move forward. Thank you.

Katz: Thanks, nancy. Julia?

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Julia Brim-Edwards, 6666 SE Yamhill: Good afternoon. I'm Julia Brim Edwards, a Portland parent, Portland school board member, and a Portland public school graduate. I'm here today with my son Jackson, who's going to be a kindergartner in next year in Portland public schools. As you may know, I've brought to the school funding discussion a sense of urgency and a sense of desperation. I bring that because I'm in schools every day and I live with three children whose lives will be impacted by your decisions in the decisions -- and the decisions made by the state legislature. As a parent and board member I want to thank each one of you for the work that's happened over this last year that got us to today. As Nancy said, it's been a long and winding road since that first discussion we had about a regional funding measure. Since that time the state legislature has not funded our schools at a level that will allow all our children to succeed. And I appreciate that you all individually have looked at the devastating cuts that we face this last year and that we had to make and that you've looked at what we could potentially face if we don't get a local funding package. Without this local funding package, our class sizes could go up to the high 30's or the low 40's, and we could potentially be losing hundreds of teachers next year. I appreciate that you've recognized the importance to the health of our community that we have strong schools, and that our schools are an important part of making our children into good citizens, and helping them get ready for colleges ever college in the workplace. If the voters this may approve the larger package as a school board member I'm committed to ensuring that we spend the money that the citizens of this city and county have given us in a wise and effective way and that we get the money into the classroom, and I think you've told us to do that, and we will do that. I'm I also want to say I'm looking forward to working with the city and county auditor. I believe that the language in the resolution relating to the auditing will help us improve our performance, it will help us get dollars in the classroom, and I appreciate that's a piece of the package. We still don't have all the details to the city and county resolution, so I can't say with certainty how the package is going to end up for Portland public schools, but I'm hopeful it will result in averting major cuts to Portland public schools. I would be remiss if I didn't mention that just as a cautionary noted, the legislature still has to do its job. Our work here that we've undertaken over the last couple months could be -- could all be undone by legislative inaction. If they do not fund schools or if they cut schools further from the appropriation level, we could face more cuts. So I guess it's a call to action that we -- as a community we've done our work here that needs to be done, but there's still -- we need to pay attention to what's happening in Salem. And just in closing I want to thank all of you individually again for the work that you did and that your staff did to get us to where we are here today. Thank you.

Francesconi: Just, we want to thank you, Julia. We're getting just a little taste of what it's like being the school board, and you've got a very, very difficult job. So thank you. Your job is harder than our job.

Katz: Go ahead.

Barbara Rummell: I'm Barbara, superintendent of the David Douglas school district. I want to echo the sentiments of appreciation that the city council has stepped forward in this time of real need for the students of Portland. I have spent the last couple of months going to both the -- to our school community -- and our school community and our school staff and explaining in a very bleak way of the -- what our future was going to hold. I didn't have any hope, but now with the support of the parents and the other educators and citizens of this area, and with the hard work on your part and on behalf of your staff, I think we all have hope that our children in the city of Portland are going to be able to proceed ahead and really get the kind of education that they need to become productive citizens. So thank you to all of you, and I will be glad to go back to David Douglas and assure them that we are full members of the city and that we can go forward and support these measures as we look toward actually getting that support.

Katz: Thank you.

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Leonard: Mayor Katz, one comment. There was -- there were a lot of people that helped get us to this point of the there were some people who were key that we would not have gotten to this point without. Julia brim-edwards is one of those people. A lot of people don't recognize there had to be, from my perspective, a settlement to the dispute between the school board and the Portland teachers association for us to get to this point. Julia has not got the recognition she should have gotten for her involvement in that process. You were the person I felt like that was the most objective and solution oriented on that side, and I very much appreciate it.

*****: Here, here.

Katz: Thank you, everybody.

*****: Don't forget to come to the march.

*****: We're not going to stay for the vote, but we're going to join the crew outside.

Sten: Thank you to all of you. Nancy, thank you, since you won't be here.

Katz: Thank you. And thank all the hope parents. Let's keep going. Jim, i'm going to give you a little extra time because there are several questions, and diane and somebody else from the county, you need to respond to the issue of the developmental disability issue. I know it's in the county -- we put it in the county resolution, I don't know where exactly, carol, why don't you work with her before we act on that. Do you want to identify yourself?

Jim Scherzinger: Jim scherzinger, superintendent of Portland public schools -- I also want to recognize the work that has gone into this. And to thank everyone that's been involved in it. I know this is a huge -- actually an extraordinary thing, certainly not happening like this in the rest of the state. And I think it's also important to recognize that we are all here because the state is not doing its job. And we shouldn't have to be here. And when we're in salem, we try to be as clear as we can that we're only acting here because something isn't happening in salem that ought to be happening. And that our first preference is that the state act to provide an adequate system of public schools. But because of all the hard work, and I think because you as our elected officials, people in the business community, teacher and other employees of the district, and the community members, the parents have been willing to step up, that we are taking a step forward here, I believe.

And I really want to thank people for that. And I also want to recognize that in these resolutions, there are a number of accountability measures, and I think it is important to the people of this community that they understand what it is they get for their money, for their investment in public education, and I want to assure them that every dollar that they invest in us will be -- will go toward improving the academic performance of our students and preparing them for college and the work force, and that there are things in this measure that hold us accountable to that. And report to them the success of our efforts. And I think that's important to recognize. Other than that, I know a number of questions have come up during this hearing. I would be glad to address any of those.

Katz: Before we get to the questions, I just want everybody to know that to get to where we got, jim was a partner with us originally -- a partner with us. Originally we had a higher number for Portland public schools, and we reduced the fundamental for him so everybody else can get a fair admw, equitable. And I want everybody to know that before you place any additional burdens on him on --

Scherzinger: It's not -- you didn't reduce me, you reduced my kids.

Katz: I know. You're here and you're representing the kids.

Scherzinger: I am representing them.

Katz: I want to flag that, and I want to thank you. I had a conversation with jim, so did chair linn, and jim will be able to manage it, but there will be some issues that he'll have to address because the entire 10 million was not provided for him. Now, jim, let's address the charter school issue and then the development -- I want the county also to address the development disability.

Scherzinger: All right. There's three issues I heard come up. One was this question of admw admw is set out in law what that means. That is a state law. And so to the extent you are tying

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yourself to admw, any change the state makes, you're tying yourself to those changes. And I think it's important to recognize that. And I think it's also important to recognize that reasonable people, I being one of them, having really built that formula, recognize the weaknesses of the admw formula.

There is very little empirical statistical background to that formula, and it's certainly welcome and certainly appropriate for both the state and for you to look at different definitions of the way of distributing funds. The second question that came up was charter schools. And the funding of charter schools is also set out in state law, and actually I need to now based on this testimony go back and look at that law and see exactly what it says. But it does say that at a minimum, they -- as was expressed up here earlier, that charter schools get 80 to 95% of the state allocation through the state school fund. And that is the way our contracts have been written with our charter schools. The district is free to give them more money than that if we wish, and i'm sure that might be an issue that would come up before the board in our next budget. The other thing to recognize is that -- a per student sort of thought process about what every school within our system ought to get doesn't necessarily hold. We have many schools that don't get the same dollar amount per student. Depending upon our situation and the -- for example, within the Portland public schools budget, the revenue that we get for special ed does not -- is less than what we actually spend on those programs. And so in effect, every school is subsidizing the special ed programs of the district. And in the case of charter schools, for example, they are not responsible for the special ed costs, the district is, and so if one were to try to draw a comparison about whether one ought to get a specific dollar amount per student, it gets to be a complex calculation. Our own schools don't get the same dollar amount per student and don't necessarily get the full average across the district. And so the -- all i'm saying is the calculation is more complex than it may appear on its face.

Saltzman: My question still remains -- under this bridge funding, should charter school students receive some of this bridge funding?

Scherzinger: And I think that's a decision the board could very well make. I think that's one that the law gives them the authority to make, and I think they should make.

Saltzman: Is it appropriate for us to weigh in on that?

Francesconi: No, if you ask me.

Scherzinger: Personally I think that's something the school board ought to decide. That's what they're elected to do, and they are elected officials, and that's within their purview under the law.

Saltzman: Is that your same answer on developmental disabilities?

Scherzinger: The situation is different in the sense. Let me explain that. The program is a birth to 5 program. It is a program that serves children that are not of school age. And the responsibility for those programs is a state responsibility, it is not a school district responsibility. The Portland public schools is the only school district in the state where they have signed a contract with the state to provide those services, but they are not -- it is not our responsibility under the federal law for us to provide them. We have signed a contract with the state to help them fulfill their responsibility that we would provide those services. In other parts of the states the e.s.d.'s have taken on these responsibilities, not school districts. What has happened in recent times is the state has persistently cut back funding of those programs. In the cuts that they made during the middle of the last year, they threatened midyear to take away all funding for that program in the middle of the year. In effect what that would have done would have left Portland public schools with district employees which we had a contractual responsibility for, holding the bag for the lack of their willingness to fulfill their responsibility. And given our own financial problems, we felt that we could not put ourselves in that position again of on the one hand being told to live within an admw formula like every other school district, and yet to take on obligation that's other school districts don't take on and be at risk of holding the bag for funding of a very substantial dollar amount when it fundamentally was the state's responsibility.

Saltzman: In other districts you're saying education service districts have this contract?

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Scherzinger: That's correct.

Saltzman: Why hasn't that happened here?

Scherzinger: That's what we're doing. We have notified the state we have -- would not sign a contract for the next year due to both the financial risk and I think it's simply unfair to the program for them to be tied to a district that is so fiscally -- that has really no way of backing up the program itself. Because of our own financial problems. And that with the understanding, and as I understand it what has happened is the state has put out an rfp, and there's only one bidder and they're close to an agreement on the m.e.s.d. Picking up this program. So I believe that's the appropriate place.

Saltzman: That's in the works right now?

Scherzinger: That is in the works right now.

Leonard: As I recall in the '95 session, I was a member of the senate revenue committee, my best recollection is that there was a lawsuit that had filed successfully that had been ruled on as I recall in deschutes county with respect to this admw issue and that the court there had ruled that the distribution formula at the -- that the legislature used that took into consideration the fact that you're talking about was unconstitutional. Is my memory wrong?

Katz: What was unconstitutional?

Leonard: That the factors that jim described should be part of the admw formula was ruled unconstitutional, because the court, as I recall, ruled that the legislature was responsible for establishing a common system of schools under the constitution and that the court ruled that distributing money other than on a per capita basis violated that -- am I remembering that right?

Scherzinger: I believe you're not remembering that correctly.

Katz: That's nicely said.

Scherzinger: I think you have the basic facts, but the implications --

Leonard: That's usually true with me.

Scherzinger: The implications are quite different than what you're suggesting. It was a circuit court decision and it never went any further than that. It was a very specific question around under measure 5, where local schools have no ability and local -- other local bodies have no ability to raise funds to support schools locally that all funding for schools comes from the state, that under that circumstance, the issue was around whether or not the formula the state adopted with the phase-in provisions that were in it was constitutional. Was it whether it faced 90 fast enough. And that was really the substance of the issue, was that the state had adopted a formula, said this is what we believe the appropriate formula to be, but they had phased it in over a period of time.

Leonard: That formula was a per capita --

Scherzinger: It was the admw formula that largely exists today. It has not changed.

Leonard: The issue was the phase-in was because there were poor districts and rich districts that we had to kind of fill that gap slowly because of the impact, but my memory was that the discussion was around the court had ruled in fact that we needed to implement that system.

Scherzinger: That's what they ruled. I think the state was very confident it would win -- it could win that suit if it ever got to appeal, which it never did.

Leonard: Why wasn't it appealed?

Scherzinger: It was appealed, but it ultimately -- the phase-in happened faster than the court suit, so it became moot. It was facing in over what, four-- year-- four or five year period of time, and the phase-in happened before it became an issue. That's not relevant to the current situation, because this is the crestwall case from years ago. If you are funding locally schools and you are choosing to create whatever differences you create locally, that court is found that's perfectly permissible under the Oregon execution. -- constitution. People do tend to use that suit as -- even though it was only a circuit court decision and could very well have probably would have been lost on appeal and was on a very limited issue. It said nothing about the appropriateness of itself, and

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said nothing about the local funding of education. It said nothing about either one of those things. It just said that you weren't phasing it in fast enough.

Leonard: I appreciate you clarifying that for me. The beyond that, the other side of the coin is that it's important for particularly citizens and parts of the city that weren't historically part of the city to feel like they're treated the same as the historic parts of the city. And we could probably discuss the nuances of what a different kind of distribution formula should look like based on a number of factors, but I think it's also important to consider that there is a perception that is created by that within the city limits of the city of Portland that different groups of citizens are being treated differently. And that's important to consider in this debate as well.

Scherzinger: I think both things are important, the perception of fairness and the reality of fairness. And hopefully they come together.

Leonard: I can tell you just -- that for me, i've been through this knot hole enough times that it's an exercise in throwing the baby out with the bath water if we don't consider --

Sten: Commissioner Leonard, council is taking your side.

Leonard: Who is.

Sten: The council has.

Leonard: I need those reminders once in a while. Thank you. [laughter]

Francesconi: Let's get moving:

Katz: At some point, not right now, because I think i've lost the council --

Leonard: Point well taken.

Katz: I would like an updated conversation on the conversation -- an education on the conversation commissioner Leonard just had. My history goes back only to '91, and I know things have changed since then. So if anybody else would be interested in joining me, I would like to ask whoever knows the best at some time, and I think it's Jim, because he was leading the effort in all the years before he became superintendent. So, ok. Further questions of anybody -- oh, disability. Dave, why don't you come on up. Thank you, Jim.

Francesconi: Before you leave, just on a personal note, we've been thanking people, it so happens i'm going to an event tonight honoring some Portland heroes. Your efforts have been heroic, and i'm telling you, what you've done to try to help salvage this situation, stabilize this situation so we can improve, you're a hero for us, and I appreciate all your work.

Scherzinger: Thank you.

Boyer: I haven't been involved -- I have not been involved in the actual discussions on this, but I will take this back to chair Linn and Cathy Turner, because development disabilities is in our core services, so I know it is an issue for them, and we will -- i've gotten Peter's address and e-mail, and we will work with them and through them and get back with you on that.

Katz: Ok. Let's listen to Carol, because I was sitting with the chair when we added that language somewhere in some resolution.

Carol Turner: Carol Turner, mayor's office. Yes, we did receive this input from the early intervention program requesting that we add additional language, and did review that in the draft we gave to you in the resolution. We add the requested language in the second whereas, as you will see to seniors, persons with disabilities, and other vulnerable members of the community. The second request to add language was on page 3, the second whereas --

Saltzman: There was a request on page 1, the fifth whereas, which talks about the city council's commitment. So it seems fair game we could amend it and add --

Turner: I'm sorry, I don't have the --

Saltzman: I can read it.

Turner: Ok. That was somewhat different than the letter that was read, that I received too.

Saltzman: Let her finish first.

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Turner: Ok. The second whereas that's on the letter that was requested was on page 3, and the second whereas in the middle paragraph of that where it talks about a disparity between high and low performing children and the request was to also -- it gives a definition really of the achievement gap. That definition of achievement gap is taken straight from the no child left behind language, and we felt it was inclusive and does -- which was really the aim of the whole document, was to be as inclusive language as possible, so when you talk about low performing and high performing students, we felt that would include children with disabilities without specifically naming that special group of children.

Saltzman: Would there be harm in naming them?

Turner: I think it's just a matter -- that's up to you all to decide if you want to include that. And we tried to stay away from naming groups specifically except for several different times because you're always afraid of leaving somebody out. So if you all choose to do that, that's fine. The third -- the last page, number 6, be it further resolved, there was a request there, and that has the most direct I would say implication for policies for the school districts, and I think mr. Scherzinger spoke to that directly about the -- that that would not be appropriate there.

Katz: Ok. Before I take any amendments on anything, is there any -- anything else on the three items that we listened to? Any other questions? Did you want -- i'm sorry, did you want to testify? Robert?

Moore: We have a motion to move -- we need to move to accept substitutes.

Katz: Ok. I'm not there yet.

Moore: Ok.

Robert Butler: Robert butler. I'm remembering back I guess 1997, that we had a similar bridge requirement from the business community to help education out. The message I remember was helping education is everybody's job. The business community was asked to be a stand-up guy, and we know it's everybody's job, but the business community, why don't you stand up this time. It's just one time. And pick up the shortfall for education. I thought we did step up. And now i'm wondering -- I just thought we had an arrangement that we would step up the one time and that would be the end of it. Because funding education is everybody's job, not just business, not just employers. So i'm a little confused about what I thought was maybe a promise. That was in 1997. Funding schools is absolutely important. It is dear to everybody. I want you to understand that i've had the same feeling that is dear to me. There's something more important. That's a family that can afford to let their kids go to -- go to school. And there's a lot of our kids that don't go to school because they can't afford it. They're helping their parents because they're unemployed or whatever. And I just want you to realize that as we destroy jobs in this community, we're destroying the ability for our kids to even go to school, good or bad. They can't even go. I was surprised, I thought we had the message with the income tax idea, because the income tax idea is an equal burden on everybody. And so when I -- when Multnomah county is talking about it, I thought, this is great. Now it's everybody's turn to get back in and help out. Instead of that, it looks like the business community is going to have to take a \$20 million hit for schooling. Hmm. Strange. I'm going to talk briefly I hope about how that is disproportionate to small employers. In 1980, the legislature testified against my bill, your people, your staff testified against my bill, they used numbers that \$80 million was collected for city-county. Of that \$80 million, 63 was really business income tax, and 17 million was the owners' compensation fact that you couldn't -- small employers couldn't get their deductions. So what we got was a 25% extra hit, windfall gain by this owners' compensation thing. We're still doing that today with the \$20 million because the small employers will not only pay their share, but they're back to the same extra 25% hit just because they're supposed to ride the back of the bus. So it's kind of the same old, same old. I think that education is everybody's responsibility, and I wish you would appreciate what we did before and not ask us to do it again.

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Katz: Thank you.

Sharon Lewis, 2713 NE 9th: Mayor, commission members, I am Sharon Lewis. I am here in several capacities. I'm actually a small business owner and am here to support the tax. I'm also here as a parent of a child who -- of three children, one who attends a regular Portland public school, one who is in a charter school, and a child that has benefited from early intervention, early childhood special education services in Portland. Thank you for working in some of the disability language. I'd like to make a clarification. The fax that we sent over to Carol earlier today was actually in reference to the county, and that's why there was some discrepancy between page numbers and the language. While the city and Portland public schools do not necessarily have as Mr. Scherzinger indicated, a responsibility to that Birth to 5 program, it actually is a program that has traditionally received funding from the county, and that's why we had asked to be added to the county resolution. When we spoke to the county they said they wanted to have the county and the city language be the same, and that's why we've come back to you and asked for that. As of right now, the district did make the decision to no longer continue the contract for those services and the Mesd has expressed interest, but we've been told there will be no contract until mid-April. Is it a state issue to fund that, but those are Portland public schools kids too. And they'll move to kindergarten and they'll need to be in our classrooms and they need those supports at this time. As a parent and a business owner, I want to support this measure both at the city and the county level, but I need to know it's a measure that's supporting all of my children and all of the students in the Portland public schools, including those with disabilities, and I would ask you to reconsider that last part. When we're looking at t.a.g. students, special education students, eiesc students, should be considered under the county umbrella, as they have traditionally done. Thank you very much.

Katz: Thank you. Let's continue with questions. Let's run now through each separate one and take -- is there anybody else that wants to testify? I don't know why I'm rushing through this. No. Ok. Item 230. I think the council had questions on item 230.

Sten: I guess mine is probably more in the mode of council discussion. Is that all right?

Katz: Sure.

Sten: Just reiterating on some of the details of the caps, that's -- I understood clearly that's why the staff will run the test return and see where that is.

Katz: By the way, I erred. I said it was voluntary. Sam corrected me and said it was mandatory. Go ahead. Unless we change. Go ahead.

Sten: I guess my concern is with -- I guess it's item 8 on page 3, which is essentially the pretty long section where it outlines a plan for how to spend money that comes in over CPI plus 2%. I guess it's -- I wanted to have a little council discussion. I'm not particularly supportive of this section for the basic reason that though I appreciate the steering committee budgeting the money that comes in, I think we have a triple A rating because of an excellent reserve policy, so I find this is a general fund flow of money. So taking 1% of one general fund and setting up a different reserve than our other reserves doesn't make intuitive sense to me. I may be willing to spend things on visitor development, but I'm going to smile at the mayor because I think a couple years ago I quit with my annual schemes to come in with dedicated funds using the general funds for various projects that I had. I had a plan to take, for example, the franchise fee that comes from water and sewer and target it to water and sewer ratepayers, and we had a long discussion --

Francesconi: So did I. I had one of those too.

Sten: If you target general funds, eventually you don't have general funds. So I would like to save the staff putting together this complicated scheme and I'm interested in some -- the argument that interests me the most is a very simple one. If we're collecting substantially more than anybody thought we would, some mechanism for the council to review bringing down the tax rate. Because if it's getting a lot more, that seems to be a fair thing to do. But all the rest of it seems to be redundant to our budget process. And just -- because people will think you never bring the tax rate

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down. That's not true on the utility fee we did bring it down – we brought it down a half point, quarter point at a time. I appreciate the steering committee's desire to budget the money, I don't think we need to do all of that. I think it's a general fund source and we ought to treat it with the same policies as we treat everything else.

Francesconi: I appreciate the comment. I guess i'm not ready to go with you for this reason, commissioner. We ended up not doing much in those other arenas, because we didn't have the discipline to actually stick with it. So a fund that could actually, if there is excess revenue, that's used for two purposes, economic development, which we never fund adequately, especially the neighborhood economic development, and then also buying down the rate, I think both of those things are worthy goals that we never get around to doing. So maybe if there's some specificity around it, and because if you have two, then you have to make sure you have a counter cyclical fund, so that's why that third one came in. So I guess i'm in a little different place. Having -- the thing I don't like, though, is creating another board. I don't know in we have p.d.c. or economic development. Creating another separate board makes no sense to me at all.

Leonard: I can speak to that issue, unless the mayor would like to.

Katz: No, go ahead.

Leonard: I think there was concern that it be p.d.c. and not be a board that directly reflects the council's interest, and the business community's interest, because there's some that have expressed concern that p.d.c. doesn't necessarily reflect what it is that we'd like to have done in terms of economic development.

Francesconi: Can I respond? Then we changed p.d.c. We don't create a separate structure.

Leonard: Okay. Where do we amend that?

Katz: We're not going there today. We've done that before, and now the people that did it are sorry they did it. So we're not going there today. All right. Commissioner Saltzman?

Saltzman: I guess I sort of err on the side -- the hotel-motel tax, that's general fund too. But try telling the lodging industry that. They act and really do own that tax. They tell us what to do with it and we more or less comply with that. I think it's pretty much the same sort of discipline. I think Francesconi spoke to that. I don't think we'll achieve these funds and things like that unless we impose that discipline here and get the surpluses. And I do think as I serve on the visitor development fund, I think it has proven, it's still young, it's proven to be an effective form for the industry, government officials to come together and truly use the small amount of money available in the visitor development fund to leverage more convention business and more rental car business here in Multnomah county. It seems to be a successful model i'd like to see us have a shot at here. And I think we've discussed maybe why we need another board perhaps than pdc to --

Francesconi: Can I respond briefly? Mayor, if you put me on that board, mayor, I might reconsider my position: [laughter]

Sten: Obviously we'll have this discussion later.

Katz: Can I say something? I tend to agree with commissioner Sten on this. First of all, let's not talk discipline about general funds. Because we've done budgets and there's relatively little discipline unless there are people's guns to their heads on the disciplines. The things that bother me, i'm open, I truly am. I haven't really thought a lot about it. [cell phone ringing] it's very much like the kicker. I know -- I told the staff not too use that term, because I think we've gotten into real trouble at the state level with the kicker, and part of what you're seeing today is the trouble the state got not repealing the kicker. So that's my concern about it. And if we are disciplined we should be able to make a decision as a council that we reduce the business rates or put the money in economic development, and that's a budget decision. So i'm willing to have a longer discussion on it, not today, but flag that as something as we go along, commissioner leonard, for you to consider that with --

Leonard: Those are legitimate points.

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Katz: With chair linn.

Sten: This is just a resolution, but I think maybe just being clear if there's at least three of us that doing a detailed staff work on this proposal, I don't think it's a good use of your time until the council comes back and debates it a little more. It's going to be a lot of language to get this exactly right, because it's very specific, and there may not be three votes to do this. To the extent any one thing isn't funded it's because this council has decided to fund parks, fire, police and other things ahead of it.

Leonard: My inclination, and I was part of helping craft this language, to support this provision because it also created some buy-in from the business community. But certainly my whole intent is to adopt it but I have other -- other concerns you may be aware of that ultimately I don't think I can support in the final version, but i'll go ahead and support today in order to create the discussion and the forum to do that, but I have real concerns with the caps.

Katz: Let me tell you if you think that 231 and 232 was difficult in putting it together, commissioner leonard has an incredible task ahead, and we will need to spend a little bit of time together, because the language has to be the same both at the county and at the city. This is a partnership. So not only are we going to -- have to get us on the same page, we're going to have to get the county on the same page. And that will require a lot of discussion, conversation, and analysis. And commissioner leonard, I appreciate the fact you have taken on -- I will be there to help, but you are the prime person on this --

Leonard: I want to point out other partner I would be to be included in this. And that's the business community. Because it can't be forgotten that the reason that we're doing this is at their request. This isn't a tax raising measure, this is a tax equity measure to try to make it more fair on them. For me it's very important that we come at this from that perspective, that we're trying to make it revenue neutral to us, but make it more fair to them. So it's important for me that they participate and we have a consensus on this ultimately.

Katz: Yes.

Sten: I guess this is where i'm going to push into it. I think if this thing is -- when this gets scrutinized I think the argument that will continue to come forward is whether or not enough various factions of business community, whether the neighborhood association -- it's one thing to say let's make a measure, but it's a huge jump to predicting what the economy is going to do if we don't change the tax structure. Because if we don't change the tax structure and business gets back to where we want it to be, which is booming, money comes in. It's been my experience, I had the great pleasure to serve during a boom time, my door is beat down by people who want more infrastructure, particularly businesses, when times are booming and they're expanding. They need streets, they need street lights, water mains, all sorts of things that cost money, they want telecom hookups. If we're going to put the total amount at nearly the same amount, that's what you're going to study over the summer, but then cap it. It is not a revenue neutral measure. It's a cut measure for boom time.

Leonard: I guess --

Sten: That's one piece the citizens have not been consulted on, because now you're not into just a business measure, you're into capping the amount, the fraction business pays. The second piece is that it's a totally different matter to have, if we're going to have a committee spend the general fund, which is what this does, that committee needs to include homeowners, residents, renters, all kind of folks, because that's what this is doing. It's spending the general fund.

Leonard: What i'm trying to communicate to you is i'm committed to working with you, as I hope i've shown in the short time I've been here, to -- if you and I can sit down and go through that so I can better understand your concerns, i'm absolutely committed to attempting to address them. But from the point of view of trying to keep everybody on board --

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Katz: Commissioner Leonard, may I recommend, and for you to decide, is that as you work through each of the major elements here, you may want to ask a member, one member only, so we don't violate open meeting quorum, and somebody from the county and two people from the county to sit and work through these?

Leonard: That's a great idea.

Katz: It's going to be hard to get everybody here on the same page, and then go over there. Think about how you want to structure that. You may even want to structure it to have different people at different elements of this resolution.

Leonard: Great idea.

Francesconi: I'll stay open on this as opposed to closed, but because there's a 2% increase and because then you have another 1% on top of it, in a counter reciprocal fund before you ever get to the other issues, there's some growth built into it, and that's -- but I'm open to hearing your point. But the other point, since we're having discussion here, this payroll tax cannot cost us jobs. And that's where I have some concerns. So we're going to have to -- that's where I need to see these returns to what effect it's having on medium size and small businesses, that is counter to the purpose and spirit of the resolution. Where we're actually costing jobs.

Leonard: Exactly.

Francesconi: By people relocating. And that's where the caps come into play, rates come into play and all that comes into play.

Leonard: That's right.

Francesconi: And that's going to be the hard part. I think the goal of consensus -- consensus is an illusion, because the business community is a whole lot of different voices. So what we need to do is make sure they've had an opportunity to be heard, and what better chance and they're going to get tax returns. And then we're going to sort through, you know, what's the right balance between a payroll tax, which I still think going to some payroll tax makes sense, so I'm not accepting Connie Hunt's -- but watching to what that balance is to the point where the payroll tax is so high, you end up driving out manufactures, which I still believe in, despite any statements to the contrary, we need good manufacturing jobs in the city, and then the issue of small business. Those groups cannot be penalized by -- overly penalized by the payroll tax.

Katz: That was your closing argument. That was your vote?

Francesconi: We never got to give one.

Katz: We will in a minute.

Leonard: If I can just briefly give you my -- how I'm approaching this, it starts from a premise that the best tax that people agree should be paid is one somebody else pays. I understand that concept.

And it's part of what I hear when people are talking to me. And second, the point of this whole exercise has been to replace an unfair tax on a small group of people to a broader group. To the extent that that's our goal, when we have limits on amounts of payroll tax that one company pays and limits on the amounts of business income tax one company pays, that shifts the burden on to small businesses and medium size businesses, which is exactly the nature of my concern of having those caps. And I've said this before as well. That would -- that philosophy would include OHSU paying, that would include the hospitals paying, on the theory that making it as broad-based as possible drives the rate down lower for everybody. And by imposing artificial limits, I think we unfairly shift the burden to other small businesses. Having said that, I'm open to having this discussion with the idea of trying to get some consensus, but that's kind of how I approach -- how I will be approaching this.

Katz: Hold everything, because we'll make these statements when we vote. You'll have another opportunity.

Francesconi: We're not voting on that one.

Leonard: Yeah, we are.

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Katz: Yes we are. I need a motion for substitute on 230. Do hear a motion?

Francesconi: So moved.

Leonard: What are we substituting?

Katz: You're substituting the language in front of, you remember with the place holders.

Leonard: So moved.

Katz: Do I hear a second?

Saltzman: Second.

Katz: Any objections? Hearing none, all right. [gavel pounded] folks we are voting on this. Let me again remind you, i'm not happy with a lot of the elements as well, and I did talk about whether this fits with our economic development strategy and the payroll tax, and the caps, and everything that you discussed. But i'm going to be open to it because I think we'll have a process, I hope, that will involve you and the county commissioners and we'll see where we end up. It's going to be a difficult task to get to consensus on both the commission and the council, and I think we need to provide commissioner leonard and chair linn about all the information where we stand. And they have a responsibility to do a lot of the work. Roll call.

Francesconi: This is on the --

Katz: On the resolution.

Francesconi: I'll just summarize what I already said. This proposal must be such that it creates jobs for us, and does not cost us jobs. I thank all the people that have worked so hard on getting us to this point. Aye.

Leonard: Again, my goal is going to try to make an equitable tax system out of an inequitable one, one that I believe is inequitable and I want to, as I said, express I do have concerns that one of the ways we do not address equity is by having artificial caps. And I am very sensitive to the impact on small businesses. For example, the \$30,000 and under exemption on total payroll and total income is not a number based on anything that I think is specific. And it's rather symbolic, versus a \$35,000 exemption which is based on the average pay for Portlanders. That would be an example of the kind of thing I would try to insert into this resolution ultimately that's not there now. Aye.

Saltzman: Well, one thought that kept running through my mind is all the emphasis we made on making sure this was revenue neutral to governments. Wouldn't it be wonderful if we could come up with a way that it's revenue neutral to each payee? I know that's probably a difficult mathematical formula to make the sum of each one of those add up to a revenue neutral formula, but nevertheless we have a few months, let's give it a try. Otherwise, I don't think -- we can't dress up and make a payroll tax sound any prettier than it is, and it's not a pretty thing. It's going to have an impact on jobs. The challenge is to keep it as small as possible so it will minimize the impacts on jobs. But any time you increase the cost of labor, traditional business theory, you minimize your cost. If you make one factor of production more expensive your going to tend to minimize that as we heard from connie hunt. Which one of the nine employees is she going to lay off next? These are real problems and I think our challenge is, is to keep this payroll tax under -- as minimal as possible. That's why we need a cap, and we do need to keep the aggregate under 1%. One question which I hope we've factored into it is the state legislature authorizes tri-met to increase its payroll tax, are we still going to add up the 1%? Are we going to have to fine tune this? We won't know that by september, the legislature will be done, but nevertheless, I think this is -- there's been a lot of work that's gone into this and I know there's a lot of businesses I don't think have been at the table, but I think this is a step in the right direction. There's nothing I like about a payroll tax, particularly in a time of record unemployment, but it is a way to spread the burden and we need to take this step. Aye.

Sten: I actually -- my comments are about the issue of how do we cap the revenue on the whole, not on the businesses. I think the overall scheme or plan here is better than what we have now. I think it's really about the only way you can really look at this right now, because any way you do

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this, there's going to be winners and losers. So I think it's a question of trying to make it more fair than it is now. And anything over time gets a little outdated. And also I think it's trying to -- which is the theme I take from some of the issues that have come up so far, as best we can, fine tune it to be in line with our goals. It's clear that the way we tax now moves some businesses that are more professional in nature to places like kruse way. It's clear that that happens, its clear that we lose businesses that ought to be here. It's clear to me some businesses for reasons that I have no idea why in the 1970's, that clearly ought to pay this and use services don't pay it at all. So you start to look at these things. Well, when you flip it around any different way, you can start to come up with a different list if you're good with the rhetoric, like many of us are, and say, now this new group -- so it's going to be trying to get that balance right. I want to compliment terry and jim and the staff who worked very hard to be kind of -- and sam too, rocks of actual information in a charging sea of rhetoric around this thing, and I would like to see where this goes in the next couple steps. I do think the general plan is a better one, but there's some details that have to be worked out. I do feel strongly on that -- we don't need to budget the general fund on the fly like this in terms of money that comes in, and have separate reserves for different general fund sources, but on the whole i'm actually pretty supportive of moving in this direction and look forward to seeing what the next steps are. Aye.

Katz: This will be an interesting, interesting venture, and terry and jim, thank you. Sam and cathy, and everybody involved, tim and mark, and our staff, I just want to remind everybody that we went through this -- we didn't, none of us were here, but council -- former council members went through this exercise about 11 or 12 years ago. You might want to get a copy of the report and read it. It never went anywhere. Aye. [gavel pounded] all right.

Saltzman: They never went anywhere either.

Katz: Very good. It's late. 231. I need a substitute motion.

Saltzman: Move to substitute.

Katz: Any objections, no do I hear a second?

Sten: Second.

Katz: So ordered. [gavel pounded] there was some discussion --

Saltzman: Is this the ordinance?

Katz: This is the ordinance. If you want to make amendments to the ordinance you need to do it now, because we -- it's going to second.

Saltzman: Not the ordinance, no.

Katz: Ok. All right. Anybody want to say anything? We're going to vote on this next week. But if you're in the mood for saying something right now, this is an opportunity. Or you want to wait until next week? All right.

Adams: If you want to make any substantive changes --

Katz: I know. That's what I said.

Saltzman: We're talking rhetoric. [laughter]

Katz: The rhetoric isn't until the next one. This is the substance. If anybody wants to say anything now, that's fine. Or maybe we'll do it -- we'll certainly do it next week when we vote. Ok. Thank you, everybody. 231 passes on to second. 232. I need a motion to substitute.

Sten: So moved.

Katz: Do I hear a second?

Saltzman: Second.

Katz: Any objections? Hearing none, so ordered. [gavel pounded] all right. Now for the -- now let's deal with the rhetoric.

Saltzman: I'd like to move an amendment -- I can read them all at once.

Katz: Let's take one at a time.

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Saltzman: Page 1, the second whereas under public schools. We add at the end of the last sentence, mental or physical abilities. So it would read, if you want me to read it, children are well prepared, highly skilled work force and ensure all children reach their full potential in school and life regardless of income, race, gender, sexual orientation, ethnicity, or religion, I guess strike or, religion, comma, or mental or physical ability.

Katz: Let me ask a technical question. Is mental or physical, is that development disability, or is this another category? I just want to make sure the terminology is correct. It doesn't make any difference. All right. What is the sense of the council?

Leonard: Second.

Katz: Is there a consensus? Ok. We will make that change.

Saltzman: Page 3, the second whereas, third paragraph. After children of color, add the words, children with disabilities.

Katz: This is where the district and the board's report to the school efficiency and quality advisory council. Any objections to that? You do? All right. We'll take a vote on it, then.

Saltzman: That was it. I've listened to the argument about the last amendment, and I do believe under the discussion about mesd, taking this responsibility, this is not an appropriate thing to require Portland city schools to do at this point.

Katz: Hold on for a second.

Saltzman: That was the end of it.

Katz: Let me clarify. This is the school efficiency and quality council, this is not the one in the contract. I wanted to clarify that for commissioner Francesconi. This is the district and the board to report to this advisory. Let's take a roll call vote.

Moore: This is on the motion? Was there a second?

Katz: Yes.

Francesconi: People are going to forget, especially physically or mentally challenged community, why i'm voting no on this. I'm voting no because we're not the school board, folks. And we're not the superintendent. And on the issue of the achievement gap, we got into the middle of it appropriately so. It was an issue that needed some attention from the outside and it was part of a process. So now to get us involved in something separate from the achievement gap, in fact, they've had an ongoing committee and effort on the achievement gap, and we the council are putting a whole other issue into that achievement gap that has -- is not our business to do that. Doesn't mean these children do not deserve the best care in the world, but we're not the school board. No.

Leonard: Aye.

Saltzman: I think this language is -- as carol turner pointed out is to reflect the no child left behind act. From my experience, both as a county commissioner and as a city commissioner, is parents raising children with disabilities are all too often left behind and are very isolated, and I think it's very important whether we're the school board or not, their needs and the schools' response to their needs be addressed, and I want to know about it. Aye.

Sten: Aye.

Katz: Mayor votes aye. [gavel pounded] let's take another amendment.

Saltzman: That was it.

Katz: Ok. Any further amendments? Then let's have a vote on the resolution. Do I hear a motion?

Leonard: So moved.

Katz: Vote.

Francesconi: My only other while i'm getting out the things, we're also not the legislature. And so the reason i'm saying that is although i'm very respectful to jim scherzinger in his position here, us creating separate funding formulas separate from the legislature is something to create different formulas within our own city is something I don't think we ought to do. Other than that, now is the

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time that we really have to come together despite differences, including the last vote, that we have to come together and put those aside. I actually would have felt a lot better if the city contributed more revenue to this as I had proposed, and I would have felt better if the business communities' contribution had always been higher. Having said that, and the reason is i'm concerned about the effects of our residents, many of whom are out of work. Having said that, this is something that I enthusiastically support, and that we need to come together as we have with one plan and one strategy to save the most important thing to our community, which is our schools. Whether it's our businesses, whether it's our parents, whether it's our neighborhoods, whether it's the city as a whole, whether it's our region that needs good schools in Portland. This is the most important thing we can do. And just as ann nice testified this was her proudest moment as a Portlander this, was my proudest moment as a member of this city council, and as a member of the county. Because we actually put aside our different plans and we put aside our different passions, and our different convictions that we were right on individual issues, and we've come together. And so now it is incumbent upon us to continue to come together, because our residents are under stress here with an 8% unemployment rate. And we're trying to do something that has not been done in this country or this state. So we need to do this. We also have to limit this bridge to three years as we're going to. Because we need to be part of a statewide solution. And we need to redouble our efforts because it is going to look different, it's going to be challenging at the legislature, because we've taken this approach. I'm confident, though, not only for my conversations with senator ferrioli, but with others, that we can do this and still be part of the state as we still work for a statewide solution. If we don't get a statewide solution in three years, then we abandon it and we concentrate on our own, which will be sad for the kids in baker as well as the kids in Portland. But for now, this is the best shot we've got. We need to put aside any individual differences and we need to rally together. And actually it's the common effort that's important as the resources, because if we can put aside differences and mount this common effort and be successful, we're sending a signal to our children and to the country that kids are very important in Portland. And that we have our priorities straight. We may have a lot of priorities, but at least we have the top priority being our schools and our public education system that reflects our values. We want to be a city with equal opportunity for my daughter, and all of our daughters, and sons. And so this is our best chance to prove that we are. Aye.

Leonard: I became convinced as a member of the Oregon legislature for almost ten years through last summer in our five special sessions, the Oregon legislature had abandoned the city of Portland and schools in general in the state. I'm hoping that the current legislature and the composition that now exists has a different view. I have to tell you performance means more to me than words. It's hard to begin to say how I feel about being at a point as an elected official to actually not just be able to vote the way I think we need to vote to support schools, but actually to work with a group of people who feel the same way. I don't know anybody up here has that same respect that I do. This is a very important moment for me in my public life. I believe that a healthy school system is intimately tied to the prosperity of this community. That we are on the edge of middle class families throwing up their hands and not caring who's right. And moving out of the state to another state that provides a decent education for their kids. And I do not want to sit idly by and watch that occur knowing that we could have done something. So I just don't even know where to begin to thank the various players, including the mayor, county chair Diane linn, the school board members, Portland association of teachers, commissioner Sten, commissioner Saltzman, commissioner Francesconi, every one of which was a part of that solution. It is a -- for me this is the highlight of my career in public service, this vote today. And I don't say that lightly. Understanding also that there are a lot of people that are going to be angry with what we're doing today from the business community, from the taxpayers, but this is important this is something we have to do. Aye.

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Saltzman: I think that this temporary funding package, although we use the word temporary, it may in fact be the path of the future. I for one have no hope for the Oregon legislature now or four years from now. And I say that -- my general philosophy is the closer you are -- the lower level of government you are, the better ability you have to affect your own destiny. For too long we've divested that hope that somehow the state is going to come through for us, and i've seen it not materialize, so I think we really have to accept this is going to be really sort of the hallmark of how we'll be operating in the future. And I don't shirk from that because I do feel that people care about their own schools, and people care about their own schools. That's why we're here today. We wouldn't be here without this if there weren't groups like hope and other parents saying you have to do something. And we finally have accepted we can't just rely on the state or accept that mantra that the state is going to come through. So as much as i'd like to think this is a temporary package, I think in fact reality we'll be back here doing this again at some point. And I think we -- the test, as we make sure the dollars deliver the services that we want, that we have class sizes we can live with, that we have people who will once again be proud to be in the Portland school district, they will not flee the district, and that will have so many benefits to the city of Portland and to the county of Multnomah, that we will not feel shy about doing this again when we have to do it again. We all know quality public schools are so important to our life here and the health economic vitality. It's a tough sell when you're increasing people's tax toes make that sell, but this is the end of the beginning and now we've got to make that sell right now in the next two months. We've got to make that sell to people. I believe we can. I believe people are there, and it's really -- and i'm glad the county and city have come together with the help of many people here in this audience on the mayor's office and the county chair's office and all of our staff who have worked very hard over the last three or four weeks. And I also want to say i'm very glad that we've worked hard to keep the school year. Teachers and the city have stepped forward to save Portland -- to say Portland public schools is going to have a full school year. That really was the tipping point. If we cut 24 days from this calendar, I don't think we would ever have survived that in the long run. So i'm very proud this became an element of this package as well. Deal with the school year, but deal with the future too. Aye.

Sten: I agree with everything that's been said. It really is a pleasure to be able to support this. This is a time I think where the whole community came together, and as commissioner Leonard said, not everybody will agree with it, but I think our job is to talk to people about it and show what the benefits will be, and try and build support for the ballot measure that's coming. It was a pleasure working with my colleagues, and particularly under mayor Katz's leadership, who really stepped forward and made us all work together in a way that really got the job done. I want to remember the union who stepped forward first. I think if they had not come forward with a very innovative idea and pretty bold to say we'll work two weeks for free, i've gotten many e-mails from folks saying, everybody should do that, and that may be true, but they're the only ones doing it. I think it was a great sacrifice on their part, and really in my opinion these things only move when the new -- when a new idea develops, and that made it possible for the rest of us to do the work and come together. The parents have been terrific, and despite arm wrestling that i've enjoyed and not enjoyed at times, the business community has come forward. I think it's very clear the 20 million they've agreed to provide this year makes the ballot measure possible. Because there's no way on earth to cut five weeks off the school year and then say, ok, let's go out and vote to -- vote for a school district in which people are already fleeing. I believe this could, it's not there yet, this could become one of those building blocks when ten or 15 years from now people say why is Portland the best place in the world to live, they say, when they hit hard times they found a new way to do things. I also believe the next step after all of us go out and work together and all of us as a whole range of people, this will not be an easy election to win. And I think it's going to take door-to-door and human contact, and parents and grandparents, and people who care about this talking to each

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other, in a way that actually can break through some of the sound byte and barriers that are out there. But I think if we can win this ballot measure, and I believe we can, I think we can actually begin to do something we've all wanted to do forever, which is actually make the schools the reason you ought to move into Portland and stay. And build around the sense having top notch schools is one of the reasons you ought to be in Portland as opposed to Portland's such a great place to live, we're just going to hold on to the schools a little longer, so take a deep breath and bear with us. It gets to be a cliché, but I went to grant high school, and I can tell you I get a better education there than most of the prep school kids I met at Stanford. And I think that's the quality everybody ought to be getting out of this community. And I think it isn't just money to do that. I'm looking at some of the educators, it's work and effort and community, but I think this is the first step. I don't think I mentioned Diane Linn and the county commissioners. Particularly I wanted to thank Sam Adams, each of the other commissioner's staff, and everybody else. It's greatly appreciated. At least for ones noted. It's a great pleasure to vote aye.

Katz: You all said it, so brilliantly. Commissioner Leonard, I think it is for me also a turning point in a long public service career. Commissioner Sten, I think if we can pass this, this will make a difference for Portland, and people will talk about Portland not only on land use and transportation and housing and the urban growth boundary, but it will talk about how we saved this community. It was a process to decide who will pay, how much, and for what. That sounds very easy, but it was very, very difficult. And people spoke up, set aside some of the differences, and came together, and for all of that I want to thank everybody who participated in that. And there was the substance of the issue. I too feel very sad about the legislature. I served as speaker for three terms. I had a deep love and affection, and I still do, for the institution of the legislature. But it has personally disappointed me for so many years, and watching it go downhill, and watching the lack of courage that many of the legislators had, and weren't able to deliver a budget that took care of our schools, our children, our education, and the neediest of our citizens, was just abhorrent to me. And what we are doing today, and it is just the beginning, because we've got to win this campaign, but what we are doing today is saying to the state, you abandoned us. We're not going to sit still. We're taking matters into our own hands. And we have the support of the parents, of the educators, superintendents, the school board, the teachers association, the business community. It will mean higher taxes for us. This is not the best time to raise taxes. But quite frankly, we have no choice. We talk about a quality of life here, affordable housing, diversity, close to nature. But the most important thing in a quality of life is to make sure that where we send our young people to school, they come back educated and they have a bright future ahead of them. And they can be part of a work force that can support this economy. That is the bottom line. And when people say to me, well, mayor, you're dealing with casinos and stadiums, stay focused on education, we were all focused on education. From day one. And for that, I'm very proud of the city council and the county commission and my partner in all of that, Chair Linn. Let me touch on the issue of accountability. Because I think that wasn't focused on. I want to mention it, because it's very important to everybody here, and it's very important to the people who are going to be paying this tax if it passes. We have asked both auditors, the county and the city auditor, to achieve -- to work with the school district to achieve cost savings through more efficient use of resources, opportunities to improve school effectiveness, and capacity building for increased accountability. They will be part of reviewing all of those elements for the school districts. We have created an add school efficiency and quality advisory council that will also keep an eye on how the money is being spent. And to make sure that the children who have the most to learn, to close the achievement gap occurs, and that we meet academic standards. We've also in the contract added two other groups that will review health care costs containment and make sure that the teachers understand that there is a better way of funding their health care and the savings then condition translated to salary savings, since they're the lowest paid in this region. As far as Portland public schools are

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concerned. And then there's another group that will be reviewing how we can in fact work to achieve closing that gap, that standards gap, especially of children of color, and now children of disabilities. Those are absolutely critical, and we are taking some role now as a school board to make sure that we deliver for the taxpayers who will be footing this bill. Thank you, everybody. The campaign has begun for us today. It will begin for the county tomorrow. And I want to thank everybody for taking part in it, and i'm very happy and pleased to vote aye. [gavel pounded] all right. I think we did it. I think we did it. Thank you, everybody. We stand adjourned. [gavel pounded]

At 4:47 p.m., Council recessed.

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Katz: Council will come to order.

Francesconi: Here **Leonard:** Here. **Saltzman:** Here. **Sten:** Here.

Katz: Present.

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Katz: We have a full house this time. And unfortunately we have to hear this whole thing over again. [laughter]

Katz: So unfortunately for all of you, not only those of us who were here, but we will do that. We will -- we won't do the legal mumbo jumbo that you know that we need to go through -- these issues. Let me just ask the council. Is there any declarations of interest? -- is there a baby here? Oh. Anybody want to question our silence on these two issues? I hear nobody. All right. Let's hear a brief staff report.

Francesconi: I have reviewed the record this time.

Katz: I want to remind everybody. There were really two issues that luba addressed. One on public safety and one on transportation. I think even the opponents of this application set the police issue aside and honed in on the transportation. So, let's do a brief review, and then hone in on the transportation and it would help if you repeated what luba said on that issue. If you don't have it, I have it here in front of me.

Mark Walhood, Bureau of Planning: Good afternoon, mayor Katz, members of council. Again, I am mark. We are here today to review an appeal on remand from luba of lur 02-00027ZC. The purpose is to consider as the Mayor mentioned, two assignments of error. I will breeze through the police service and try to focus on the onstreet parking policy. The proposal, as far as on the zoning map amendment from r-5 to r-h, the existing recreational trail and scenic overlay remains. The approval criteria are the standard zoning map, amendment approval criteria. And the transportation element. I am going to go through the police services. I think we did cover it. The police, luba decision identified that the police services, if the criteria only required a service adequacy, the criteria would have been met, but the response from the police did not contain the required demand analysis. There was also a copy and it was presented the last time we were here of the revised letter. I won't spend any more time on that. The onstreet parking policy issue, the appellants have argued that the policy was not supported by substantial evidence. There was demand for onstreet parking that couldn't be satisfied. Luba agreed that findings in the record were inadequate to show compliance with policy 6.15. I will refer everybody to the luba handout that you have got. It's the last two pages, pages 9 and 10, which are an excerpt from the parking policy. I am just going to go ahead and read some selected parts of the report. According to the petitioner, the additional demand for onstreet parking cannot be satisfied given the current parking situation. The petitioner, that is the appellants, argued the new development that will occur as a result of the proposed rezoning would intensify competition for the existing limited onstreet parking. Our response was that the findings demonstrate the proposed zoning is consistent with the policy, and the findings suggest the development allowed under the proposed rezoning will result in the loss of some onstreet parking in order to accommodate driveway access to the parcel. It appears from the record that the loss of at least some onstreet parking will be necessary to provide the offstreet parking that will be required to develop the subject property and satisfy the transportation policy. Therefore, the driveway referenced in the city's findings does not violate transportation policy 6.15, rather it would appear to be required by the policy. To the extent that, petitioner argues that the policy absolutely prohibits removal of any onstreet parking, even where some onstreet parking must be lost to allow access to new offstreet parking, it is clear that the city does not interpret transportation policy 6.15 to impose such an extreme requirement. I think that luba goes on to say that given the proposal may result in a demand for onstreet parking, the above-find was inadequate. There is a

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footnote six on page 10 where luba is giving us a clue as to what would be an adequate finding. I will read it -- "in wakeland versus city of Portland, luba affirmed findings addressing transportation policy 6.15 in which the city found a proposed rezoning was consistent with the policy given local code requirements for on-site parking, on a major transit site and a demand that any additional parking be generated by the proposal was negligible." And we do have a revised response from transportation, and we can go into more detail. It does provide the specifics about the location in relation to the st. John's pedestrian district. For nearby tri-met bus routes and the required on-site parking. Transportation submitted their revised response. So, staff would recommend the first of three options facing council today, which would be to uphold the July 2002 city council decision. Other options, of course, are to uphold the past decision with the modifications or to overturn the decision. It's hard for me to know if I covered too much or covered too little, so feel free to ask me.

Katz: You covered enough. Let me ask -- is transportation staff here? Come on up for a second because I want to make sure that we hear from you on these particular issues. Of course, you can testify on anything you want, but, but somebody shared with me a comment right after this hearing that if we deny the applicant and support the appeal, how do we deal with our 20-40 goals in providing the growth that we need within our urban growth boundary, and what precedent does, does it set. That was the question, and I didn't get a very good answer. I think that that's really an issue that also needs to be addressed.

Elizabeth Papadopolous, Office of Transportation: Elizabeth, office of transportation. Mark and I may tag team on this. Basically, the city has adopted parking requirements for on-site parking, and when the city adopted those, they recognized that they did not want every area of the community to be auto dependent. As mark was mentioning, with the luba notes, where we have areas with transit, where we have got town centers, there are a number of reasons why the city said look, we really don't want to have everybody driving all the time. The dilemma for transportation is that if an area has been comp planned, assuming those parking ratios, which are recognizing that we don't want everybody in their cars, if we then turn around and say, you know, aside from the ratio, you have got to provide more parking anyway, it is a dilemma because what it does is it makes it difficult ultimately to hold to the intent of the 24-20, which is to manage parking and reduce ultimately over time amount of parking that's needed in the city.

Katz: Does anybody want to pursue this? Because I think that that's the core, one of the issues. Ok. Thank you.

Leonard: Since you asked --.

Katz: Go ahead

Leonard: As you might be aware, I have had some concerns with an issue in planning that relates to precisely this issue, and that is making decisions that would be counter intuitive to the goals of the 20-40 plan. By actually increasing the amount of square feet required to build a single-family dwelling in a particular area. You might wonder then why it would appear I am on the other side this issue given my position on that. The response from me is there has to be balance. I think it's important to increase density, and it's something I defend and understand and have for a long time because not only does it help us meet the 20-40 goals, it provides affordable housing, something I really care about. But we are talking about 35 units on, on a lot now where one exists, and I think that we have to find balance.

Katz: Ok. I really wasn't -- there was not anything that you had raised. I had raised that, that question because I was troubled by the issue, as well. Your response, initially, wasn't crystal clear, and I think that commissioner Leonard honed in on that, and I needed a little clarification, so thank you. Thank you, everybody. Let's move on now and hear from the appellant. The appellant has, I beg of you, if you can cut it back to -- you have ten minutes, but if you can cut it back just a little bit, because I think that everybody, at least three of us, have heard the arguments.

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Eirk Palmer: I will do what I can.

Katz: Ok. [laughter]

Katz: But you can use your full ten.

Palmer: I am erik palmer, and I live at 8207 north edison. I am a petitioner. In this matter before luba. And speaking on behalf of my co-petitioner, deb faye, and a number of other neighbors who, are living in the neighborhood and present here today. I am going to kind of briefly repeat some of my testimony from last week --

Katz: Why don't you bring the mike closer to you.

Palmer: Briefly repeat some of my testimony from, from last week. Actually, I don't want to talk too much about the police issue, but I don't want to set it aside completely, either. As I said before, I think the basic methodology the bureau has used in providing the recommendation is valid and legally sufficient. I do want to restate that I question the underlying number that's been used to determine the possible maximum density at this site, and I believe that there's substantial evidence in the record that would show that the number is higher than, than the number that the police bureau used. I also wanted to add a bit to that. I have been to both the st. John's neighborhood association and friends of cathedral park neighborhood association general meetings since the last hearing. And at both of those meetings, police bureau staff, visiting and reporting to the meetings, talked quite passionately about the budget circumstances that they are in. There was a lot of discussion at the prior hearing about, about the -- and I am sure you all feel quite passionately about that.

Katz: They always do.

Palmer: Yeah. [laughter]

Palmer: Nonetheless, the picture that they are painting for, for us is quite -- is quite grim, and getting grimmer, it seems, with each report that they make. And another thing that -- another notion that occurred to me as a result of that is the thought that we have a recommendation from the police bureau, but we also are getting reports from the parole officers about the cuts that they are going through, and it seems to me that the ideas the courts are undergoing these cuts, as well, so the idea of police sufficiency could reasonably be defined as something other than just what the police bureau says. It seems to me there is a whole infrastructure that needs to be involved in that recommendation. But, that's all I really wanted to say about, about the police bureau today. Moving on a little bit to the parking, as I have testified previously, we, as a neighborhood, don't see how, how a maximum buildout of this site to the proposed zone would actually be able to -- we don't see any way that the onstreet parking could be managed in a way that would be compliant with policy 6.15 of the transportation element. We have submitted substantial evidence to the record talking about our own observations of what the availability of onstreet parking is, what the supply and possible demand for onstreet parking is, assuming a high density buildout of the site, and, you know, against that, we have seen, you know, scant, if any, testimony provided by the transportation bureau or the applicant to support their claims that the site could be developed in accordance with policy 6.15. What I also point out is that we have -- the neighborhood has an expectation based on luba's finding that this policy will be adhered to quite rigorously, and as they said in their finding, that the applicant will demonstrate compliance with the fundamental requirements and policy of 6.15. The parking supply and demand will be managed to encourage residential neighborhood livability, the parking will be maintained for existing residential uses where parking is inadequate and the city will act to protect parking. And we are, you know, not yet seeing what we would consider substantial evidence to support the, the idea that that's actually going to happen in the course of the development of this site. Since the last hearing, we actually went out and gather some more data and submitted it into the record, and some of that has been, I believe, karla has provided to you. In past hearings, the applicant has made the claim that, that with the required -- and the transportation bureau has made the claim with the required

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improvements to the right-of-way under this development, that that would, in essence, deal with the concerns that the neighborhood has about about the safety and the livability and economic viability issues associated with parking, parking demand management. We, as part of the evidence, took some measurements, took some photographs and kind of put forward some substantial testimony that showed that shows what our concerns are about, about safety and economic vitality and livability in this regard, particularly in light of the, the large number of -- the relatively heavy load of industrial traffic going up and down a street that is going to be -- is expected -- is designed to be a residential street and is expected to handle a normal residential load. Each of the times that I have spoken to the council -- this is my third appearance before you, each of the times I have spoken to the council on this matter, I have posed the question of what should the neighborhood do, what should we do if, if the planners make a mistake. What should we do if something happened or if circumstances have changed in the neighborhood that made an older planning decision, perhaps 20 years old, as is the case with this one, irrelevant or overtaken by, by circumstances. And the answer that I provided, and I continue to provide is that this is the process right here by which a neighborhood can, can come forward and challenge what we believe is mistaken in the planning process. We have put forward a case that's based on substantial body of testimony. It's testimony that's relevant to the approval criteria. And it's, it's testimony that is founded on, on a very careful and clear understanding of what the code provides, and we find support for that and the fact that lura did remand this matter to the council. I want to -- I will conclude really quickly. I wanted to talk a bit about the discussion that you all had briefly at the beginning regarding the 20-40 goals and precedents and things like that. In my initial reaction is that 20-40, and those goals, density goals, all those kinds of things are not actually relevant to this hearing. We are actually -- we are only looking towards the approval criteria, and all of the testimony, or the majority of the testimony that I have put forward, and that my neighbors have put forward revolves very specifically around the approval criteria, and so making a decision on, on this application, based on one's conception of what the 20-40 plan requires, I think, would be inconsistent with, with my own personal fairly rigorous interpretation of the code. Having said that, i'd also like to point out that outside of, of this -- outside of, of the hearing regarding this matter, there is a mechanism for 20-40 compliance that is in action right now, and it is the st. John's lombard plan and the neighborhood planning process. I am the cathedral park representative to the citizen's working group for the plan, and the discussion is, is going on and with great activity, last month, this month, and in the coming months, about what is the appropriate way to, to achieve the balance of all the, all the goals that needs to be, that need to be achieved for 20-40 compliance and to come up with, with a better planning solution for the neighborhood. I ended up taking most of my time. Sorry about that, but I am done. Thank you.

Katz: That's all right. Thank you. All right. Questions? If not, let's continue. Three minutes each.

Salvatore Hall: I am salvatore hall, and I live on edison street. We lived at 8828 north edison street since june of 2002. One of the selling points of the house was the magnificent view of the willamette river, forest park and amazing st. John's bridge, so we purchased the house, even though we had no garage, driveway, or offstreet parking. The neighborhood was quiet and there didn't seem to be any reason to worry that we wouldn't be able to park two cars on the street in front. Now it seems both our parking and our view will be taken from us. Three weeks after we moved in, we learned from our next door neighbors that a developer planned to turn the lot diagonally across from our house into a five to seven-story building, ignoring the fact that such a building would eliminate any view that we have of the bridge and most of the river. We were understandably upset with the idea. We might have to compete with our neighbors for parking and face having to park several houses down the street from our own. Whatever the size of this

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development, our only place to park, which is on the street, will be eliminated. The overflow parking from the development will spill first into the area closest to the development. Since we live across the street, we won't have any parking because we have no offstreet parking available, and the onstreet parking in front of our home will be swallowed up by the residents of the proposed development. We have been a part of the effort to try to reduce the size of the development, therefore, reducing the added parking burden in the immediate area.

Understanding we share the same general feeling of this neighborhood group. We are not against high density and we understand it means compromises, but despite the substantial neighborhood testimony about the unique situation on the corner of Baltimore and Edison and the valid points and questions the community raised about the approval of the zone change, it was ignored entirely by the applicant. Even as newcomers, it was very apparent that he had no inclination of working with the neighborhood, treating our concerns as nothing more than an obstacle between him and a large stack of money. Mr. Carney stated he would add 29 views of the river to the neighborhood. Trying but failing to make it livable location, but what about the dozen views his planned building will block? The neighborhood would more readily accept the plan that accommodates everyone's needs, not just the needs of a developer and 29 new views of the river.

We don't mind high density or development, and we don't mind working with developers. We do mind harmful, irrational and irresponsible development. We joined with our neighbors to improve the neighborhood, and we are an example of citizens of St. Johns who will be directly affected by the development. This hearing is an opportunity for the city council to set right the issues & that is remanded back to the city. We bought our home with the idea that the view would be a tradeoff for the lack of offstreet parking, and we are disheartened and frustrated this threaten to say take away both. We are the example of what the city claims to encourage. First-time home buyers who are excited about their community with a vested interest in making it a better place to live but, but unfortunately by imposing ill conceived developments such as this one, with all its intended problems and no plans for adjusting them, the city effectively punishes us for making an investment and ommitment to our community, creating a disincentive to revitalize the urban neighborhood. Thank you.

Julie Burns: I am Julie Burns. 8828 North Willamette, one block east of the site. We moved to the Cathedral Park neighborhood seven years ago. Since then the ten properties closest to our home have changed hands, and this has greatly impacted the onstreet parking in our neighborhood. Five houses sit on our block between North Baltimore and North Chicago. In 1996, one vehicle regularly parked on North Willamette. Now eight vehicles from these five same homes park on North Willamette and Baltimore. With parking restricted to the west side of Willamette, we often do not have any spaces available in front of our home for visitors. The same block on North Edison between Baltimore and Chicago has 15 households competing for parking. Five houses and one apartment building, which has just converted its garages, thus reducing offstreet parking while increasing living spaces. Documentation of current onstreet parking in this area has been submitted into the record. As you view that evidence, please keep in mind that the apartments across the street from the proposed site are not currently rented to capacity, which means the number of vehicles now parking on the street is lower than usual. The new homeowners have made a large investment of time and money in our neighborhood. Many of us have spent thousands of dollars to repair and restore our older homes. We feel these efforts have improved the livability of what the planning bureau describes as our quaint historic neighborhood. This zone change would allow a very unquaint transit oriented development or TOD to be built in our neighborhood. First, there is much evidence in the record which shows this neighborhood is not well served by public transit, contradicting the purpose of a TOD. Beginning March 24 our bridge will be closed from 8:00 p.m. to 5:00 a.m., further limiting our transit options for the next two years. Second, there is evidence in the record which shows that while TODs are supposed to

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decrease reliance on automobiles, the city has provided no evidence that this actually happens. Independent studies in the record show that today's already in existence have created numerous parking problems for their neighbors. Third, the current residents of our neighborhood pay thousands in property taxes each year. People buying residences in this town would receive a ten-year tax abatement. A high density development would reduce the livability of our neighborhood by creating competition for insufficient onstreet parking spaces and decreasing visibility at an already hazardous intersection. If this zone change is approved, who will pay for the improvements in the transportation infrastructure to mitigate traffic and transit issues caused by this and the other new developments in this area? The people who have rebuilt the neighborhood with their time, energy, and money, investing in its livability, residents who pay full property taxes but will have to live with the traffic problems created by a high density development, and who will have to compete for parking spaces in front of their own homes, they will be paying for this in more ways than one. In light of all the evidence submitted by current residents, which repeatedly and clearly shows that onstreet parking needs could not be met nor managed if the zone change is approved, I ask you to deny this zone change. Thank you.

Mount Burns: I am Mount Burns. I live at 8828 North Willamette Boulevard. There are a number of concerns which have been raised by neighbors which have not been adequately addressed by the Department of Transportation in relation to onstreet parking. Their numbers for vehicles have been based on 55 units, although the record shows a larger number of units is possible. This makes the vehicle counts irrelevant. The sizes of the vehicles, which use North Baltimore, the 18-wheelers, trucks towing boats, has not been addressed. If there's parking on both sides of North Baltimore, only a single narrow passage would be available allowing traffic in only one direction at a time. Even on our street with parking only on one side, cars parked on street are frequently scraped and the mirrors clipped by large vans and trucks passing by. Oversized materials are frequently carried by some of the trucks using Baltimore. I have brought a photograph of the, a photograph of the sample of the objects being transported through our neighborhood. This is a large steel structure that extends over the side of a semi-bed by 2.5 feet on each side. Emergency vehicles used this hill for access to Cathedral Park and the boat ramp. A fire engine from mirror to mirror measures 8.5 feet. Currently with cars parked on only the south side of North Baltimore, there is an area on the north side of Baltimore where smaller vehicles can pull over to let an emergency vehicle pass. With parking on both sides, that would not be an option. This creates a hazardous situation which has not been addressed, especially in light of the limited visibility there. As St. John's bridge undergoes renovation, the staging area is underneath the bridge at the intersection of Pittsburgh and Crawford, and the past few days large trucks and repair vehicles from ODOT and the contractor hired to repair the bridge had been utilizing North Baltimore to access the bridge. Baltimore is signaled at Ivanhoe, which is the truck route that leads to the bridge. Lastly, Mr. Carney in the hearing last summer stated he thought this area could be a Northwest 23rd Street recent study called "neighborhood livability in Northwest Portland," by Martha Biancle and others found that in Northwest Portland, businesses and residents the issues related traffic and parking are considered the greatest compromise to neighborhood livability. A recent KOIN TV program cited the high number of car prowler crimes in Northwest, as well. These things would not improve the livability of our neighborhood. We have already -- we already have many new developments on our neighborhood and close to 200 more residences are planned in the next year, which will bring a tremendous increase in traffic and onstreet parking to our neighborhood. These issues need to be addressed. Thank you.

Katz: Thank you. Let me, just for clarification, if I recall correctly at the end of the last hearing, the applicant used the number of 35 units, ok. Thank you.

Deb Faye: My name is Deb Faye, 8836 North Edison Street. I testified last time, I'm also a petitioner in the Luba appeal. I stand by that testimony. I have a brief for one today. Throughout

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the lur process for this site, the applicant has been asked many times to participate in mediation. As a petitioner for the luba appeal, I sent the applicant a written request last week to participate in mediation with the city on this matter. The applicant never responded. The applicant has a specific development planned for the site, however, the only development he's ever shared with the city council, city bureaus and residence was a hand-drawn sketch of the property site, which was required for the lur application. The businesses located along the willamette river rely on north baltimore to move their goods and services. Evidence submitted on the impact on parking along north baltimore clearly shows this will make it difficult for the business to operate. This development could cause existing businesses to relocate and to deter future businesses to relocating to this area. This would lead to the loss of employers in the st. John's area, an area lacking in employment opportunities. The interpretation of the aerial photos by the transportation bureaus are inaccurate. The aerial photos were not taken to be used to measure onstreet parking demand. They are evidence of no more than a fraction of a second during a two-year time period.

If aerial photos were parking demand evidence, then there would be no need for a parking study currently being done in northwest Portland. The city council should not accept this evidence and its interpretation of parking demand by the transportation bureau. Neighborhood residents and advocates have submitted substantial evidence on the parking, transportation, and police issues. This evidence is both qualitative and quantitative and showed the approval criteria for a zone change from r-5 to r-h at the site has not been met and is not possible. The residents of north Portland urge the city council to apply due diligence in the second hearing and insure that all city ordinances and policies are adhered to in this matter and deny the zone change. Thank you.

Katz: Ok.

Brittney Hall: My name is britany hall. I live at 8827 north edison, across the street from the site. Two weeks ago I submitted substantial data analysis into the record regarding parking adequacy. At that hearing transportation submitted the following evidence regarding this issue. A one-page letter saying parking will be adequate with no documentation of data collected and four outdated aerial photographs of which they were uncertain if any had been taken on a weekend. My analysis consisted of several parking counts both onstreet and off, taken by two different people at different time of the day over several days, including a weekend. Today, I submit more data collected in the same manner covering a period of eight days and I submitted graphs, charts, and diagrams detailing the results. In short, I performed the analysis the transportation department should have done at the very beginning. The data very clearly demonstrates that parking will be woefully inadequate if a high density zoning were allowed on baltimore and edison. It establishes the current number of cars regularly parking on the street. The amount of onstreet parking versus onstreet parking available to residents. It documents the commuter-oriented community that exists in this neighborhood and that has been identified as such in previous testimony by residents. It illustrates placement of additional cars at various development densities and offstreet parking scenarios. It clearly shows the, even with the most generous concessions of small vehicle size, minimal unrestricted parking, extremely small gaps between parked cars and unrealistically low ratio of vehicle or ownership, baltimore and edison will be lined with cars in all directions. Had transportation done the analysis themselves, they would have learned this since. Unfortunately, they didn't and they haven't. Despite the fact that, that luba found their demonstration of compliance inadequate on the issue of the additional onstreet parking demand created by a high density development, transportation continues to submit no data to support their position. They have merely an argument of assertion that onstreet parking will be adequate essentially because we say so. On the other hand we have significant resident testimony and diligently collected data that reinforces our position that onstreet parking will be adversely affected and woefully inadequate. Unfortunately nothing we say, indeed nothing we prove seems to be enough to persuade the city this level of high density development

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at 8816 north edison is inappropriate. Which begs the question, has the city, through its bureaus already decided the zone change will go through no matter what? But in the face of our evidence that negates our position on this issue, they will proceed as if none of it was brought to their attention and leave the residents to deal with the problems that result when it is too late to do anything about them. I certainly hope not. I hope you will realize the significance of the evidence we have submitted both testimonial and statistical, and recognize this level of high density should not be allowed at the corner of baltimore and edison. Thank you.

Peter Laughlingwolf: I am peter laughlingwolf. I am a relatively new aren't of Portland.

Katz: I love your hat. [laughter]

Laughlingwolf: Thank you.

***** I want one like it.

Laughlingwolf: In california I was a housing activist for 20 years. I really am sympathetic to these issues and am concerned about them. Since you brought up the issue of the 20-40 plan, I am not going to read this thing about parking, if that's all right. [laughter]

I've been on the, the citizen's working group for the st. Joseph's plan for the last year, and, and this has been a primary issue as far as, as far as -- we have been dealing with it, and that plan will come out in another two months, and it doesn't include high density development in the location that's under consideration here. The problem with 20-year plans, which are really essential in terms of making the city grow in a sensible way, is that there's really no review process for when things don't go the way they were planned. So, this -- what we are dealing with now is, is r-h zoning which was part of a large development on the waterfront. That never happened for, I don't know what reasons. I wasn't here 20 years ago. Now, now there's a new plan being developed. It's inconsistent with this particular property design, and because the new plan isn't going to come out for another six months, somehow there's no basis for looking at whether or not the zoning is appropriate. And I really want the city council to know that, that our neighborhood has a commitment to higher density, but this particular application of that need doesn't fit with the changes that have happened in the last 20 years. Thank you.

Katz: I am going, I am going to get myself into trouble. I shouldn't have mentioned the 20-40 goals because I forgot the fact that you are going to raise this issue about the st. John's plan because we have been working on it. But that's not part of the issue today. But, you are right. I mean, what you are saying is right, but it's not part of --.

Laughlingwolf: Do I have a minute left?

Katz: I took your minutes. I gave you back your minute plus.

Laughlingwolf: I also want to -- I don't know what the city does when it does the analysis, the analyzing of these things, but one of the issues that was raised was the issue of, of transportation relative to parking. We really do not have good bus service. We have no bus service outside, outside of a local that takes an hour to get downtown on sundays. We have no bus service better than that on saturday that comes more often than once an hour. We have an extreme problem with truck traffic going west from the bridge and car traffic east from the bridge that makes it really hard to walk to our local shopping area from this site, and so these are all issues that directly relate, the long-term goals of having pedestrian oriented community that will be -- that, you know, that aren't in a position to be addressed at this time.

Katz: Thank you. All right.

James Barnas: I reside at 6810 north baltimore avenue, right on the side of the hill in question. Everybody else said what I was going to say, so I don't have to say much, other than to, to just reiterate how, how the developing out that street, adding sidewalks and curbs and permitting parking on, on the north side of baltimore is going to squeeze that street down. Right now trucks are able to go over, you know, off the road, and there's -- there's room for vehicles to get by. But, I think that we are going to lose our mirrors and door handles if there's parking on the other side.

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The other thing, the plan that we were shown that I got out of, of the files when this whole process started showed that the, the applicant was going to, to, with the given footprint, they were planning to use what, what was termed "tandem parking," underground. There was one space for two cars. One car behind the other, and I don't know how, how that would work. It didn't make sense to anybody, but -- oh, the other thing that I mentioned last week was that the apartments across the street, which now have ten units, are, are in the process of adding two more units. They have converted all their garages into, into laundromat and a storage and office, and there's two additional three-bedroom units added there, and I think that that's -- that's about it. Oh, I also mentioned last week that among all the trucks going down, the ones, among the ones that go to marcom, are liquid oxygen tankers, and I think a couple days after the testimony, I opened up the morning paper, and after I got through reading the article, liquid oxygen tanker came down the hill. So, and we have -- we have got a lot of traffic. Thank you.

Katz: Thank you.

Miriam German: My name is miriam german, and I live at 9124 north willamette, which is just a few blocks from this area. I was here speaking last time, I guess, a few months ago, and I was really disappointed in the outcome because first of all, we were missing people, and I really feel like your votes matter because there's a semblance of balance. You used the term earlier, and I have actually spoken with you once on the phone about, about something, something else, and I just enjoyed the way you thought, and that it wasn't about -- it was about listening to the people, and then I heard last week you, mayor Katz, on the radio, and on npr about, I don't know, listening to the neighborhood people, listening to the people of Portland and how that makes you and our city such a wonderful city, and I feel so outrageously not listened to with the whole of all of us in our neighborhood about this. That it's all been about these two issues dealing with the law, which obviously has to get brought into play, which is now the parking issue and whatever the other issue is, but it's not the issue of the people. And the issue of the people is about safety. It's not, you know, a ridiculous concern, but it's a little more of a concern than just parking, and I am just here to ask that the two of you really consider what's been said, and that the three of you are able to let go of what was said and what's been said today and reconsider and think of the people of our neighborhood, and that's it.

John Charles, Cascade Policy Institute: Thank you. John charles, cascade policy institute. Portland, and I am not -- I don't have in the neighborhood and I am not part of the appeal, and I am not part of the organized opposition. I have visited the site. My interest here after attending this last hearing and listening is sort of academic, is that I am writing a book about transit-oriented development, and I particularly am interested in the reality of development, not the theory, the theory was put forward very well by, by elizabeth of pdot earlier when she remarked about the goal is to have people be less auto oriented. I am interested in how people actually live their lives. So, in the process of writing my book, I have spent -- what I do is I go out about 6:00 in the morning to the various tods, most of which you subsidize through various abatements, and I sit and watch between 6:00 and 9:00, and I just observe how people actually travel. Now how they say they might travel. And these are all people very transit-oriented, and I have yet to find any development in Portland, gresham, hillsboro, anywhere that actually functions the way planners predicted it would function, and I am giving you three because, because they are similar but they have a range of density, center commons, which is pretty urban, russellville, which is less urban, and the world famous orenco station, where I spent a loft time monitoring. The parking ratios are different. 0.6, offspace, in the center commons. .98 in russellville, and 1.39 at club 1201, which is the only transit-oriented development at orenco station. At all three you can roll out of bed and hop on a light rail train, and I sit there at 6:00 in the morning and watch, and what happens is most people, even with transit, they are still auto-oriented. Their lives are complex. They go lots of places, and when you talk to neighbors of the older neighborhoods, and I do this. I

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just randomly knock on doors and ask questions. They all complain bitterly about all the people in the tods who now park in their neighborhood. My concern with Portland planners is that they seem to be willfully ignorant of this. When I have interviewed planners who are literally project directors for some of these projects and I ask them how do you think this project works? One woman at pdc said, well it has tight parking ratios and it's next to light rail. So there's not parking problem. And I ask, well do you ever go out and observe anything? Do you ever interview anybody. She said no. So I don't have a recommendation for you about what density should be. But I will say you should have at least 1.0 off street parking spaces per unit and that will be actually to low. But it would be unfair to go up to 2.0. Unfair to any applicant, because everyone who already lives there already is using some off-street parking. The whole neighborhood is underbuilt for off street parking. But I would recomment at least 1.0 parking space per unit.

Katz: Really, I loved your talk, but it is not the issue before us. But that's fine, thank you.

Rick Sandstrom, Chairman, Friends of Cathedral Park: Good afternoon. My name is rick sandstorm, I live at 8104 N. Ivanhoe and I am also chairman of the Friends of Cathedral Park Neighborhood Association. The last hearing we submitted a letter to the Council. This hearing we submitted a letter. Really I'm here to just reiterate what most people have said and to encourage you to uphold the appeal and oppose the zone change.

Katz: Alright. Applicant.

Terry Carney: I'm Terry Carney, I live at 748 nw Mcleay blvd, portland. I am the property owner and developer. When I listen to this opposing testimony about their photographs and studies of the parking there, I almost think we're talking about a different area altogether. I submit to you these photographs, these are standing at the intersection. Last thursday. I actually went out there Tuesday, Wednesday and Thursday evening. Generally in the hours from 6pm-7pm. And I also went around Sunday at 6:00 pm. This piece of paper here is from the street. The photographs were taken at 6:16 p.m. Thursday evening. As you can see, these streets are empty. There's plenty of parking here. I would like to ask you, were there other photographs submitted that, that the show -- that showed crowded streets? By the people appealing this? Because these photographs, obviously, these are empty streets. If you look at the fourth photograph, that's looking down baltimore from edison towards decatur. And you can see the grassy area there. Now, that agrees area would be improved, hassle-street improvement to ten more feet of pavement. The plants were stripped in the city sidewalk. Not only is there plenty of parking here now, we would increase the parking by four or five spaces. 100-foot of frontage. I just -- i'm -- I will tell you, I don't know what to say. I am totally astounded by their representing that there's a parking problem in this area. This is an area you drive into after work, and you just pull your car up anywhere you want. You don't have to circle the block looking for a space. I guess I should add I was impressed with police chief kroeker's letter where he made a mathematical analysis stating that the, the impact of this development to full buildout would make minimal impact to the police services. The residents have also indicated that I am unwilling to work with them. That is not the case. I've been to several of their neighborhood meetings. I have tried working with them. They are unreasonable. I would like to point out one thing, though, this sheet here that I handed out. This is the neighborhood association minutes from last june 18, 2002. I will read from that -- "the motion to file an appeal to the zone change in the name of the cathedral park neighborhood association was made by barbara quinn. Jim barnas seconded the motion." then it shows the votes. The vote was a tie. Therefore, an appeal in the name of the friends of cathedral park neighborhood association did not pass. I am sure that erik is going to come up here, erik palmer and twist that around somehow, but this is a fact. That's really all I have to say. I just -- you know, I submit these photographs. You can see these streets are empty during the evening. Thank you.

Katz: Thank you. Ok. Go ahead.

Leonard: I was going to ask you one question --

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Katz: Come on up.

Leonard: At the end of the last hearing, I asked if both sides could try to get together and come up with some kind of a compromised. Did you attempt to get together with them, and if you did, how did that go?

Carney: I did call one neighbor, jim barnas, who I have talked to in the past and who I have to say I have found to be, you know, level headed. However, mr. Barnas did not want to talk to me at this point. I did receive deb fay's letter saying that they were, stating that they were open to a mediation, mediation is a formal process and I received that letter saturday to enter into mediation from saturday until today. I was against.

Leonard: Thank you.

Katz: Connie, come on up for second. Are you still proposing 35 units?

Carney: Yes.

Katz: Ok. Come on up.

Rowen Rystadt: Yes, I am rowen rystadt, an associate of mr. Carney's, and I keep hearing people mention the reduction of the size of baltimore, and I want to clarify that. We were increasing the size of baltimore. We are adding pavement and parking, and we are adding sidewalk. All these things will improve the truck traffic in the neighborhood. They are also going to improve the ability for all of the residents to get down to the park and enjoy the willamette river. And we are making an improvement to the neighborhood that's required in this rh zoning. I have heard a lot of people talk that, that maybe the zoning needs to be changed. The comprehensive plan needs to be changed. That may be true. But, currently we have an rh comprehensive plan, and we are just following those guidelines. We have worked with the neighborhood extensively in reducing the number of units. I have heard people talk about 55 units. We are not going to 55 units here, only 29 units. We have even said we put a cap on it at 35. We are doing all sorts of things to improve the livability of the neighborhood. One other thing i'd like to mention, is that there's an 11 story building just a block away from our site, and it has 118 units in it. It has almost a -- five units per one parking space. It's on the transit line, which is also a transit line that's really close to our site. We propose three times the amount of parking that they have on their side. And you know, I feel like we have, we have completely compromised. We even compromised with, with the design review to try to help the neighborhood be a part of this process. We feel like we met all the guidelines that are required to change this to an rh zone. That's all I would like to say.

Sten: How many parking spots?

Rystadt: How many we are proposing?

Sten: Yeah.

Rystadt: What's required in the rh zone is one for every two units. We have one for every 1.6 units.

Sten: How many is that all together?

Rystadt: I think that we have, we have 29 units, and we have, I think, 18 spaces. Not only do we have 18 spaces -- that's not counting the tandem spaces. I know that those aren't exactly the same as a parking space, so they are not even counted into the calculation. But, we do have that additional parking that's above, above and beyond the requirement of an rh zone.

Sten: Thanks

Leonard: I have a question. You mentioned the seventh story --

Rystadt: No, 11 stories.

Leonard: Isn't that shrunk towers?

Rystadt: Yes.

Leonard: Isn't that an assisted senior center?

Rystadt: It's a housing authority.

Leonard: For senior citizens?

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Rystadt: As I understand, anybody can qualify there. I stopped there and saw a young lady, 25 -- I think you have to be low income.

Leonard: Unless it's changed, I used to work at the fire station a block away, and it was exclusively seniors.

Rystadt: We allow seniors in our building, too. It's fully handicap accessible as well.

Leonard: My point is it has changed --

Sten: It isn't just seniors any more.

Leonard: Ok.

Rystadt: And there is four buses that do come by the area. I would like to add that. We certainly have transportation there.

Katz: Ok. Five minutes of rebuttal.

Erik Palmer: Ok. Once again, erik palmer, 8207 north edison. Mr. Carney and mr. Rystadt talked a little bit about their ideas about how the parking will be managed at this site, and my reaction to that is first of all, we don't really have any substantial evidence regarding the various things that they have asserted, and that that substantial evidence is the standard in the requirement of the code. We also don't have any kind of analysis or, or any way that evidence, that what is in the record right now supports the expectation that luba has set forth, which, I repeat, demonstrate fundamental -- demonstrate compliance with fundamental of 6.15. The parking supply and demand will be managed to encourage residential neighborhood livability that parking will be maintained for existing residential uses where parking is inadequate and the city will act to protect parking. Nothing that they have said and none of the testimony -- I didn't see the pictures of the charts that he made available to you all, but nothing that, none of that testimony addresses those concerns in the code and supported by luba. Mr. Rystadt or, or -- one of two gentlemen spoke about the grassy area that was pictured in one of the photographs, and that is going to be improved and widened. The testimony that I submitted to you earlier includes measurements and photographs, flagging street markings, that kind of thing, that will indicate what the actual drivable width of the road will be when these improvements are completed. And those things have been, have been measured out rigorously as we were capable to manage. And so basically, what's happening is that with the addition of, of parked cars on the street, that consumes the additional width of the street that they are improving so basically, you gain by getting the street improved but you lose once you put cars there. And it actually makes the street -- the drivable area of the street slightly narrower. That's our big concern. The drivable area is not, in our opinion, going to be able to accommodate the passage of the heavy truck traffic, the boats, those kinds of things, that we have also documented, or are present in the site. There was -- there's talk about the fact that, that they have proposed 35 units or 29 units or whatever. These are developers who had an option to pursue this on the basis of a particular development plan but didn't. Because they didn't, we are obligated to analyze this at the maximum buildout that, that is allowed under the code, and we have provided substantial testimony about what, what we think that could be and what that could mean for the neighborhood in terms of fulfilling the police and parking requirements. Discussion about shrunk tower, obviously, it's a noncompliant building under current zoning code. No other development could be built like that anywhere neighborhood right now. As far as the mediation and collaboration issue, I guess, you know, all of this is really quite irrelevant to the approval criteria, so I am not going to say too much about it. There have been multiple opportunities to, to address substantial concerns that the neighborhood has put forward. The response to that was an offer to provide feedback on the finish of the building. But, there's been zero opportunity to discuss in a substantial way with mr. Carney or mr. Rystadt the real concerns that we have about this development, which are, are density, safety, parking management, the very things that, that the neighborhood association expressed in multiple submitted documents of testimony during the course of, of this hearing. Just to conclude real quickly, there's, we have this recurring question of

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this, of this board vote that, that mr. Carney is using as a, as a justification for the idea that there might be mixed support for, for this appeal, and mixed, mixed opposition to, to this, this project. Basically, what I would like to ask real quickly is, is if -- I happen to know that the majority of the board or the cathedral park neighborhood association and the majority of the people who voted participate in that vote are here today. I'd like to ask all of them to stand up, please. And i'd just like to say -- I guess I kind of misphrased that. I would like to ask those to stand up who are on the board and who support what I am saying today and who feel that I'm accurately representing the concerns of the neighborhood. And additionally I'd like to ask everybody else here from the neighborhood who feels that I am accurately representing their concerns to stand. Thanks very much.

Sten: I think you're absolutely right -- you have to analyze it on full buildout. Do you have an opinion, you may not about -- you don't have to if the council limits the buildout to 35 units with the design review where does that move this too. And what I'm trying to get at is assuming which I think the neighborhood's been on record saying their not against development in the neighborhood what's the scale of development that there is enough parking for?

Palmer: 35 is too much. I think the effect if the council put a condition of development that limited this to 35 units. My opinion is that that would kind of take away from us the finally and definitively the question of the police sufficiency. But it would still leave open the question of what the parking situation would be like with 35 units. It think that there is some diversity of opinion about what is an appropriate number of units to have on this site. I think the majority of the neighborhood supports higher density than what is there currently. I think most neighbors that I have spoken to express desire for a density that is consistent with a row house or single family attached housing type of development. I don't think that -- I think and my hope for the times that we have pursued mediation has been that we could kind of really put some numbers out on the table and look at the profitability of the site and really look at the desirability and livability. And come up with something that makes some open attempt that wasn't dependent on approval criteria to come up with something that might be suitable for everybody concerned. I think any suggestion that the density of this project get reduced to anything below 29 units has been rejected by this developer. Kind of in the same vein I think one of the leading concerns here is that whatever number gets picked, the code puts forth the expectation, policy 6.15 puts forth the expectation and luba in my reading supports the expectation that on street parking is going to be managed. There is going to be some kind of plan that comes to a realistic conclusion about what might happen to on street parking at this site. And so I think that's an important consideration in terms of whatever numbers might be put forward.

Katz: All right. Any questions for transportation?

Saltzman: I have a question.

Katz: Come on up. Identify yourself for the record.

Elizabeth Papadopoulos: Elizabeth papadopoulos. Office of transportation.

Saltzman: I was curious. We were given an addendum on the parking analysis. Have you seen this? Have you had a chance to review this?

Papadopoulos: I apologize. I had another staff person working on this, and she was gone today. I am not sure -- is this a new one?

Saltzman: It's called the march 12th addendum to the february 23rd analysis.

Papadopoulos: I don't know if we have seen that one.

Saltzman: Brittney hall.

Papadopoulos: I am not sure that we have seen that one.

Saltzman: So you have, you oversee the opinion here that was written, that this development will meet policy 6.15?

Papadopoulos: Yes.

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Saltzman: I wanted to ask you in your opinion what is meant when the city will manage offstreet - or onstreet parking? What does that mean?

Papadopoulos: That policy was written as a policy, not as an approval criteria. The city uses it for a variety of means, including the bureau of transportation systems management. They used that to evaluate what they are going to do with streets on, on a day-to-day basis. That piece of the policy was intended more to look at, at when do we remove parking for safety and operational needs and how do we, how do we balance that with, with the neighborhood demand in older neighborhoods where, where there's not much parking on-site? So, it's not typically something that we use in a, in evaluating a zone change.

Saltzman: I guess I understood from testimony that I think on north willamette boulevard, there is parking restricted to one side of the street?

Papadopoulos: My recollection is that it, it's generally not restricted. There may be a small area of restriction, and that happens sometimes when we have safety issues. But, my understanding is mostly it's not restricted in the area.

Saltzman: And was that looked at for this, this particular stretch of north baltimore about whether parking should be limited to only one side?

Papadopoulos: Again, going back to the general policy aside from the land use, that policy is directing us generally to try to preserve onstreet parking in residential neighborhoods. So, we would try not to strip any of it, and typically, if we stripped any, it would only be because, only be because a particular issue came up, so if truly on this project we were concerned that the road would be too narrow based on what the applicant will need to build. We could strip parking on one side, at least until the road is built a full width. If there is an ongoing safety issue, that clearly is -- we have got a record showing it's a problem at a corner. We would strip parking. These are pretty routine sorts of piece, but really we don't take it lightly when people are asking us to do those sorts of things on a residential street.

Saltzman: So these, these issues are examined.

Papadopoulos: Yeah, yeah.

Saltzman: Ok. Thanks.

Francesconi: Is this a close call from your standpoint or, or is this, is this a clear-cut case where we met, where transportation finds that the policy, 6.15, has been met?

Papadopoulos: This is not a close call for us. If, if we had multiple projects in the neighborhood and the street really was mostly parked most of the time, and I will give the example of northwest Portland, I think that we would have to look very carefully. We kind of look at two pieces. We look at, at whether there's any reason why the site can't provide the parking -- meet the parking ratios listed, and that's a pretty rare exception. It would have to be an existing for the print that's not modified for any reason and can't be modified for any reason. So, that's one piece we look at. The other piece we look at is there some onstreet parking available? I think you have heard that, we cannot quantify precisely the overall -- the number of specific cars that would overflow into the right-of-way. There certainly will be some, but we can't say exactly what that number will be, and in fact, when we see a street that's not parked very heavily, our assumption is they can be accommodated. It may mean that neighbors can't always park in front of their houses, but we have never guaranteed that anywhere. That tends to be not a very efficient use of the pavement if we are building a full parking lane, and we have say three quarters of the parking lane unused. That's a pretty high cost for vehicle storage in an area that's not being used. So, what we are looking at again is whether we have got the really high density of parking demand that really would start to say where is this parking going to go.

Francesconi: Thank you.

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Katz: Let me follow up on that. Let's say northwest Portland, if somebody wanted to build 35 to 50 units in northwest Portland, on streets that have apartment houses with no, with only parking onstreet, some private, single family housing that may have a garage, what would you do then?

Papadopoulos: It would be a very difficult call. You know, honestly, we have got two pieces. The city, through their comp planning, is trying to, to, again, move away from, from auto orientation. If you have got that higher density in the parking ratio, we are hearing the message that council wants to reduce the amount of vehicle parking. At the same time, we know that those situations -- there's very little opportunity for the, for the parking to overflow, and what we, we try to do is get a handle on, on -- it's not always easy, whether or not the street is so parked up, that the people who would choose to be there would be people who would not bring a car. We can't answer that question 100%. We do our best, but it's not always, not always 100% clear.

Katz: Ok. Further questions of transportation? Ok. I will take a motion, if you are ready. Or people want to have a discussion before the motion?

Sten: I would, I would -- I want to make sure, I would move the same motion that I made --

Katz: That would be a tentative motion?

Sten: A tentative motion, a couple weeks ago that essentially overruled the appeal, and I will give my thinking on the vote, and limited the developer to the 35 units and required the design review. I am trying to remember if there is any other conditions that we had in there. I would, I would keep the same ones that we had at the last hearing.

Katz: The only thing -- the only thing you added was a limitation to 35 units, so it's a tentative motion? Do I hear a second?

Saltzman: I will second.

Katz: Ok. Discussion? Roll call.

Leonard: I --

Katz: I am sorry. I will --

Leonard: I can wait until I vote or I can say it, either way.

Katz: Roll call then.

Francesconi: Well, you know, one of the testifiers appropriately questioned why I wasn't here before, and the reason I missed the first hearing, and I just thought that the, given the seriousness of the issue, it's better to have been here from the beginning, and so that's why I wasn't here. But, I have reviewed the record, and I think I understand the issues. There's kind of three points I want to make. First is the, the neighborhood doesn't like the comprehensive plan and is -- some people in the neighborhood, you, represented, are moving appropriately through appropriate channels to address that through, through the zoning process. And you talked about that. In fact, you were very candid during your testimony here today about that. I think that that's good. I am glad that there is a process for addressing it because you don't like that much density in your neighborhoods, and you live there, and you have a right to help shape the neighborhood, despite what we may say. You know, from our standpoint, 20-40, or no 20-40 that's the first thing. Second thing is, you have mounted -- I wasn't quite sure how you were going to do this because you have a tough burden here, and I will come to that, but you have mounted a very terrific fight on this to preserve your neighborhoods. But, number three, and you may not like my way of thinking, I have to rule with the motion here. I have to vote with it, and the reason is, you know, when I took this job, I also said i'd follow certain rules and law. I can't just -- this is not a blank slate here. The comprehensive plan is the comprehensive plan, and the law is the law. That's -- if we don't follow it, we have measure 7 challenges that threaten this, and we throw out a set of rules that we can't do, except through appropriate processes. So, here I have to look at the policies, the onstreet parking management and the question of police services. I am bound by those whether I like them or not when I took this job. I do think that, that the evidence here of substantial evidence, which somebody raised -- see, that's the lowest burden. The highest is beyond reasonable doubt.

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Substantial evidence is below 50%. That's all the applicant has to show. They met it in this on, on the issues of 6.15 the parking management which was the most substantial issue in the case. Aye.

Leonard: Well, I do, also, take my oath seriously, and I also believe that I have some, some responsibility to make judgments about the issues that are, that are presented, and that I also have some responsibility to, if I don't necessarily agree with what, what a bureau says, that, that the voters have empowered me to do that. I don't agree with the conclusions with respect to the transportation issue having been addressed adequately, and, and to be very clear, as most of you on the council know from the carbon copies that I have forwarded to you regarding the discussion I have had with the bureau of planning, I stood in front of the neighborhood association very recently and defended why, why, in that neighborhood, they should have increased density and that I would oppose any effort to increase the lot size in those neighborhoods, so I am not one that is a defensive of, of, of not, not having increased density. I don't believe in that. But, I think that there is a balance that you find. This proposal, for me, just lacks the balance. It isn't that we shouldn't have, have more units on that lot, beyond the one that is there, but I think going to 35 does raise traffic concerns and parking concerns, and I think that they are legitimate concerns. I vote no.

Saltzman: Well, I supported this motion in July, and I wasn't here at the most recent hearing on this, and I apologize. But, I do believe that we do have to, to honor the comprehensive plan, I think that there is, there is substantial evidence to show that the parking policies and the public safety policies have been met, and while I understand concerns about availability of offstreet parking and safety, in particular, I guess the safety is what, what, what caught my attention more, I am also looking at, at substantial improvements to this stretch of north Baltimore in terms of, of sidewalk improvements, as well as additional pavement, which I think will, will dramatically improve, perhaps, the current situation with respect to particular truck traffic safety on this stretch of the street. I am going to stick with my original vote back in July. Aye.

Sten: Well, I just briefly, you know, I like to find ways to get both sides to, to the middle on some of the cases, and this case it's been hard to do, and I don't fault either side for that, although I would, I would have liked to have seen more dialogue. I do think that, that as I read the comp plan, just explain my point of view on this -- I have a lot of sympathy for the neighborhood's position, actually, is that, is that a donor of property has, has -- has the right to get a zone change up to what the comp plan says if there is adequate services, and I do think, as I review them, that the services are adequate. I do think that, that the move to limit the density, the possible buildout to 35, short of the 55, is a good step and am comfortable that although that's an issue that could be argued at a higher level, they have agreed to that, and agreed that that's appropriate, so I think that that will hold, and I think it's, at least a step in the neighborhood's direction that I feel good about, although I know that that's not enough from your point of view. I think the design review is very important, and then that, the way this gets built out can change quite a bit, in that I don't think that that's a rubber stamp at this point, and I think that it will be appropriate for the neighborhood to pay attention to the design review process and see. I also think that, that the question of whether or not the neighborhood is zoned accurately is a very fair one and look forward to looking at you with that in the St. John's plan to see if some of these should be changed through that process, which does it. But I do think he has met the burden, particularly with the agreement to make a maximum limit of 35. I just am not convinced that there is not parking or other services there, which is the bar that he has to get over, particularly with the lower numbers. So I vote aye.

Katz: Aye. Thank you. Tentative date? Or date for the -- to finalize the -- two weeks? Ok.

Moore: That would be April 3, if it's another Thursday.

Katz: Do we have enough people here to finalize this? All right. Thank you, everybody. Let me just add that there may have been some confusion with regard to the budget presentations. Of

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course, you can do whatever you want, but they are -- they are not optional. We need everybody here for every budget presentation. We stand adjourned.

At 3:25 p.m., Council adjourned.