



CITY OF  
**PORTLAND, OREGON**

OFFICIAL  
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **23RD DAY OF JULY, 2003** AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Leonard, Saltzman and Sten, 4.

Commissioners Leonard and Saltzman arrived at 9:34 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.

| <b>COMMUNICATIONS</b>  | <b>Disposition:</b>                                 |
|--|---|
| <b>825</b> Request of Todd Kurylowicz to address Council to say hello and spread some love (Communication)   | <b>PLACED ON FILE</b>                               |
| <b>826</b> Request of David M. Baker to address Council regarding the anti-camping ordinance and Portland Peace Encampment (Communication)   | <b>PLACED ON FILE</b>                               |
| <b>TIME CERTAINS</b>   |   |
| <b>827</b> <b>TIME CERTAIN: 9:30 AM</b> – Independent Science Team’s assessment of Portland Endangered Species Act framework (Presentation introduced by Mayor Katz and Commissioner Sten)   | <b>PLACED ON FILE</b>                               |
| <b>*828</b> <b>TIME CERTAIN: 10:30 AM</b> – Authorize payments to Friends of Trees to support neighborhood tree planting programs for the period July 1, 2003 through June 30, 2004 (Ordinance introduced by Commissioner Francesconi) | <b>REFERRED TO COMMISSIONER OF PUBLIC UTILITIES</b> |
| <b>*829</b> <b>TIME CERTAIN: 10:40 AM</b> - Authorize agreement with Concepts in Community Living, Inc. for \$134,000 for the Taft Hotel Preservation and provide for payment (Ordinance introduced by Commissioner Sten)<br><br>(Y-4) | <b>177719</b>                                       |

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**\*830** Authorize agreement with Cascadia Behavioral Healthcare, Inc. for \$200,000  
for the Taft Hotel Preservation and provide for payment (Ordinance)  
(Y-4)

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| <b>CONSENT AGENDA – NO DISCUSSION</b>   |  |                       |
|---|--|-----------------------|
| <b>831</b> Statement of cash and investments June 5, 2003 through June 30, 2003<br>(Report; Treasurer)<br>(Y-4)   |  | <b>PLACED ON FILE</b> |
| <b>Mayor Vera Katz</b>  |  |                       |
| <b>*832</b> Pay claim of John and June Wassmuth (Ordinance)<br>(Y-4)  |  | <b>177702</b>         |
| <b>*833</b> Amend Ordinance to correct the contract number regarding Tri-County Metropolitan District of Oregon and City of Gresham (Ordinance; amend Ordinance No. 177373; Contract No. 51955)<br>(Y-4)                  |  | <b>177703</b>         |
| <b>*834</b> Amend agreement with David M. Corey to extend time and provide for additional funds to conduct psychological evaluation of community police officer candidates (Ordinance; amend Contract No. 33835)<br>(Y-4) |  | <b>177704</b>         |
| <b>Commissioner Jim Francesconi</b>   |  |                       |
| <b>*835</b> Extend contract with Cumpston Bros., Inc. for concession services at Eastmoreland Golf Course (Ordinance; amend Contract No. 51127)<br>(Y-4)  |  | <b>177705</b>         |
| <b>*836</b> Issue a Revocable Permit to Grayco LLC to install, operate and maintain two groundwater monitoring wells in the parking lot of Willamette Park (Ordinance)<br>(Y-4)   |  | <b>177706</b>         |
| <b>*837</b> Contract with Nutter Corporation to provide for construction of NE Clark Rd from NE Alderwood Rd to NE 105th Ave and NE Holman St and provide for payment (Ordinance)<br>(Y-4)                                |  | <b>177707</b>         |
| <b>*838</b> Contract with Dirt & Aggregate Interchange, Inc. to provide for construction of NW 6th Avenue, Station Drive, from NW Irving Street to NW Lovejoy Court and provide for payment (Ordinance)<br>(Y-4)          |  | <b>177708</b>         |

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| <b>Commissioner Dan Saltzman</b> |   |  |
|----------------------------------|---|--|
| <b>*839</b>                      | Authorize a contract with Inter-Fluve, Inc. for Kelley Creek Mitigation and Restoration, Phase II Project No. 7334, 7327 (Ordinance)<br>(Y-4)   | <b>177709</b>  |
| <b>*840</b>                      | Authorize Joint Funding Agreement with the U.S. Geological Survey for hydrogeologic technical assistance (Ordinance)<br>(Y-4)   | <b>177710</b>  |
| <b>841</b>                       | Authorize a contract and provide for payment for the construction of water mains in the Tomahawk Island Drive Mains Package (Ordinance)   | <b>PASSED TO<br/>SECOND READING<br/>JULY 30, 2003<br/>AT 9:30 AM</b> |
| <b>842</b>                       | Amend contract with Landslide Technology, Inc. to authorize Phase II and increase amount by \$177,158 for the Bull Run Conduit Corridor Landslide Assessment and Monitoring Project (Ordinance; amend Contract No. 34369) | <b>PASSED TO<br/>SECOND READING<br/>JULY 30, 2003<br/>AT 9:30 AM</b> |
| <b>Commissioner Erik Sten</b>    |   |  |
| <b>*843</b>                      | Authorize agreement with Northeast Workforce Center, Inc. for \$41,575 for the Boise-Humboldt Home Repair Program and provide for payment (Ordinance)<br>(Y-4)  | <b>177711</b>  |
| <b>*844</b>                      | Authorize Intergovernmental Agreement with Multnomah County to prepare and update the Consolidated Plan to meet affordable housing goals and to receive payment (Ordinance)<br>(Y-4)                                      | <b>177712</b>  |
| <b>*845</b>                      | Authorize application to the U.S. Department of Housing and Urban Development for a grant in the amount of up to \$40,000 for homeownership research (Ordinance)<br>(Y-4)   | <b>177713</b>  |
| <b>*846</b>                      | Authorize agreement with Community Energy Project, Inc. for \$63,196 to conduct Lead Poisoning Prevention Workshops (Ordinance)<br>(Y-4)  | <b>177714</b>  |
| <b>*847</b>                      | Authorize agreements with the U.S. Department of Housing and Urban Development related to their public offering of trust certificates guaranteed under the Section 108 loan program (Ordinance)<br>(Y-4)                  | <b>177715</b>  |
| <b>*848</b>                      | Execute Supplemental Indenture No. 1 to Indenture of Trust and Custodial Agreement for the Portland Saturday Market, Inc. (Ordinance)<br>(Y-4)  | <b>177716</b>  |

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**REGULAR AGENDA**

**Mayor Vera Katz**

**\*849** Adopt draft findings, approve an alternative contracting process and create an exemption to the competitive bidding of ORS Chapter 279 for the selection of a General Contractor for the construction of the Portland Streetcar from Portland State University to the South Waterfront area (Ordinance)  
(Y-4)

**177717**

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**\*850** Authorize contract with Aon Consulting to provide benefit consulting and insurance broker of record services for the period February 1, 2003 through January 30, 2008 (Previous Agenda 795)  
(Y-4)

**177718**

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At 10:56 a.m. Council recessed.

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**WEDNESDAY, 2:00 PM, JULY 23, 2003**

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

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July 24, 2004

A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **24TH DAY OF JULY, 2003** AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Katz, Presiding; Commissioners Leonard, Saltzman and Sten, 4.

Commissioner Leonard arrived at 2:04 p.m.

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

|   |  |
|---|--|
| <p style="text-align: center;"><b>REGULAR AGENDA</b></p> <p><b>851</b> Tentatively deny appeals of East Columbia Neighborhood Association, Cully Association of Neighbors and the Rose City Neighborhood Association and uphold Hearings Officer's decision with conditions to approve the application of the Port of Portland for a Conditional Use Master Plan for the Portland International Airport at 7000 NE Airport Way (Findings; Previous Agenda 731; LU 02-146814 CUMS CU AD)</p> <p><b>Motion to approve the findings:</b> Moved by Commissioner Saltzman and seconded by Commissioner Leonard.</p> <p>(Y-4)</p> | <p style="text-align: center;"><b>Disposition:</b></p><br><br><br><br><br><br><br><br><br><br><p style="text-align: center;"><b>FINDINGS<br/>ADOPTED</b></p> |
|---|--|

At 2:04 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.

**JULY 23, 2003 9:30 AM**

**Sten:** Here.

**Katz:** Present.

**Katz:** Good morning.

**Saltzman:** Good morning.

**Katz:** Ok. Let's start. Let's start with 825.

### **Item 825**

**Katz:** Good morning.

**Todd Kurylowicz:** Good morning. My name is todd kurylowicz. Veteran forces and current member of the peace cabinet for the past four months. I just got back into town. I haven't seen you all in a while. I am going to send out some good wishes, and, you know, to everybody here and I hope you have a peaceful day and lifetime. Got back a couple weeks ago on friday, and I don't know. I think the police want to come over and feel some of that love, too, so they come by and visit us and probably within about three hours of me being back, I was in the back seat of a cruiser. Now, it seems as though I got what's called a class a misdemeanor, facing a year in jail for trying to protect people's stuff when they were going to take it. Property, which I was given back, you know, the following monday, and now I have property receipts with my name on it. They are saying, this is your property. I am like oh, this is all that I was trying to do on friday when I got arrested for it. They came by and you know, wanted to give us a little more love this morning, so we had a visit from a total of 11 officers. One homeland security officer. Seven cars, one van, and one s.p.f. developer protector service s.u.v. At about 5:00 this morning. They were there for about a half an hour, and I haven't been able to work out the, you know, the costs of this to send in this many police officers to intervene in a vigil, but it's curious, now there is four people that have been cited, two charges apiece, four facing a year in jail for being in a vigil. I think I was kind of curious, you know. I mean, or taking in a vigil. We're not very violent people. Far have it. Quite peaceful people, and now we have all these consequences of, we are just maintaining a vigil because people are dying, and if people are dying and we are having our signs destroyed and our flowers taken by police officers, it's -- it doesn't seem right to me. We need to work out a solution to this and to where we can talk, and find some ground where we can hold our demonstration, you know. Obviously, things are still escalating over there. You can read it in the newspaper. Headlines every day. We are going to be out there. We need to still set up some dialogue, you know. Figure something out here. We'd appreciate some calls back. You can stop by any time right across the street, any time you want, and we can talk these issues out because going in the direction it's going, it's not going in a positive direction for us or for you. Pleasure.

**Katz:** 826. Kurylowicz.

### **Item 826**

**Katz:** He's not here. Let's go to consent agenda. Anybody want to take an item off the consent agenda? If not, roll call on consent agenda.

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

**Katz:** Mayor votes aye. All right. Time certain. 827.

### **Item 827.**



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**Katz:** Come on up.

**Sten:** I want to say a few words. I will ask Gil to come on up. This is pretty -- I thought we might have a little bit of time today, which we do, to take a look at something that's not, you know, a crisis situation, but it is, I think, really interesting, and this is just a report from the independent science team that we engaged a while back to take a look at our endangered species efforts, but more as our river renaissance efforts as a whole. I think that everyone is familiar with the river renaissance that Mayor Katz is leading very ably. The idea is to restore the river, which, unfortunately, over the last century has really become more of, of, if you really look at it, a glorified place to dump wastes, whether we planned to or not, and the idea is to reconnect with the river both with humans and wildlife, and this piece of it was really to ask some of the state's finest scientists to really take a look, and they are here today, and give us some advice on what we were doing, how does it work, and over time to, try and tie those issues to economic ones, as well, and we have had business people taking a look at their work, and I am pleased to say, and I am not qualified, which is good, to walk through what the scientists have to say, but you will hear today that I think that we are on the right track, and we are also trying to create an environment of continuous learning. What I mean by that is, is where we will keep trying things and the criteria that the council sets, just for those of you who haven't been paying attention to this, in terms of project was let's do things that have multiple benefits. So if we are making it harder to develop right on the banks of a creek like Johnson Creek that floods all the time, we believe that will be better for the fish because we believe a lot less things will wash into there, but we also know that will be good, period, because it will be good for property damage, and so we have taken a bunch of actions that we think make sense, and they make sense on multiple levels. This is really trying to hone in and make sure that we are doing the actions that really have the most scientific base to be good for the fish and to be good for the actual health of the water, and so John and Claire have led this from the endangered species team, and it really has fitted very nicely under Gil's leadership into the river renaissance, so every renaissance can work on a lot of levels, but it has to be scientifically right, as well.

**Katz:** Thank you for your efforts on this, as well. Gil.

**Gil Kelley, Director, Bureau of Planning:** Thank you, Mayor and Commissioner Sten. I will be brief. I wanted to emphasize how important this particular piece of work is in as a foundation for the river renaissance. We know and understand much more about other aspects about our city building than we do about the natural systems in the urban environment, and this is really groundbreaking work, I think. I think we are, in many ways on the leading edge of where other metropolitan areas need to be in this country and really around the world in terms of identifying the critical functions of nature in the city, if you will, and understanding those so that we can replicate and support those systems even as we continue to build out the city as a very urban place. Under Jim's leadership here, we -- this really started as a response to the endangered species act, but I think as really grown into really looking holistically at watershed health. So that extend, he's been aided by Mary and the planning group and D.E.F., so I think, I think it's very good science. I hope you will hear from the science panel today, as with much of the river renaissance activity, we want to vent our work with independent professional groups, and in this case we pulled together an all-star panel of scientists to take an objective, independent look at this. As Commissioner Sten noted, I think that their response that we have heard has been very encouraging, that we are on the right track in terms of building that scientific foundation, and that we know we have more work to do. One of the charges that they have set out, for example, is to, is to really figure out how we balance these findings with economic and social criteria that are also important to do. That is really the essence of river renaissance to find the balance and the mutual support between multiple objectives, so I am just very happy that we have a very incredible, scientific foundation emerging on the natural

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resource side of the equation. With that, I would like to turn it over to jim and mary and claire, who really have been the, the stalwarts on this effort.

**Katz:** Jim, as you describe the efforts of the team, also identify -- I know that they will be able to come and talk to us briefly.

**Jim Middaugh, Manager, Endangered Species Act Core Team:** We will be really brief here.

**Katz:** Identify the revisions that we made because of some of the findings. That would be very interesting.

**Middaugh:** Claire can talk about that.

**Katz:** Ok. Go ahead.

**Middaugh:** I will be really brief and tell what you this framework is because some people ask, and, and we would rather tell what it is than what it isn't. Claire has really been the person whose pulled all this together, and mike reed, who you spoke with last week, was the person responsible for really getting the independent science team together, so I cheerlead, and these guys do the work. The framework really describes how we intend to achieve and maintain the watershed health in our jurisdiction. It helps us link to other regional and state programs. It's helping guide a whole suite of city programs, including the river renaissance, but some of the responses we have to e.s.a., the clean water act to the superfund and the restoration obligations that come with the superfund. It's helping inform some of our goal 5 work associated with metro, and I think that most importantly it's helping us identify actions that we hope to feed into our growing partnership with the core of engineers under the water resources development act whereby we hope to leverage two federal dollars for every one local dollar for the restorations we implement. The framework contains vision and goals for watershed health that are consistent with the city's other goals, and in particular, the river renaissance. It has a scientific foundation. Scientific principles that support a series of restoration guidelines to help us prioritize our work. It describe as watershed management progress that will help us create effective watershed plans. It insures that, that other city activities are compatible with our watershed health goals, or that we are aware that we are not, and we are making a conscious decision to allow that. It has some recommendations for additional research and procedural work and institutional changes we need to make, and a series of technical appendices. And again, we start this had based on a resolution you gave us to go off and do this. We had a first version that was fairly fish focused, and it's been, as gil mentioned, expanded to support all river renaissance, with that, I will turn it over to mary wahl.

**Mary Wahl, Bureau of Environmental Services:** Thank you. Mary wahl from environmental services bureau. You have seen watershed and water projects for years, and a lot of that work was effective. It was important work. What we have recognized for a long time, though, is that the problems with water and watersheds -- we need to get at the problems behind those, not just comply. What's different now with the framework in place, or about to be in place is that there is a sound base for picking actions that get at the problems behind all of the mandates that are coming at us. It sounds simple, but it's a really big difference. Without the, the scientific base that this foundation -- or this framework gives us, we can focus on compliance, and we wouldn't focus necessarily on watershed health. What we get at the end of the day is compliance. We might also, and this one counsels, we might be picking actions that actually have to be redone and what commissioner Sten mentioned about johnson creek is a perfect example. We solved, or tried to solve the flooding and the property damage, but we ruined parts of the creek in the process. What the foundation that comes from this framework gives us is the basis for picking actions we don't have to redo a few years from now, so what you have with the framework is a much stronger blueprint for water and watershed work and actually getting at the problems behind all of these mandates. I wish we had had this when we were making our clean river plan arguments because this puts much stronger legs under that whole concept of getting at the watershed, not just

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compliance. So, kudos, definitely kudos to the e.s.a. Staff and the watershed staff at b.e.s. That have been working on this for a long time.

**Katz:** Thanks.

**Claire Puchy, Planning Bureau:** I am claire with the endangered species program. Developing this kind of a framework is a monumental effort, and it's really taken a lot of people, not just the e.s.a. Staff and b.e.s. Staff but people in other bureaus. This has been truly an interbureau effort, and we have also drawn upon people from outside the city, as well. Because this is of this kind of importance, and it's going to affect the priorities of the city. It's going to affect how we spend money in the future, it's very critical that it was based on sound science. We also thought that because of the importance of having sound science, it was important to draw upon some outside expertise to review this in its draft form, and while we were able to make some revisions to it. We were extremely fortunate in getting five eminent scientists from the pacific northwest to do this independent review, and four of the five of them are here today. I would like to just briefly mention who they are, and then I will introduce jim lichatowich, who chaired our independent science team. Jim is, is a consultant. He's a member of the governor's independent multiple disciplinary science team.

**Katz:** Can you raise your hand so we know?

**Puchy:** And also a member of the northwest plan council's independent signing advisory board. He's nationally known as an expert on biology, ecology, and management, and many of you know that he's the author after book called "salmon without rivers and," and winner of the governor's book award. And bill liss is here with the independent advisory board. He's a professor of fisheries at Oregon state university, and says and his expertise is in ecology, aquatic ecology, and habitat restoration. Dr. Alan Yeakley is also with us today. He's a professor of watershed hydrology and urban ecology at Portland state university. His expertise is in the ecosystem ecology and watershed hydrology. Dr. Kathleen kavanagh is also here. She's a member of the governor's independent -- multiple disciplinary science team. She's a professor of forest resources at the university of idaho, and her expertise is on the principles of ecosystem management and repair and ecology. The fifth member could not join us today. Dr. Derek booth is the director of the center for urban water resources management research center at the university of Washington. He's a professor of environmental engineering. The i.s.t., independent science team's review of the draft framework was completed just this past spring, and it was of tremendous help to us. We are now based on the input we got from the independent science team, as well as a review that took place internally to the bureaus here, we are undergoing major revisions to the framework as we speak. We will share the revised framework very soon, hopefully in september. We'll be taking this out to the bureaus once again and to the stakeholders, and then hopefully we will bring it back to you this fall for approval. So, what we would like to do this morning is have our chair, jim, summarize their findings of what is now a draft that is undergoing some changes, but to talk about what they saw in the city's process and then I think that jim will probably allow other members of the science team who are here, say a few words if they wish to, and then we will open it up for questions from, from the council.

**Katz:** Thank you. I'm glad you're bringing your whole team. We're honored that you are here. Come on up.

**Katz:** If you can just identify yourself and grab the mike when you do speak.

**Jim Lichatowich:** I am jim, and I live at 36343 delores way in columbia city. Mayor Katz, commissioners, I want to, on behalf of the independent science team, thank you for this opportunity to come and review our, our work with regard to the framework for integrated management of watershed and river health. And to answer any questions you may have after we've finished our presentation. Before I get into the, the actual review that we conducted, i'd like to make a personal

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observation. I've, I've served on three other independent science teams over the past 10 years looking into salmon recovery and watershed recovery in the state of Oregon and in the Columbia river. All of those teams work on a consensus basis. Everybody agrees with what is in the report before it's released, and that consensus often is reached after a great deal of debate and discussion among the, the scientists, the team members. Most often, quite extensive debate and discussion. I just want to point out that, that this team was able to reach a consensus on this report that we put together for this review of the framework and remarkably short period of time based on my experience, and I think the, the reason that we were able to reach a consensus on this report was the high quality of the work that went, that went into it. The i.s.t. Believes it's a well written, scientifically defensible document. We believe that it will provide sound ecological guidance to the decisions, the plans, and the actions that will make up the city's watershed restoration program. The document is well researched. The staff has done an excellent job in reviewing the scientific literature and summarizing the relevant parts of the literature and putting it into this framework document. They should be complimented for a job well done. One of the reasons organizations like the city puts together an independent science team, like this, is to have a group of individuals with the right expertise that can step back from the day-to-day struggle of trying to produce a document like this and take, take a hard look at it with the idea of trying to improve, make suggestions for improving it. The reason I mentioned that is that most of our report lists line-by-line, page-by-page in the report things that we think would improve the, the framework, but I want to be sure that I leave you with the idea that even though most of our report deals with ways to improve the, the framework and it may appear to have a negative tone, it, in no way, detracts from the very positive feelings that we have about the document and the quality of the work that went into it. All of the page-by-page, line-by-line suggestions that we have boil down into six general areas of concern that we had, and what I would like to do this morning, just very briefly go through the six areas of concern and then, and then let, let the other members of the team add to anything that I have said. The first area of concern was that we believe that the framework by itself will not be a sufficient to direct watershed planning. We believe it's an excellent foundation. The principles and theory are, are very well stated. We believe that another document is needed that will translate the principles and the theory into guidelines for making the day-to-day practical decisions consistent with that theory out in the watershed by the watershed planners and the others who are going to actually be trying to implement plans based on this framework. The northwest power planning council, for example, in the 2000 fish and wildlife program includes an appendix that's a technical guide to the preparation of sub-basin plans. Sort of a how-to manual in how to convert the theory to the practical, and we think that something similar to that would be useful here. The framework reflects an over-reliance on models and the role of models in the decisionmaking process is not entirely clear. The framework does a good job of summarizing the models intended to be used for decision making and setting priorities in the development of watershed plans. It doesn't provide enough detail to conduct a scientific peer review, which we think should be done. It should be done by a different panel of different expertise than the group that's sitting up here now. Beyond the need for technical peer review, we think that the, that the framework suggests that the city may be placing too much confidence in these models. The models, themselves, can only reflect a part of the reality of the, of the complexity of the ecological and cultural activities going on in the watershed, and that means that you have to be a little more cautious in using models for decisionmaking. The third area of concern is that indicate and optimal values need clear relationships to watershed's specific objectives. The report -- the framework contains indicators and optimal values. These are things that the staff has decided they would like to measure in order to track progress towards meeting the goals of watershed restoration. Indicators and optimal values are important parts of watershed planning. There is no doubt about that. We think that maybe the

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staff may have gotten the cart before the horse on this one. We think that the streams should be characterized first and the specific objectives established for those streams, and then, and then the indicators that would allow you to track progress towards meeting those objectives should be selected. Framework requires more recognition of the social and economic constraints on restoration posed by urban watersheds. As I said, the framework is an excellent document that provides a solid set of principles regarding the ecological relationships in watersheds. Watersheds, and particularly urban watersheds, are not simply ecological entities. They are natural, cultural entities, and there are cultural constraints, there are socioeconomic constraints on the ecological activities or ecological processes that are going on in the watersheds. We think that those constraints need to be identified up front in the document and how the city will deal with those constraints and still try to bring about the watershed recovery. We recognize that that is going to be an extremely difficult job to do. But we also recognize that, that the failure to do so in a lot of other recovery programs is probably impeded their progress. It should reflect the specific conditions of Portland's urban setting with the two large rivers. Portland sits at the confluence of two large rivers. All the fish, all the salmon and steelhead going upstream or downstream into the Columbia river or the Willamette pass through an area influenced by the Columbia river. We think the principles at the current time are written in a fairly general way. We think that they would be improved if they were written in such a way as to reflect this, this unique setting without, without changing the, the scientific integrity of the principles, themselves. It would probably help others who are going to use the principles as guidelines to really understand how they apply to this area. In the final area of concern was that the, that the framework focuses heavily on, on the aquatics in watershed restoration, and we think that that's appropriate for, to give the aquatics the, the central area of focus. The framework also indicates that restoring terrestrial habitats and conditions and biological communities are part of the framework. We don't believe that the terrestrial side of the equation has gotten enough attention in the framework and it needs a little bit more.

**Katz:** It's the critics that Mike talks about all the time. He's smiling. We get lectured on the fact that we forget the little critters.

**Lichatowich:** Before I turn it over to the, to the other members to add what they want to, and we can get into an exchange of, of questions and some, some discussion, which I think is good. I think that organizations like the city council that have independent science teams should talk to them as often as they can, both the team and the council could probably benefit from such discussions. I want to caution you on one thing. This, this report that we wrote is a consensus document. We all agree with what's in this report. To the extent that your questions reflect our work in this report and the answers will be the answers of the independent science team, but to the extent your questions go beyond the report and get into other areas of science and watershed ecology, then you have to remember that you are getting the answer from the individuals and sometimes those answers may differ among team members because we haven't had a chance to debate and discuss and reach a consensus, so I just want to be sure you keep that in mind.

**Katz:** Thank you.

**Lichatowich:** Now I'd like to, to ask the team members if they would have anything to add. I will start with, with Dr. Katy Cavanagh.

**Katz:** Grab the Mike.

**Dr. Kathleen Cavanagh:** Thank you very much. I am Dr. Katy Cavanagh from Idaho. I am one of your upriver people who, who are, are also been involved -- actually I have lived downriver in Astoria, Oregon, and I have lived downriver in Corvallis, Oregon. So, I, I really want to say that I think that, that what's being done here, and it comes out in the report, is very unique, and it's something that needs to be brought forward I think both within the city, and I really, really want to, to thank you for the time you have taken here, as well, to allow us to present some of these results

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and these findings and to bring some of the work that's being done by these, these city personnel to light. This is unique enough that in our report, we have also asked that the city find ways to communicate what they are doing in scientific circles and policy circles and within planning circles because this, this working within an endangered species context using a scientific framework is, is something that, that should be communicated well, so with that I will pass it on.

**Katz:** Thank you.

**Dr. Bill Liss:** My name is bill liss. I am a professor of fisheries in the department of fisheries and wildlife at Oregon state university. I am simply going to concur with the comments that jim and katy just made. This is, I think, part of a pioneering effort to develop the framework for salmon and watershed restoration. It is highly consistent with the current thinking in stream restoration and salmon restoration. The challenge now is, of course, to take these very general principles of watershed and stream ecology and apply them specifically at the watershed scale and at local scales, and this is by no means, an easy or a simple task, and so there are many challenges that await, I think, the city in implementing this sort of a framework, and I guess I would encourage patience -- this is not going to happen overnight. It's going to be somewhat of a longer term project to which you should see progress, periodic progress, but really accomplishing the goals. This is going to take somewhat of a time. I would like to offer my congratulations to the e.s.a., a staff for doing what is really a great job -- to the e.s.a. Staff.

**Dr. Alan Yeakley:** I am allen yeakley, associate professor of environmental science at Oregon state university. Far, far away from here. I also concur the report, the, the draft of the report is a really good first step, and I just also congratulate the e.s.a. Team for working on this and bringing it to the point that it is. I'd like to offer one personal opinion. It was mentioned earlier that Portland is at the leading edge of, of various things in this regard. I think that it's true with respect to planning management, citizen participation. I'm not so sure that that's true with respect to scientific investigation and research, and compared to other cities throughout the country, so this report represents a concerted effort to try to bring together the scientific principles as a basis for the planning and management that is -- that's currently underway. I think that in that regard it's really an excellent process. It really -- I just, again, kudos to the team, the e.s.a. Team for doing this.

**Katz:** Questions? Let's open it up. Can you stay? For a while?

\*\*\*\*\*: Sure.

**Katz:** Ok.

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

**Katz:** We will open it up to public testimony and then maybe we will bring you back if there are questions. Sometimes the public testimony gets council members to think about the question that they want to ask.

**Katz:** Come on up.

**Mike Houck, Audubon Society of Portland:** Mayor Katz, commissioner, my name is mike houck. I am here representing the audubon society of Portland. I did not sign up to testify. Actually, I came just to hear the report, to hear the summary, and I hadn't intended to say anything, but I feel compelled to, primarily because as you know, we are more than happy to come here and point out where we think the city needs to make improvements in natural resource protection, restoration, and management, and I think that it's also incumbent upon us, as I have done on numerous occasions, thankfully, to thank you if your leadership and your staff. The city staff for having done what I do believe is, and I travel around the country a lot, a very cutting edge work with respect to natural resource protection and management. We have a long ways to go. I would say I would agree with dr. Liss that we have to understand that we have to exercise patience in seeing how this work is going to be applied on the ground, but frankly, I think we have some incredible opportunities staring us in the face that can be implemented right away, and I am talking

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about south waterfront making good on our commitment to, to not only redevelop that site, but looking at a 1.1 miles of river bank restoration opportunities. Of course ross island, I think, stands out in my mind really nationally in terms of the restoration opportunities, and fortunately, we were able to accept some great advice from some other experts in the field, stan gregory and peter bailey and folks like that. So I think that while we do need to exercise patience, some of us have been at this for 20 or 30 years. We are growing a little impatient, and I think that we do have some opportunities to, to realize the recommendations coming out of the city and the observations of the independent science team very early on. Within the next few years. I think it was really important that commissioner Sten started out by saying this -- the work the city is proposing in the analysis of the team really is focusing on a multiobjective approach to achieving natural resource protection. I really do think that we need to think beyond single problems that we are trying to solve, and again, I think that mary wahl alluded to this with respect to the work that b.e.s. Has been doing on johnson creek. When you can use fema money to buy properties, and rather than reconstruct housing in a flood plain that's been rebuilt and rebuilt over the years, and achieve flood plain stories, water storage and flood plains, water quality objectives, fish and wildlife habitat objectives and a number of other objectives, that's where we need to go, and I think that mary was right on when she said this kind of work, this analysis, this critique of the city's efforts, and what I hope the city will move forward with, watershed-by-watershed basis will get us out of the, of the game of going back and representative fitting and fixing our mistakes, that we are looking in a more holistic manner. I just want to say that we really appreciate your leadership and the leadership exhibited by staff, and to thank the science team for taking the time to do the analysis and make this report.

**Sten:** Mike, is this your last appearance for 12 months?

**Houck:** You will be hearing from me, but probably physically, yes.

**Sten:** Mike is going to harvard for a fellowship for a year, which is very impressive. If -- do you have any, any key points you'd be pushing on the science from here on out?

**Houck:** Well, one point I was going to comment on one of the observations that the socio-economic issues need to be more fully articulated and investigated. I take a little issue with that only in that, and I make the same argument at metro. There is a lot of concern through the energy, science, economic and environmental analysis that we need to factor more economic issues and more social issues into the process. I, frankly, think a lot of that has already been done vis-a-vis, for example, at metro with the 20-40 planning process. We have already identified land that we want to see developed for, for office, commercial, industrial, and residential, and I think that the big task in front of us is to put a much greater emphasis on natural resource protection and restoration. That's where we have fallen down over the last 20 or 30 years. So, i'd be -- I don't know what the team actually said about this, so I need to go back and read it, but I would not take issue with anything that the team has observed, and one of the points that mayor Katz noted I was smiling about is that I have been critical from day one of the city's work in that I have argued it's been far too fish-centric, in that we need to look at the entire watershed. I am pleased to here the team came up with a similar observation, and obviously, we need to move further up into the watershed just as metro needs to do with respect to stormwater management and watershed management, at the regional level. And that's, that's -- there is a lot of hardwork ahead of us to figure out how to extend that. But, with respect to the, the e.s.a.-related work, I was, it's very impressive. We will be bringing, by the way, folks from around the country and the world here in october from the program to observe what the city is doing, so we will have an opportunity to show this work off at that time, as well.

**Sten:** This is not your last appearance?

**Houck:** No.

**Sten:** I'd say that is a good things and not a bad thing.

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**Katz:** Good luck to you in your study.

**Houck:** Thank you.

**Katz:** Questions of the team.

**Sten:** This can't be answered in a short answer, I understand, but I was thinking as mike was talking about your, 2 on your side of the six points. One being essentially that the urban reality of where we are and, you know, working with what we have today and moving forward, and we are not going to get it back to it was before it was urbanized but we have got to make progress. The other being the community of trying to understand our unique geographical situation, so putting those two together, I am interested in kind of a colloquial kind of sense of, which is not from the science of, you know, what is our stretch of the willamette's role in the salmon's lives, and therefore, you know, what are the types of restoration and activities, not just restoration, of course, but cleaning up the river, getting things if not going in, that are the most important? If this urban reality is going to play its role in the willamette columbia watershed you mentioned.

**Lichatowich:** I will answer from my perspective and then the others can. One way to look at the salmon's life history, and it's been described as a chain of favorable places that salmon must get to in order to complete their cycle, and the chain analogy, I think, is extremely important. It helps explain a lot of things. If each one of these habitats is a link in a chain, then you may have a broken chain, a chain that has two or three or four broken links, and through heroic efforts you can fix one or two of the links. You still have a broken chain in that life history won't survive. That, that population won't survive. To get to the answer to your question, the lower willamette river that passes through Portland is one of those links. It's probably a migration habitat or a migration link as well as a rearing link for, for juvenile salmon, and it's a migration link for, for fish going upstream. So, you need to be careful that that's not a broken habitat. That's not a habitat that is, that is constraining survival of the salmon. So being low in the river and possibly having a fairly critical habitat link could influence all of the salmon juveniles that are migrating from various parts of the, of the upper willamette river, and, and have an impact on a lot of the, of the restoration efforts that are going on in the upper parts of the basin. A negative impact, if it's not taken care of.

**Sten:** Go ahead.

**Katz:** One link isn't more important than another?

**Lichatowich:** Not if you are talking about, about, about in terms of, of having a link broken to the point where the fish can't survive in that habitat, then, then it doesn't matter whether you die at one place or another. You are not going to complete your life cycle and eventually you will go extinct.

**Sten:** One follow-up question. As i've been working on the issues for about five years, my understanding is it's been very similar to how you described it as kind of a place that they come through. There is some rearing, and it's the politicians understanding of what all that means is that one of our key focus needs to be putting some resting places and some shallow habitats back because as I look at the historical pictures as best I can and the issues there, there seems to be a lot of bank area and so we really see, see that there's not really much likelihood that we are going to take down the sea wall and get rid of waterfront park, whether they wanted to or not, but I look at ross island and think one of the things as I chaired the advisory committee -- I was more doing process than science, but we came to the conclusion that the key was getting more shallow habitat around the island, that was a place that fish could rest, and, and get out of the, of the flow of the river, for lack of the right terms, as opposed to, to trying to get the hole filled in the middle. So we really have been focused on, on kind of resting areas and rebuilding shallow habitat where we can in places like ross island, and I think north macadam is another, and south waterfront we are calling it now. Does that fit with your general sense of, of what I think you just said?



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**Lichatowich:** I think it does. I would just comment in a little bit more general way, I guess, what we don't know, as jim mentioned, the lower willamette, the section of the willamette flowing through urban boundaries is, is a very important area for all upstream migrating stocks. It could, it could serve as a serious bottleneck for survival of, of many of the stocks within the basin, and so it's very important, first of all, to understand what the level of mortality is of downstream migrating salmon and upstream migrating adults. Is it high. Is it low, is it higher than any other reach within the, within the willamette? And this is a critical piece of information that we do not yet have. Then I second -- I think a second important piece of information relating to your -- the comment you made, commissioner Sten, is understanding what factors within the lower willamette are limiting the survival of downstream migrating salmon. Is it a matter of, of, of, of rearing and resting habitat? Is it high temperature and low flow? Is it a matter of too many predators there are there eating the baby salmon. Is it a matter of, of poor water quality and indifferent manifestations of that? I think that, you know, that we need to understand. And so -- and I think once we have that understanding, then we can proceed in a little more rational way with determining what needs to be done to make this river a better place for salmon to migrate through. And so, you know, I think that there is a lot of information that we need to gather that's necessary to gather before, before we really know the kinds of things that need to be implemented within the lower willamette.

**Katz:** That was helpful. Thank you.

**Saltzman:** The recommendation or finding that we are, we are against developing a generic set of indicators that would kind of premature -- we really need watershed-specific indicators and before that, we actually need to have specific objectives for each watershed. What in your opinions, given what you have reviewed of our framework plan, what's the level of effort and time it should take before we would be in a position to, to, to have watersheds, specific goals, and also associated performance indicators? I realize that that's probably beyond the purview of what you looked at.

**Lichatowich:** It would be really difficult to answer that since we are not, at least I am not aware of how much effort you are -- you might be putting into, into developing the plans and, and doing the characterizations -- I don't know how long that could take.

**Saltzman:** You mentioned one thing that, that we aren't as far ahead in the scientific research and principles as, as I presume, that presumably other cities and areas -- is this something -- have you seen, any of you have seen other jurisdictions doing, doing -- that are there yet with respect to the specific watershed objectives and associated performance indicators?

**Lichatowich:** I am a little bit familiar with the process -- the process in the northwest power planning council is going through right now, which is similar to the, to the process that's being proposed for the city, and that, that, in terms of getting at the objectives, there's a sort of a two-step process. One is to develop a watershed assessment, which is, essentially, a characterization of current conditions within the watershed, physical conditions and biological conditions. And then based upon that to develop a watershed management plan, and, and this plan would have specific objectives in that, you know, in terms of, of was you would do to, to recover streams and fish within that. And that currently is an ongoing process within, you know, within the northwest power planning council's efforts, and so, so far there has been only one sub-basin plan of the 52, I think, sub-basins within the columbia. There has been one plan that's been completed and reviewed, but many of them are in the process of being completed. So, in a lot of ways, the effort within the city is paralleling what's going on with the power planning council within the remainder of the columbia river basin. So, there's, I think that there is a nice chance to integrate there.

**Katz:** Did you want to add anything?

**Kavanagh:** A couple things about that, about the process. One is, it is an iterative process and they kind of say that there is a set amount of time. It's very difficult, and often there is a beginning, and it proceeds, but then there is, there is an adaptation that goes on, and so in terms of that -- also,

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the scale that the city of Portland is working with within the watersheds is relatively small, you know. So, if you look within an individual basin within the city, that, that, that is a relatively small area. Although it's very high complexity, which is why we recommended not to just try to adapt current models but to find some things that, that can represent that complexity, so, so --

**Saltzman:** so I thought your recommends was there is an over-reliance on modeling but, as I am hearing you, it's really that we need to have, to have models more adapted to our particular conditions as opposed to an over-reliance on modeling, per se, is that, is that, I mean, am I hearing that correctly?

**Kavanagh:** In our report, I think that weeds that there was an over-reliance of models, and because many models are developed at a larger scale than the city of Portland would be working at, and so if they -- they needed to get a good scientific review of the models to see if they are appropriate, and if not, potentially develop some, some that would be or, or that would be up to the city staff to, to decide what to do.

**Saltzman:** And you all did look at the models that we are using and conclude that they are not appropriate or, or that we need to do that? We need to take a better look at whether they are appropriate?

**Lichatowich:** We looked at the models, and, and the level of, of technical information that was in the framework, supporting the models was not enough to really get in and evaluate the peer review the actual workings of the model, and we recommend that, that that be done. We also recommend that it be done by, by a different body, a different body with different expertise and skills that, that would be better suited to that kind of review.

**Liss:** I just make one more comment on that. The independent power planning council, the independent scientific advisory board reviewed the set of models currently being used within the columbia river basin and essentially, found out all of them had strengths and weaken -- weaknesses, but none of the models are a substitute for good data, for good imperical understandings of what's going on in the watershed both physically and biologically, so you need the data, as well as the models.

**Yeakley:** I'd like to add one thing. Relative to your question, commissioner Saltzman. Regarding the indicators. The process, the ecological processes have a lot of time-bearing properties over multiple years, even decades, and I believe that the concern of the, of the i.s.t. Was not to get too fixed on a set of recipes that, that would, would, once and for all, tell us where things are in the watersheds and the rivers. And in the urban ecosystem. So, as, as, as kathy mentioned, an iterative process which we believe is necessary to, to understand in terms of measurement, in terms of observation over time, as populations fluctuate, as diversity of not only the aquatic organisms but also the critters, I guess, the terrestrial components, the riparian components and how it all works together, is necessary to do over a long period of time, and so a lot of, of data collection, analysis, hypothesis testing about the processes are necessary in concert with, with the ongoing planning and management, and I believe that's what the document, the framework is really attempting to get at.

**Katz:** Thank you, all, thank you for assisting us, and we will come back later on with the team at a work session and try to tie the recommendations we just heard, the kind of research that we are doing, what, what we still need to do to get, to get to understanding what's happening in our watersheds, and in the willamette. Thank you, everybody.

**Katz:** All right. Let's move on, onto 828.

**Item 828.**

**Katz:** I've been asked to return this back to commissioner Francesconi's office. Do I hear any objections? Hearing none, so ordered. It is not 10:40, so we will go to regular agenda and take 849.

**Item 849.**

**Katz:** Go ahead.

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**Vicky Diede, Office of Transportation:** Thank you. Sue was here until just a couple minutes ago and had a conflict on her schedule. Sorry, I want to identify myself. I am Vickie with the office of transportation. So she asked, before I talk specifically about what, what the recommendation is or the request from pdot, is that I spend a couple of minutes about the alternative process and how we can do that. Generally public agencies are required to utilize a low-sealed bid process, but an exemption to this traditional process may be authorized by the local contract review board, which in the city's case is the council. There are two, two major findings of fact that are required. The first is that it is unlikely that such an exemption will encourage favoritism in the awarding of the public contract or substantially diminished competition. The second major finding, then, is that the exemption will result in substantial cost savings to the agency. And then council must consider other findings, and these are the ones that are discussed in more detail in exhibit a to the ordinance. They are operational budget and financial data, public benefit, value engineering, specialized expertise required, public safety, market conditions, technical complexity, and funding sources. And then there are two final requirements. One is that the findings must be available to the public 14 days before council action, and then the bureau seeking the exemption must come back to council at the end of the project to report on the actual results. So, with that, the Portland office of transportation is seeking an exemption from the low bid process, and an approval of an alternative competitive contracting process in the selection of a construction management, general contractor for extension of the streetcar service from its current term from Portland state university to serve the south waterfront area. We would imagine that that, that that project will happen in three phases. The first phase would be the work to get to riverplace. The second to giggs, and the third phase would be down to ban croft, which is the edge of the district. And as far as, as far as the, the two major findings are concerned, the first one being not encouraging favoritism and not diminishing competition. I believe that this is the case that while we will not be using the low-sealed bid process, the alternative process will be competitive. The requests will be -- the requests for proposals will be advertised extensively. There will be a selection committee formed, and we will evaluate the responses according to the requirements and the criteria in the, in our request for proposals. There will be interviews conducted, and then we will make a recommendation back to council.

**Katz:** So vicky, the difference is that you are not necessarily -- you are not going to be picking the low bid?

**Diede:** Exactly. It's a more qualifications, specific qualifications-based process, so we could use such things as the management structure. We can look at, at their financial wherewithal to do the project, how they have done this work in the past, as well as the other city requirements around minority business participation. We really won't have the bid. The difference is that when this goes out, we aren't at final design. They come onboard and they help us put that together, and then as the final, the final designwork is done, contract documents are produced and then they bid the work for that, those we absolutely take the low bid. That's, that's just a difference in the procedure.

**Leonard:** How do we know we are getting the best deal if we are hiring somebody before we know what they are going to charge us?

**Diede:** Well, they will provide for us, in the r.f.p. Is a cost to do preconstruction services, and then, and then what we call a cgm markup, and that will be applied to the goods or services that they apply to us

**Leonard:** Is like a cost plus?

**Diede:** Yes.

**Leonard:** So is there some incentive for them to increase their costs?

**Diede:** No because each one of, one of the individual items, for example, if it were, were -- they were bidding the rail piece of the project, they would go out, and they would get bids for that rail,

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bring them back to the project team, and we have the ability to either accept them or reject them based on the price and send them out to rebid it if we don't like it. We have a lot more control in this whole process than you do in the low bid. I think to kind of illustrate this is a similar process that we use for phase one and phase two from good samaritan hospital at the Portland state university, and the results of that for us were very good. It was, it was a total of a \$33.3 million contract, and we had no claims. Of that \$33.3 million contract, \$400,000 was added by change order, but of that \$400,000, all but \$70,000 of it was initiated by the city as an owner. So, it was only \$70,000 out of that \$33 million that was to resolve issues because you have the opportunity to resolve issues as you go through the process. So, it's, it's basically the same kind of project with the same kinds of complexities, and, and the complexities only get added to by the fact that we are working in an urban environment near rights-of-way with lots of traffic both vehicular and pedestrian. So, the other findings in exhibit a are really detailed tailing why we think this is an appropriate process and discuss the value of selecting someone to bring them onboard now. We can use expertise and their spencer, and as we do our final design decisions, we will go through constructive ability reviews, and it's a better way for budget control, and in addition, the contractor will be available to help us fashion the best construction phasing and interim traffic and access strategies and the result of all that will be, will be the least impact on the adjacent properties, residences and businesses as we build these extensions.

**Katz:** Further questions?

**Saltzman:** Generally i've been supportive this far process, but I am looking at the reality here. We have had one firm -- who is the general contractor that's done phase one and two for us?

**Diede:** Stacey whitback.

**Saltzman:** So, I mean, i'd say it's probably about 100% certain that they will be doing phase three?

**Diede:** I don't think that I would say that at all. We had other people who bid on this for phase one, and I think that the market is different now, too. I think that there were more people out looking for work. So --

**Saltzman:** How much can point to -- how many can point to one? How much are in the r.f.p.?

**Diede:** I don't know, but I think it's about 10 points out of the 100.

**Saltzman:** 10 points?

**Diede:** Uh-huh.

**Katz:** Thank you. Further -- anybody signed up? Anybody want to testify? If not, roll call.

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

**Katz:** Mayor votes aye. All right. Let's take 850.

**Item 850.**

**Katz:** You remember council had, had --

**Leonard:** I noticed a lack of people in the audience is a good sign.

**Katz:** Council had a discussion, and there was a little bit of tension, and, and why don't you come on up.

**Sten:** I think it would be good to give us a recap.

**Katz:** Who wants to do that? Commissioner leonard, do you want to do that?

**Leonard:** I am just assuming that peggy used all of her skills that, that we heard for. Hoped they balanced.

**Peggy Arnet, Human Resources Benefits Manager:** Madam mayor and members of the council, peggy arnet, new benefits manager. After the last meeting, we met with labor representatives, and we had a meeting of the group where we specifically talked about the r.f.p. process and how to involve the lmbc. The second issue we covered the aon contract specifically. What we did was we formed two work groups within the lmbc, and we are going to, to use these work groups to bring

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recommends back to the Imbc, one on how to involve them in the r.f.p. Process, and I think this will serve to develop a better understanding within that group as to what the city's requirements are and hopefully we can streamline from the benefit's standpoint our own schedule of contracts. In the second case with, with the aon contract specifically, we are having another group that is going to, to make some recommendations back to the full group on how to do a periodic performance review of aon. Given the fact that there is the ability to, to terminate the, the contract with 30 days' notice and with these performance reviews built in, the Inbc was comfortable with the recommendation or with the ordinance presently before the council.

**Katz:** It's still five-year?

**Arnet:** Correct.

**Katz:** All right. Anybody have any questions? Roll call.

**Leonard:** I appreciate peggy, you, you taking this back, and addressing the concerns that we heard. Aye.

**Saltzman:** Aye.

**Sten:** Peggy, I think you are off to a very good start. Good work, aye.

**Katz:** Good luck, peggy. It started a little rocky but I think that it's, it's going very, very well now, so thank you. Aye. All right, everybody. We are close enough to, to 1040, so let's read 829 and 830.

**Items 829 and 830.**

**Katz:** Ok. Commissioner Sten.

**Sten:** Thank you. I think that we are going to get a short presentation. I think. I will give us just a couple of words of background. These are contracts that the council is approving today, but they are actually, actually much more than that, and I think that there is just an important story that we want to take a couple minutes to tell. We are beginning to see statistical evidence, but I think that everybody who walks the streets of Portland has, has seen in the last six months there were more people on the street, and to my estimation, there are more people in need of acute medical care, and I don't think that that's a coincidence when you look at the cuts that have come with the state in terms of the health plan and prescription drugs and all the things that are happening. You team up those cuts with, with a lot of people that aren't working, and there is incredible human need out there. One of the places that people live peacefully and safely is at the taft hotel, which is an 80-unit hotel on 13 and to Washington. I guess hotel is not the right word. It's a permanent home. It has been owned by reach and run by cascadia, who is the lead agency on mental health services and other disabilities. What happened was basically with the cuts coming down the pike last fall, cascadia, I think, correctly realized that they couldn't keep running this, this, this facility, and we were very close to, to having to put people on the street, and, and we have been working for some time at the bureau of housing and community of development, and I think that joe, who everybody has met is, serving as the interim director while we are searching for a new director over the summer. Has been leading the charge to do what we are doing, called the housing first approach. The idea is we are trying as best that we can. We need shelters, but do not use them as places where people land forever and get people into housing, and I can go on and on and on, but just one statistic, essential city concern has found that they have close to an 80% success rate with the drug and rehabilitation programs when people live and clean affordable housing and about a 30% success rate when they are, they are in places that they don't have the support, so it goes on and on and on, so to see the folks go out on the street, and in my opinion, cost the police and the hospitals and other places more money just in make -- just didn't make any sense. Susan led the charge and began to put a group together to say, how can we save the taft, and the, the punchline to the story is we have come up with a solution. The management of the building is going to transfer, and it's kind of interesting from cascadia to, to concepts in community living, which is for-profit group that

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works on these types of buildings. They have come up with a different payment strategy in the state in the short-term after advocacy has really agreed to up the payments just a bit. The end of the story is everybody has, has given a little bit. Everybody has pushed themselves, and we have come up with a solution to keep the residents in place. From my perspective, that will involve the city investment, and that's what we are voting on today, but it's a city investment of housing funds, and it ought to be going to these places and preserving this building is, is not thousands of dollars cheaper than trying to acquire a new one down the road. It's millions of dollars cheaper, in my opinion, to save housing rather than lose it and create new, new, new ones down the road, which we don't have, have land to do it on. So, I think that it's a really nice piece of work, and one of the things I've been saying around town is that, is that if there is one good part about all this crisis the state is going through, it does force all of us to, to reexamine our relationships and our patterns and come up with new strategies. We did that on school funding as a community for the time being, and I think that this is a similar story on the taft. So, Susan, that's enough for me. Why don't you come on up. This is good. This is good work. The people were very concerned and very worried. Joe, do you want to start?

**Joe Hertzberg, Bureau of Housing and Community Development:** I would like to.

**Katz:** This is your first presentation before the council, right?

**Hertzberg:** This is my first time, and, and --

**Katz:** It probably will be your last.

**Hertzberg:** It may. I am going to be gone before you.

I am delighted to be here. I have worked with you all in different contexts over the years. I am very, very happy to be here. Very happy to be here representing the bureau of housing and community development. Real collaboration is kind of like the weather, you know. Everybody talks about it, but nobody does anything about it. This is a perfect example of people working together across an incredible variety of lines. This, this collaboration included the city, the county, the state, nonprofits, and, and for profit service provider. It really reached across the broad spectrum to bring the best of all together and do the right thing, and I just want to say that, that, that bhcd has a new plan. I hope you have all been able to take a look at that. It calls for a much more focused approach that's marked by partnership, innovation, and leadership, and I think that you should just be looking for this kind of thing from the bureau in the future. We really are dedicated to bringing people and resources together in exactly this way. I want to say that I like this job because I get to sit here and look good, but I didn't do anything. The people who did the heavy lifting are De Walsh from Reach Community Development. Susan Emmens, John Davis from Concepts for Community Living, and Neil Barros from Cascadia Behavioral Health Care, and, and Erik Sten, and Andy Miller, the housing manager of the bureau who, who by all rights should be here, but I shouldn't, so I am going to turn it over to Dan and Susan.

\*\*\*\*\*: Erik gave you --

**Katz:** Identify yourself for the record. We have been a little loosey, goosey on this today.

**Dee Walsh, REACH Community Development:** Good to see everybody on this sunny day. It is a sunny day for us, it's not often I get to come here and talk about good news and I am happy to be able to do that. Erik gave me some background. I was going to fill in a bit on it. Reach bought the taft in 1987, and at that time, it was operating as a private residential care facility, which, essentially, offered room and board to elderly, frail folks in the downtown area. After we bought it, we decided that we wanted to work to enhance the care there, and we were able to work with the county and the state to bring in additional services, like mental health counseling and alcohol and drug counseling. In 1991, the private operator retired, and at that time, we turned the operations of the building over to mental health services west. Mayor Katz may remember that she was at the legislature. At that time the funding for this type of facility was, was threatened and, and Susan and

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I and the carload of elderly took a trip down to salem and were able to get that situation reversed. So, for the last 12 years the buildings have been operated as an enhanced residential care facility, and some of the folks that live in the taft have lived there for 20, 30 years. They are all low income. Many of them have no family, and most of them have multiple diagnosis. Erik is correct in saying that if the taft wasn't there for them, they would be on the street or in the hospitals, most likely. Last fall in november, I learned of cascadia, our current lessee's plans to close the program because of financial issues. And susan and I got together. I can't remember who called who, but we both knew we needed to do something to try to save the building, and susan is really plugged in much more to the whole service provider, the county and state aging services network than I am, and in fact, I still haven't quite learned all the alphabet soup that goes along with that, and she agreed to pull together a big meeting of advocates and people who placed folks at the taft to see if there was anything that we can do. Out of that initial meeting, we formed a work group that, that met every other week throughout the winter looking at the profile of the tenants, examining different funding options, and central city concern was involved at this point, and I really want to give them a lot of credit for, for spending quite a bit of time seeing if there was any way that they could incorporate the taft program into their services. They ultimately decided that didn't work but they did give a lot of time and energy to that. I think ultimately the fact that the group continued to meet and pursue this and not just ring our hands was because of susan's leadership, that the term "tireless advocate," maybe is overused but it definitely is something that, that I think that we are really lucky as a city to have. This was a situation that just seemed like there wasn't any way out. There wasn't enough funding to make the program work, and there weren't any alternatives to place these people in residential care facilities and assisted living facilities throughout the city were closing at this time. So, I want to give credit for all the groups that were involved, and I don't think that I am missing any. There is a long list. The seniors and people with disabilities with the state of Oregon, the office of mental health services with the state of Oregon, the offices of mental health and addiction services, Multnomah county aging and disability services, the intensive psychiatric community care of the v.a., the west side health clinic, the Multnomah county mental health and addictions, commissioner Sten's office, bhcd and the Portland development commission, northwest pilot project, central city concern, and cascadia. They all spent a lot of time trying to work on this problem, and it really was a collaboration, and it shows what a resource the taft was because all of these agencies used the taft as a resource. We were particularly concerned about the welfare of the residents in the building, but also the taft has a mortgage, has a couple of them, in fact, and we knew that if we lost cascadia and the building was em, it would cause great financial problems for us, also. Ultimately with our advocacy and problem solving, we were able to convince the state that, that, that this was an important resource that they should, they should put the resources into it that needed to be. We were able to find concepts and community living who, fortunately, was interested in taking on this challenge. And at this point, it looks like we've, we've been able to come up with a solution, and without the city's help, providing some bridge funding during this transition, it wouldn't have been able to happen so I really want to thank you for your support.

\*\*\*\*\*: It's just -- it's such a pleasure to be here.

**Katz:** Identify yourself.

**Susan Emmons, Director, Northwest Pilot Project:** I am sorry. Susan emens, director of the northwest pilot project, 1430 southwest Broadway. I have a little something for you. I just -- it really didn't seem appropriate to bring a lot of residents today, but I just wanted you to see faces of the people basically whose housing you saved. It isn't an overstatement to say this would not have happened without the city. The city was the key to this, and I think that everybody else has covered it pretty well, but it's true what dee said when we got notice in early november, that the program was going to close. We did a little census in the building, and there were two people -- there was

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one person who lived there for 40 years. There were two who lived there 30, and then a whole group had lived there 20 years, 10 years, but these people in this picture are people who are at, at a holiday event northwest pilot project does every year all from the taft. We had quite a number of people from the taft, and I made the outlandish promise and statement at that event that they weren't going to have to move and that we were going to save their housing, and then I had many sleepless nights because I thought you had no right to make that promise, and you don't know whether this is going to happen. Especially this winter when there was so much bad news out of salem, it's true we got a large group of people together at the table, and I think right from the beginning, there was no question that everybody understood the importance of the taft. It was well, where's the money? Where's the money? And some we had, we had a psychiatric social worker nurse from the v.a. Who was pretty aggressive about saying, you cannot allow the taft to close. And representatives from the states said, we understand that, but where's the money. So, I think a particularly crucial meeting, and one I remember that we held january 30 after measure 28 had failed, and I think that people, people were really feeling like things were flagging. You had some excellent representatives from the city at the table, and I just would like to commend how well they represented you. Andy miller from the bureau of housing and community development and bob, erik Sten's chief of staff. I came away from that meeting feeling like we were all in some, some, you know, poker hand, and I had to learn how to play poker because everybody was holding their cards, and it was like the city wasn't going to plunge in an offer to save everything without making the other partners really come to the table. While that made me nervous at the time, that was the right thing to do, but somebody had to put the first money in, and, in fact, it was the city, and it was a leap of faith, and, and it came together. So, I just have to say you have done a really, really good thing here today. I guess you haven't authorized it yet, but you are about to do a really good thing. These are very fragile people who I don't think that we had another solution for. I also want to mention that we have here today phil december from Multnomah county ageing and disability services. The county played a role. Everybody played a part. So, thank you again and again and again. And I know you get beat up on a lot by housing advocates, but, but I just want to say that this was very significant, and you really have done a really wonderful thing here.

**Walsh:** If I may add, I wanted to thank cascadia because although they were losing money, they did agree to stay with the building until we were able to find a transition, and that was really helpful for the continuity with the residents.

**Katz:** Actually, we did authorize it in the budget, so you don't have it yet until today, but it's been set aside, and it was one of the first things that the that commissioner Sten and I had a conversation on, what, what do we need to do, and before we got to any other, any other cuts, we set this one aside because it was that important, so thank you all for your leadership. Do we have anybody?

\*\*\*\*\*: No.

**Katz:** Anybody else want to testify? All right. Then roll call on 829.

**Leonard:** I was looking at the handout, and i, and I -- there is a number of things that I heard that resonated true with me. One is that, that, that these kinds of, of dollars that we spend aren't really expenses so much as an investment to keep people housed and out of other much more expensive alternatives, but I read this, and I will just read this and vote because this captures how I feel. It's a quote from franklin roosevelt, second inaugural address, january 20, 1937. I see one-third of a nation ill-housed. The test of the progress is not whether we add more to the abundance of those who have much, it is whether we provide enough for those who have too little. Aye.

**Saltzman:** Great work, and I want to thank commissioner Sten and the mayor and all the agencies that have pulled together to, to really avoid a, a crisis and adding to, to the roles of people almost on our streets. Aye.



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**Sten:** Again, I want to thank the whole team, the nonprofits, the advocates and the other government partners. I want to thank bob from my office and andy miller, who is on vacation, which is why he's not here, who really did do a remarkable job of, of bringing this through, and, and joe did play a role in the weeks he's been there in getting this finished. I did want to mention, to save this for last, it's an insider point but an important one. We have a lot of restrictions on what we can spend the block grant on. There is a problem with this. And I quietly went to the mayor during the budget process and asked if she could do some, some moving around of money and essentially swap block grant money for parks dollars. The result was absolutely the same to, to the citizens. They got the same parks' program but we spent the block grant money on parks so as we could have more dollars to take something like this on, and, I mean, within minutes of talking to the mayor, she had a staff person who could figure it out and played a quiet role in making sure this got done, so I want to thank the mayor because had we not been able to do that bit of creativity with how we, we use the funds, we actually wouldn't have been allowed to use the funds that we needed to use for this. So thank you, mayor, and thanks to the team. Aye.

**Katz:** Thank you, everybody. The editorial in the july 14 Oregonian says they are poor, they are old, they are alone. But what it doesn't really say is that there are people who care, so, so all of you who beat us up on a regular basis, but today have been partners with us, thank you. Good work, and commissioner citizen, good work on your part, as well. Aye. I think --  
\*\*\*\*\*: Roll call on 830.

**Katz:** The other one. 830.

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

**Katz:** Mayor votes aye. We do not have an agenda for this afternoon, so we will adjourn until 2:00 on thursday.

At 10:56 a.m. Council recessed.

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**JULY 24, 2003      2:00 PM**

**Katz:** All right, everybody, the council will come to order. Karla, please call the roll. [ roll call ]

**Katz:** Commissioner Francesconi is on vacation. All right. 851.

**Item 851.**

**Katz:** Ok. Does anybody have any questions with regard to the findings? If not, i'll take a motion.

**Saltzman:** I would move approval.

**Katz:** Do I hear a second?

**Leonard:** Second.

**Katz:** [ roll call ]

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

**Katz:** Mayor votes aye. Thank you very much. We stand adjourned.

At 2:04 p.m. Council adjourned.