



CITY OF
PORTLAND, OREGON

OFFICIAL
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS **22ND DAY OF OCTOBER, 2003** AT 9:30 A.M.

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

Commissioner 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.

COMMUNICATIONS	Disposition:
<p>1226 Request of Carl J. Shoemaker to address Council regarding Louisiana Pacific and business disloyalty (Communication)</p>	PLACED ON FILE
<p>1227 Request of Charles E. Long to address Council regarding prescription for community harmony, a new philosophy of policing (Communication)</p>	PLACED ON FILE
<p>1228 Request of Carlos Jermaine Richard to address Council regarding a simple prayer (Communication)</p>	PLACED ON FILE
TIME CERTAINS	
<p>1229 TIME CERTAIN: 9:30 AM – Approve recommendations of the Portland-Multnomah County Food Policy Council (Report introduced by Commissioner Saltzman)</p> <p>Motion to accept the report: Moved by Commissioner Francesconi and seconded by Commissioner Saltzman.</p>	ADOPTED
<p>1230 TIME CERTAIN: 10:00 AM – Declare intent to initiate local improvement district formation proceedings to construct street improvements in the SW 19th Avenue Local Improvement District (Resolution introduced by Commissioner Francesconi; C-10004)</p> <p>(Y-4)</p>	36176

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<p>1231 TIME CERTAIN: 10:15 AM – Require connection to the City sanitary sewer system within three years of sewer availability, establish equitable methods to calculate connection charges and authorize the Environmental Services Director to adopt administrative rules, procedures and forms (Ordinance introduced by Commissioner Saltzman; amend Code Chapter 17.33 and Section 17.36.020)</p>	<p align="center">PASSED TO SECOND READING OCTOBER 29, 2003 AT 9:30 AM</p>
<p>*1232 TIME CERTAIN: 11:15 AM – Authorize Section 108 loan guarantee assistance agreement with the U.S. Department of Housing and Urban Development in the amount of \$11,457,000 and sign Intergovernmental Agreement with the Housing Authority of Portland for the New Columbia development (Ordinance introduced by Commissioner Sten) (Y-4)</p>	<p align="center">177991</p>
<p align="center">CONSENT AGENDA – NO DISCUSSION</p> <p align="center">Mayor Vera Katz</p> <p>1233 Appoint Frances Spak, Dalyn Simmons and Ella Gay to the Elders in Action Commission for a term to expire July 31, 2006 (Report) (Y-4)</p>	
<p>1234 Adopt City of Portland Investment Policy (Resolution) (Y-4)</p>	<p align="center">36175</p>
<p>*1235 Pay claim of Tim Palmer (Ordinance) (Y-4)</p>	<p align="center">177976</p>
<p>*1236 Authorize the Police Bureau to appoint Neal Lawrence Glaske to the classification of Police Officer at the 4-year salary rate (Ordinance) (Y-4)</p>	<p align="center">177977</p>
<p>*1237 Change the salary range of the Water Treatment Operations Supervisor classification (Ordinance) (Y-4)</p>	<p align="center">177978</p>
<p>*1238 Amend agreement with David M. Corey to extend time and provide for additional funds to conduct psychological evaluation of community police officer candidates and fitness for duty evaluations of currently employed police officers (Ordinance; amend Contract No. 33835) (Y-4)</p>	<p align="center">177979</p>
<p>*1239 Authorize an Intergovernmental Agreement between the City of West Linn and the Police Bureau to provide access to the Portland Police Data System (Ordinance) (Y-4)</p>	<p align="center">177980</p>

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<p>*1240 Amend an Intergovernmental Agreement between the Multnomah County District Attorney to reimburse the City for a lieutenant to supervise the joint Family Services Division, Multidisciplinary Child Abuse Team (Ordinance; amend Contract No. 51818) (Y-4)</p>	<p align="center">177981</p>
<p align="center">Commissioner Jim Francesconi</p>	
<p>*1241 Amend Intergovernmental Agreement with the Port of Portland to share in certain costs to design and construct the transportation improvements located in the Rivergate Industrial Area (Ordinance; amend Contract No. 50493) (Y-4)</p>	<p align="center">177982</p>
<p>*1242 Authorize an Intergovernmental Agreement and Jurisdictional Transfer Agreement with Oregon Department of Transportation to design, construct and transfer ownership of the Martin Luther King, Jr. Viaduct Replacement Project (Ordinance) (Y-4)</p>	<p align="center">177983</p>
<p>*1243 Authorize payment to Friends of Trees in the amount of \$5,127 to support their neighborhood tree planting program (Ordinance) (Y-4)</p>	<p align="center">177984</p>
<p align="center">Commissioner Randy Leonard</p> <p>1244 Consent to franchise transfer from Broadwing Communications Services Inc. to Broadwing Communications, LLC (Ordinance)</p> <p align="right">PASSED TO SECOND READING OCTOBER 29, 2003 AT 9:30 AM</p>	
<p align="center">Commissioner Dan Saltzman</p>	
<p>*1245 Authorize contract for \$200,000 with the Columbia Corridor Association for a period of 5 years to provide education, outreach and technical assistance support services to businesses and industries that will be regulated under the terms of the Columbia South Shore Groundwater Protection Program without advertising for bids (Ordinance) (Y-4)</p>	<p align="center">177985</p>
<p>*1246 Amend contract with Golder Associates, Inc. not to exceed \$320,000 to provide engineering and hydrogeological services for Phase 2 of the Bull Run Groundwater Pilot Well Study (Ordinance; amend Contract No. 34187) (Y-4)</p>	<p align="center">177986</p>

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<p>1247 Amend contract with David Evans and Associates, Inc. for final design review, update and construction phase services for the Columbia Slough and Simmons pump stations Project Nos. 7048 and 7250 (Ordinance; amend Contract No. 33551)</p>	<p align="center">PASSED TO SECOND READING OCTOBER 29, 2003 AT 9:30 AM</p>
<p>*1248 Authorize contract with Cedar Sinai Park, Friends of Trees, and Southwest Neighborhoods, Inc. to provide services related to the Community Watershed Stewardship Grant Program (Ordinance) (Y-4)</p>	<p align="center">177988</p>
<p>1249 Authorize award of contract to Murray, Smith & Associates, Inc. for an amount not to exceed \$200,000 to provide engineering services for Bull Run Groundwater Supply Design (Second Reading Agenda 1207) (Y-4)</p>	<p align="center">177989</p>
<p align="center">Commissioner Erik Sten</p>	
<p>*1250 Authorize Intergovernmental Agreement with Tualatin Valley Fire & Rescue for occupational health nurse services (Ordinance) (Y-4)</p>	<p align="center">177990</p>
<p align="center">REGULAR AGENDA</p> <p align="center">Commissioner Jim Francesconi</p>	
<p>*1251 Authorize an Intergovernmental Agreement with the City of Lake Oswego for a preliminary study to extend streetcar service to Lake Oswego (Ordinance) (Y-4)</p>	<p align="center">177992</p>
<p>1252 Implement the Northwest Transportation Fund (Second Reading Agenda 1181; amend Title 17, add Code Chapter 17.19) (Y-4)</p>	<p align="center">177993</p>
<p align="center">City Auditor Gary Blackmer</p>	
<p>1253 Assess property for sidewalk repair by the Bureau of Maintenance (Second Reading Agenda 1223; Y1049) (Y-4)</p>	<p align="center">177994</p>

At 11:44 a.m., Council adjourned.

GARY BLACKMER
Auditor of the City of Portland

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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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WEDNESDAY, 2:00 PM, OCTOBER 22, 2003

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

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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.

October 22, 2003 9:30 am

Katz: The council will come to order. Karla, please call the roll. [roll call]

Katz: Leonard is on personal leave. All right. Let's start with communications. Item 1226.

Item 1226.

*****: Good morning, mayor, council persons.

Katz: Good morning.

Carl J. Shoemaker: My name is Carl Shoemaker, I live in southeast Portland. That cry baby chief executive officer of I.P. Made a big deal on television about moving out of Oregon because he doesn't want to pay taxes here. Good riddance to bad rubbish. We don't need his kind up here anymore. We never did. He can take his marble and run home to mama, crying. Any business that is so disloyal as to not want to pay for the privilege, let me repeat that, the privilege of conducting business in the state of Oregon can pack up their carpetbags and head on out. But the -- let the door not let them hit their behind end on their way south, or on the way to Schwarzeneggerland. Now I would like to attempt to sing you a song. It's a song about liberty. It's a song about loyalty. It's a song about revolution. The national anthem of the United States of America.

Katz: Thank you.

*****: Thank you.

Katz: 1227.

Item 1227.

Katz: Come on up, Mr. Long. You've become a regular with us.

Charles Long: My name is Charles Long, I live at 420 Northeast Mason Street. I continue to be concerned about policing in Portland, because policing is one of the basic functions of our government, and I believe it needs to be changed, and not just the implementation of the park report the police assessment report, which is only a band-aid, I think, there should be a new philosophy of policing, and it involves first of all language. The police should be seen as peace officers, not military figures, and instead of riot squads, the term should be "monitors," and the whole emphasis of policing should be to promote tranquility. And I believe that peace officers should primarily be social workers and not react to problems, but prevent problems. And this takes a lot of training on the part of officers, and involves the social sciences mainly, and it's the social dynamics of the city is very complex, and if it is not understood right, the police can't react properly. Therefore, training is a very important goal. I'd like to recommend a book by Charles Coakley called "Justice that Restores." He is a very prominent figure in American life, and he -- he has been very active in promoting criminal justice. He has visited over 600 prisons and contacted prisoners individually and wards -- wardens, and he has an international organization, and his book is not only on the theory of -- the new philosophy of policing, but he also practices it very strongly, and I hope to be able to show the moral copy of this book in hopes that she will in turn be able -- feel it's worthwhile to give copies to the leading police officers and also the city council. I think it would be very helpful.

Katz: Mr. Long, I'm sort of breaking my own rule, are a very wise man. I assume you're retired. What did you do before you retired?

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Long: Well, I did some news reporting and publicity, and different things. I did major in sociology.

Katz: So did i. Look where it got both of us. [laughter] thank you. All right. 1228.

Item 1228.

Katz: For those of you who not normally come to our meetings, you can see how interesting it's become.

Carlos Jermaine Richard: Although I enjoy the song, I won't be singing. To the honorable mayor and distinguished city council members, actually, I won't be praying, but I will speak some things to you, mayor, and to the city council members. As you know, we come often and frequent and we do pray for the mayor and we do pray for the city council members. We want to share these words with you all today in hopes you will hide these words in your heart and watch and see some things that are to come. There is going to be a great spiritual awakening and a great spiritual renewal that is going to take place in the state of Oregon. And it's going to start right here in the city of Portland.

This spiritual renewal and spiritual awakening is really going to have its roots in the hawthorne district, and we're going to see some fantastic and phenomenal things in the days and in the months to come in terms of what god wants to do with this city. It is going to be a time of restoration, it is going to be a time of renewal, it is going to be a time of celebration, as well. We believe the lord wants to do these things in our city. We believe the lord wants to bring great salvation to our city, he wants to bring deliverance to our city in respects to us being bound and really not recognizing god, like god should be recognized. And that's not to say -- or downgrade any other religion. I'm just sharing with you those things we believe are going to take place in this city. And we hope that the mayor's office, and we declare these things before they happen, so that you all will know, someone came and shared these words with you. There's going to be a time of newness. We're going to see a spiritual awakening break out in this city, in this state, in the hawthorne area like we've never seen it before. It's going to take place in the state of Oregon. This is not going to remain in Oregon, it's going to hit california, it's going to hit Washington state, it's going to hit california, and then it's going to spread eastward, and it's really going to affect the whole world. Some may say this young man is crazy for sitting here saying these things today. Some say it's just his belief. But mayor, as sure as i'm sitting before you today and also to the distinguished council members, talking with you and to the hearers and listeners that we have in this room, these things, mayor, will take place, not only for your hearing, but also for the new mayor that will come. And so we speak these things, mayor, and we will keep you and the distinguished council members in our prayer and we will come as often as we can to continue to pray with you that god may lead you, that god may guide you and things may be done, and righteousness to where the citizens of Portland and the state of Oregon will be blessed. Amen.

Katz: Thank you. I hope it happens before the end of my term. [laughter] all right. Consent agenda. Any items to be taken off consent agenda? By either the council members or citizens? If not, roll call on consent agenda.

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

Katz: Mayor votes aye. [gavel pounded] all right. We're at our time certain, 1229.

Item 1229.

Katz: Commissioner Saltzman.

Saltzman: Thank you. Food is big news these days in Oregon. Oregon is the hungriest state in the nation, and paradoxically, the most overweight state in the west. Oregon's land use law were designed to safeguard agricultural land, yet we lose more than 3,000 -- 11,000 acres of farmland to development each year. Amid some of the most productive farmland in the world, the average meal in Oregon travels more than 1500 miles from the farm to your table. To try to make sense of these issues and to develop strategies for addressing them, a little over a year ago the city council and the

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Multnomah county commissioner jointly created the food policy council. We were fortunate to get a very incredibly talented group of people, energetic, to serve on the food policy council. And this is a volunteer job, and you will see these volunteers took their job very seriously. The food policy council represents a wide range of expertise on food, including hunger relief, nutrition, good business, and industrial practices, local farming, local restaurants, community education, and institutional food purchasing and practices. The mandate we gave it was to investigate the connections between hunger, the obesity epidemic, the threatened agricultural base, and the environmental up pact of farming, and to guide us to a sustainable future. And also to give us directions more on how we can sort of overcome this urban-rural divide that exists in the state that exists between us urban dwellers and how we can consume more food from local producers. The food policy council has outlined six key strategies to promote a healthy regional food system. These include developing the community-based plan for food access, increasing the visibility of regional food, supporting food and nutrition programs, modeling purchasing practices, defending land use laws, and implementing awareness campaigns. They have made more than 20 specific recommendations for implementing these strategies. At first glance, food policy might seem like an unusual topic for the city of Portland, but these recommendations cut to the heart of our goals for the city. The foundation of our city's success is our livability, but how livable are we when more than 10% of our citizens regularly go to bed hungry each night? The city wants vibrant business centers and pedestrian activity. The report shows us that farmers' markets and the proposed Portland public market can help us create that kind of urban environment. The city prides itself on thoughtful neighborhood planning, the report points out that food access is a critical consideration for neighborhood quality of life. The city provides parks and recreation activities in partnership with the community, the report calls attention to the important role that parks has played with the summer food programs for children and this is a strength we need to build on. In this budget climate, we need creative approaches that serve multiple goals. This work draws the connections between our health, land use, and environmental issues. And points to the areas of partnership between Portland and Multnomah county. The food policy council has done a great job of presenting us with a road map for addressing hunger, obesity, loss of farmland, and other food-related challenges. It's my hope that as we move forward, this work will also build bridges between urban food consumers and the rural farmers who feed them. Now i'm going to turn it over to susan anderson from the office of sustainable development who will briefly outline o.s.d.'s role in the work of the food policy council, and then we'll hear from the cochairs, rosemary cordello and brian rotter, and maybe -- it would probably be nice to recognize those members of the food policy council that are in the audience. I'll ask you to stand as I read your name. We have suzanne brigs of the Oregon farmers market association, rachel bristol of the Oregon food bank, betty azumi of o.s.u. Extension service, steve oleson of s.c. Olson consulting, and marcus simontel. And we have brian and rosemary. I'll turn it over to susan. Is anybody else that we didn't recognize? I'm sorry, veronica dujon of Portland state university.

Susan Anderson, Director, Office of Sustainable Development: Thank you. Susan anderson, director of the office of sustainable development. Good morning.

Katz: Good morning.

Anderson: I wanted to first introduce us as dan did, brian and rosemary, and thank them publicly for all of their energy and passion on this issue, and we couldn't have moved forward at all without them. And also wendy rankin with the county and matt emlin with the city of Portland. When this group first got together, to be honest, I had a hard time imagining it was really going to work, was e -- because we had such a diverse representation of interests. We had small farmers, agribusiness, nutritionists, environmentalists, we had folks who were representing the food bank and grocery stores, the public market, and farmers' markets, and each one had very specific interests for why

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they were at the table. And we wanted them to set aside those interests for a bit and to come together with some common ground. Amazingly, they did, and they did that I think by stopping and learning from one another and teaching one another about the importance of their various issues. The report and recommendations are solid, they're well thought out, they identify some very specific actions that the city and county can take right now and in the near future. You know, it does seem strange as commissioner Saltzman mentioned, for us to be working on food when I have to tell people amongst my 38 different things I do that food is one of them. At first they try to understand how come the city is taking on food as an issue, because it's sort of an emerging area of focus in major local governments around the country, but what we found is, just like clean air and clean rivers 30 years ago weren't something that cities really focused on, fresh and healthy food that's accessible for all residents in Portland is a core issue. And it's a basic component for a prosperous and healthy city. So I want to turn it over to brian and rosemary to tell about you some of the areas that they found that are identified as the actions we can take in the near future.

Rosemarie Cordello, Co-chair, Food Policy Council: Rosemary cordello. Thank you so much for letting us come today and share our report with you. We're very enthusiastic about the results and about the future. I came to you in june of last year on behalf of citizens who were concerned about the direction our food system was going in. I wanted to see a food policy council here in the city to address these problems. In public forums, they spoke of the alarming rate of hunger in this prosperous city we live in. The lack of access to healthy food and nutrition information for all citizens, the dire threat to local farming that's caused by a shrinking land base and the lack of connection between farmers and urban consumers and the irony of having some of the most fertile land in the country, yet fewer opportunities to farm it and less and less access to regional food. These citizens asked me to tell you the problems were bad, and that they were getting worse. And that the only approach -- only an approach that looked at all the facets of our food system together and made planning for food access a priority was going to provide answers. And you responded. At last year's hearing, you expressed concern about the hunger in this city, the potential disappearance of an industry that provides one of our basic needs, and what the implications of that disappearance are to our health as individuals and as a community. And you saw that these problems were interrelated and can't be solved in isolation. You approved the formation after food policy council and tested us to report back to you on how we can improve the state of our food system. Since then we've been hard at work. You've heard from commissioner Saltzman and sue anderson about some of our efforts. We have brought together an amazing group of community and industry leaders, they bring experience from all sectors of the food system, everything from farming to retail, from hunger relief to institutional food service. Over these months we've learned from each other and from the public, we've done research, we've interviewed dozens of stakeholders and we've mapped food resources. And we return confirming there is bad news our community's food system has significant problems, but also with some very good news -- there's a lot happening in this community to turn these problems around. And government, with some smart planning and strategic decision-making, in support of local food and agriculture, and not a lot of new resources, can actually make a big difference. Not only dot policy changes we proposed not require any significant new investment of resources, but we expect that they'll have a positive economic impact on our city and county, helping to anchor an industry that we need as a community to be strong for the long run. The last june you asked us to develop a set of governing principles, to guide future local government and community decision making related to food. And we briefed you informally on these principles in february of this year. And they're a strong starting point for food planning. They lay out the values that guide effective food planning. That all citizens have the right to an adequate spry of -- supply of nutritious, affordable and culturally appropriate foods. That food and agriculture are an essential part of this economy. And that a

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healthy regional food system goes a long way toward protecting our natural resources, and preserving them for the next generations. And the principles lay out the city's goals for implementing food policy. If a policy related to food is being proposed in government, and it violates one or more of these principles, you'll know it needs to be reconsidered. And today we ask you to formally endorse these guiding principles. This past year i've had the great honor of cochairing the food policy council with brian roeter, the president of new seasons markets and has spent most of his adult life working in the food retail business. He brings a wealth of experience and wisdom and creativity to this effort, and brian and I together will be taking you through the findings and recommendations of our report to you today. Which I think you have before you. So it lays out six goals that we consider to be vital to improving our food system and solving the problems that I discussed earlier. With each goal we set out findings and recommendations and all these action that's we recommend should be taken over the next few years to secure real gains for our food system. But we've also called out three priority recommendations, and we'll talk about those in a second. And those are the ones that we would like you to adopt today so that we can begin working on these problems. The first three goals are, one, to plan for food access. Two, to increase the visibility of regional food, and third, to support food and nutrition programs. Again, we're asking that the city take one immediate action on each of these three goals. I'll start with food access. And then brian will move to the next goal. So the goal with respect to food access is to develop community-based solutions for areas that have inadequate food access in our community. And we've begun to identify which parts of our community lack access to fresh, affordable, nutritious food. Working in partnership with metro regional government, we've mapped the location of food resources, such as grocery stores, farmers' markets, community gardens, emergency food source and convenience stores within the city and the county. And what we found was that some low-income neighborhoods have a smaller than average number of full-service grocery stores and farmers' markets, in other words, outlets for fresh food. And they have a larger than average number of convenience stores. Where typically highly processed foods that are high in calories, fat, and sugar, are the only foods available. We've backed this up with some outreach to community residents, but in order for food planning to be effective, we need to conduct a thoughtful outreach effort in neighborhoods that appear to be underserved from our mapping. Our priority recommendation is that the city work with us to conduct a pilot planning effort in a single low-income neighborhood for this year, that we've identified as having inadequate access. This would allow us to learn from neighborhood residents what their food needs are and what the barriers are that they consider to having these needs met. Once this is better understood, then the city can work with community partners on strategies to meet these needs. Be it for grocery stores, improved transportation to stores, expanding community gardens or increasing opportunities to buy directly from local farmers. At this point, we're considering doing a pilot project in the lents neighborhood, which appears to be underserved with food resources. We will soon be meeting with community leaders to determine whether this outreach would be valued in the community and how community members might participate. That's our food access goal.

*****: Our second goal is to increase the visibility of regionally produced food, and protecting the viability of our local agriculture --

Katz: Would you identify yourself?

Brian Rohter, Co-chair, Food Policy Council: I'm sorry. Brian roeter, i'm the cochair of the food policy council. It's important to protect our Oregon agriculture. Oregon agriculture employs one out of 12 of our citizens and contributes over 8.5 billion dollars to our economy annually. And Multnomah county and Washington and clackamas counties still have viable agriculture sectors. Just as we don't want to be solely dependent upon imported oil, it's critical that we have food grown in our region for food security. Locally grown foods better for our environment, and as

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commissioner Saltzman said, shorter shipping distances mean less reliance on fossil fuels, less pollution. Failed farms are subject to redevelopment. They reduce our open space and they contribute to sprawl. Local foods are fresher, they taste better, and they encourage other eating habits. One way we can help stimulate local sales of regionally grown foods is to create an opportunity to urban -- for urban citizens to meet the rural farm families that grow our food. Farmers' markets are an effective tool for building that partnership, in a few minutes distance from the Portland farmers' market will testify about some of the details on how our farmers' markets are acting as business incubators, how they provide a sense of vibrancy and community to our town centers, and what an economic engine they become for the areas where the markets are held. Unfortunately, our current city policies make it challenging for the farmers markets to build on their success. Our second priority recommendation is to create policies that support the use of public sites for farmers' markets and to support the development of permanent farmers' market sites. In a similar vein, we ask that the city continue to support the efforts to establish a year-round public market. And in a few moments Ron Paul will share more information on the important role that a year-round public market can make in building a robust regional food economy.

Cordello: Our third goal is to expand access to federal and state food and nutrition programs for low-income people. These programs such as food stamps, WIC, the summer food program for children, they all provide a safety net for people who are otherwise unable to access nutritious food. They can make the difference between a family going hungry and having the food it needs to function. Unfortunately, hunger and unemployment are spreading in this community. More and more people find themselves in need of emergency health. Although the programs I've described are funded by the federal and state governments, the city and county actually have a large role to play in whether and how people get access to these programs. As one example, less than 25% of the kids who receive free and reduced priced lunches at school participate in the summer food program. These programs are often held at city parks. As a priority recommendation for this year, we asked Portland parks work with us to implement activities and perhaps facilities improvements that would increase the number of kids that get fed over the summer.

Rohter: Our fourth goal is to model purchasing practices and there are some other steps that can be taken to increase the economic opportunities for our local food producers, ranch, and farms. And the farmers markets have an opportunity to build sales one customer at a time, but a strategy that can offer more immediate results is to steer some of our large institutional purchases like our schools, our hospitals, or our large corporate food services, towards local or sustainable producers. And we've been pleased to see a number of colleges and universities are in the process of making that transition. Yesterday's Oregonian had a good story about some of the work that Bon Appetite was doing with different colleges to feature local products. On a policy level, our local governments can lead the way by suggesting that its bureaus and agencies purchase locally produced products whenever possible. To that end, one of our priority recommendations which is going to be directed tomorrow towards Multnomah county, is to encourage the corrections department to investigate opportunities for making as many purchases as possible from local suppliers. During our outreach that we conducted last year with city and county agencies, we had the good fortune to identify an officer in the sheriff's office who had expressed a level of interest in this project. So we're going to be offering the food policy council's assistance to the corrections department over the next year to help guide the implementation of this program. Additionally, although we're aware that the city buys little food, we're hoping that you'll set an example for others to follow by creating guidelines that encourage city staff to source locally grown and produced foods whenever possible.

Cordello: I wanted to point out one other really positive development that's happening in institutional purchasing. Portland public schools is in the process of drafting a template for

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environmentally sustainable food purchasing, and is piloting a best value procurement to increase the purchase of regionally produced foods. So it was -- we're actually seeing movement happening there, and I think there's a great deal more that can be done. It's an exciting area. I'd like to talk a bit about land use laws. To secure the long-term stability of local agriculture, we must strongly defend this region's and this state's land uses laws. Agriculture remains an important industry in this area, and it will wither in time if it loses the land base necessary to function. The city has a key role to play in participating at the local, regional, and state levels to support laws that protect agriculture from conflicting uses. And this means supporting the preservation and protection of the agricultural lands we now have but it also means supporting the more efficient use of land inside the urban growth boundary to avoid the pressure to expand the boundary and to prime -- into prime farmland. Our food policy council members are prepared to meet with the commissioners most involved in these issues to discuss the concerns of regional farmers.

Rohter: And as you know, Oregon has the unfortunate position of being the number 1 state in hunger, and over 14% of our households are food insecure. And to make things worse, more than half of Multnomah county residents are overweight or obese. And those conditions lead to diabetes, heart disease, and other preventable ailments. Our last goal is to implement a series of public campaign that's will promote healthy eating and regionally produced foods, and we're going to be asking both the city and county to work with us to help coordinate partnerships among all agencies that can help solve this critical problem. Finally, we're formally asking you to endorse the food policy council's work in the next year. There's much to do, and it's going to be our responsibility to work with the city and the county to move the priority projects forward. We're going to do this by working closely with the necessary agencies to provide advice and guidance and in some cases we're going to do the work ourselves. We're excited to have the opportunity to continue to work with city staff. We can't say enough about the great work that matt emlin did, taking opinions from the diverse group of people that susan anderson was describing and putting it into a for mat that is easy to understand and read. Michael armstrong helped us get going, and so we appreciate their work very much. We also intend to work to engage the public on these issues to learn more about what matters most to citizens and to give the feedback to the agencies that we're working on. Because we have expertise in so many sectors of the foot system, we're also prepared to be a general resource to you on the council, to your staff, and to the staff of the agencies that you administered when food related issues arise. We hope that you'll seek us out as needed, and we thank you for your time.

Katz: Thank you.

Sten: You're going to laugh, but this is a serious question. It's a good way to preface it. I'm interested in all the things you're doing. I think you're doing terrific work. On the question of showcasing local produce, and trying to get people to buy locally, we actually have an empty cafe on the first floor. It's probably not a great spot, but the coffee shop went out of business, and so it's probably a rent issue I imagine, but I would be interested in if you could come up with a way to use that space to move this agenda forward, at least on your behalf, negotiating with the landlord to my right on a reasonable -- [laughter] on a reasonable price. I don't know, it's just a wild idea, but I think we have a space, and we're all very looking for coffee and soup that's no longer there. I'm just wondering if there's any opportunity there.

Rohter: Why are you looking at me? [laughter]

Sten: I'm looking at everyone.

Katz: It's not a bad idea. And maybe even a little food market, public market. Tiny one. [laughter] all right.

Rohter: We'll put that on our list.

Katz: We'll put it on our list.

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Sten: Highly visible if not profitable.

Katz: Ok. Thank you. Do we have others signed up to testify? Come on up.

John Southgate, Portland Development Commission: I was asked by brian and rosemary to come before you just to briefly comment on really our openness to work with the food policy group, especially with regard to the recommendation concerning working in a low-income area such as lents that lacks the full range of adequate food services. I don't need to tell you lents does face some of those challenges, and in my very preliminary conversation was some of our community partners, I think there's an interest in moving that conversation forward. I think lents also has a couple of other specific opportunities, some linkages to what urban renewal is doing. We have as you know a downtown lents and we have a modest little community market, so I think the opportunity to build that up, anything that would help strengthen that, we would welcome. We also have, as certainly commissioner Saltzman knows, the zinger farm, an urban demonstration farm that sort of in its stages of upgrading that into a real community asset for lents. So i'm really just here to say representing Portland development commission, I think I can also speak for my friends out in the lents community, there's a real openness to carrying that ball forward.

Katz: Thanks.

Francesconi: I have a question. The farm idea is a terrific idea that should be on the food council's -- in their sites, that's a very good idea. My question is a different question. I was going to ask it to brian later on, but it's more -- I don't think you're in the economic development department at p.d.c., but in the reason numbers that have come out in the manufacturing sector in the Portland region, there's a slight uptake in manufacturing, and it's the food manufacturing that's that shows a 1200-person increase in employment in the region. And the idea of -- I didn't see it as economic development as kind of one of the priorities on the food council list per se, although brian testified about the impact, I didn't actually see that in the report. And it's a question i'm going to ask later on, but to you, the whole idea of food -- the food industry, I don't know if it rises to a targeted industry, but the idea of food processing including organic, is that -- is there something there on the idea of job creation for our region?

Katz: Do you want me to answer it?

Southgate: I defer to the landlord for the city hall coffee shop space.

Katz: Food processing is a targeted industry-- we have a food processing facility at river gate, and a lot of that is for export purposes as well as for here. How we tie it in to the food council on their purchase of the raw materials here is a question. Some of it is purchased in eastern Oregon, especially the potatoes, but there may be opportunity to make that link.

Francesconi: I didn't even know it was a targeted industry, but if I didn't know it was a targeted industry, I have a feeling some other folks don't know it's a targeted industry. So I think it's something the food council should look at to see what we can do with that and what kind of support if any, p.d.c. Should provide to that targeted industry.

Southgate: I'll pass that along to don mazziotti.

Dianne Stefani Ruff: Diane Stephanie ruff, Portland farmers market. The most exciting thing about farmers' market is their positive impact in so many areas. They create stable income for small family farms, they help preserve the urban growth boundaries by making farming a viable occupation. Farmers' markets are community builders, they strengthen neighborhoods, they act as a small business incubator and create economic spillover for businesses surrounding. Everywhere markets are set up, everyone benefits. It's easy to see why the number of farmers' markets in the u.s. Has grown by 79% since 1994. In Oregon this year, we have 65 markets. In Portland alone, we have markets in gresham, lents, hillside, hillsboro, hollywood, we operate three markets in downtown Portland. There's a new market in the east bank area. All of the surrounding suburbs have markets. Beaverton is one of the oldest and largest farmers' markets in the country. I'd like to

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give you an idea some of the measurable benefit that's Portland metro markets bring to each of their neighborhoods. I'm using data from our markets because that's the operation I understand, but I can assure you all the markets in Portland have similar impacts on their neighborhoods. We're a 501-c-6 nonprofit. We receive no public funds. During our season, which is may through november, we bring over 13,000 people downtown each week to visit our markets. On saturday, our vendors gross over \$70,000 in sales this. Is money that goes to the local economy. Part of our mission is to be a small business incubator. We're really proud when one of our vendors graduates and leaves us and goes on to set up their own storefront and hire employees. Our farmers donate over 500 pounds of produce each week each week to local food pantries. We educate, we have children's cooking classes so kids can learn where their food comes from. We have tastings, farm chores, but a big part of any market's success is its location. A predictable, convenient, and people friendly site is critical. Our setting in the park blocks surrounded by 100-year-old elms is spectacular and people visit the market from all over the country and they seek me out to tell me how beautiful it is. Currently we rent our saturday space with the parks department and Portland state university. We are working on a long-term lease with Portland state at this time. But because there's no city policy on how to handle farmers' market, what do you do with this vicinity? We fall into a concessionaire category that allows us to be excluded from the park for other events. Last season we had three such exclusions. We're not unique. Lack of site security is a problem facing all of Portland's markets, whether they set up in a commercial parking lot, or on public space. Given the lack of private open space in existing public policies that yankee it a barriers to the use of public space and a good example of a policy change that could benefit farmers' markets is that Portland schools prohibit the use of school playgrounds for commercial enterprises. Woe could make wonderful partnerships with the schools if we're allowed.

Katz: Your time is up, but i'm going to give you a minute to -- talk a little bit about the policies that are in conflict. Be a little more specific about what the problem is.

Ruff: Not as much as in -- not as much as in conflict, but --

Katz: What can't you do that you want to do?

Ruff: We can't have a long-term lease in a public park.

Katz: That would exclude other activities.

Ruff: That would guarantee we could be there each week of our season.

Katz: Ok.

Ruff: So we wouldn't have to vacate our location for other events.

Katz: You want a permanent place.

Ruff: Yes.

Katz: Now I understand.

Ruff: Right. And the parks are one opportunity. Schools could be another. There's lots of things we could look at.

Francesconi: How long have you been in the park?

Ruff: We've been -- our first location was at albers mill, we were there for three years, and we were bumped because they found a better use for that location. We did a scramble and moved to the parks at Portland state I believe it's nine years now.

Francesconi: Nine years?

Ruff: M-hmm.

Francesconi: Thanks.

Ruff: And originally the market was much smaller. It was easy and more flexible to move it around, but that's not longer possible.

Ron Paul, Bureau of Planning: Good morning. Ron paul, with bureau of planning. I want to first thank the food policy council for a very holistic view of understanding the role of fresh Oregon and

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foods from the Oregon-Washington food shed. The support that the policy council is asking of the council is certainly something that has been demonstrated in the past, and I appreciate the council's support for the public market project that would be a real showcase for not only the foods and beverages of the area, but really help put Portland in the business of supporting the economic development that food offers. The public market as the farmers markets are all independently owned businesses that are true to their mission of creating wealth, not just jobs. And there's a big difference in terms of the leverage of economic development impact that those types of enterprises can offer. The public market is part of a continuum with the farmers markets. The strength, the health, the stability, and the permanence of the farmers' markets locations contribute significantly to the potential health of the public market. And we stand in support, very, very strongly, of the recommendations to find that stability for the farmers' markets in town. Thanks.

Katz: Thank you. There will be more conversation on that issue of a site for the public market coming to the -- at some point to the council. All right. Thank you.

Jay Kenton, Portland State University: Jay kenton, vice-president of finance support from Portland state university, and i'm here to testify on behalf of the students, faculty and state at the university in support of some of the recommendations you've seen and heard from the food policy council. In particular Portland state university stand prepared to make a long-term commitment to the farmers' market on the park blocks. We think it's an important amen if I for our students we think it supports the goals the university has around sustainability, as well as just the services it provides to the students. It's also a big part of the university district vision that we have to create a very vibrant, live I can't believe neighborhood for the university. So I would just encourage you to support the recommendations and report and would stand prepared to work with you in that regard.

Katz: Thank you.

Diane Carlson, Portland Parks and Recreation: Darlene carlson, Portland parks and recreation. I'd like to say that parks has a long-standing commitment to the activities of public markets, our community gardens are in many areas of the city and are treasured by many of our residents, and we certainly support and applaud the work of the food council. It's a really good report. And we want to continue in our support, but we have a problem with asking for permanent sites. It creates issues around -- parks are shared community space, and we need the flexibility to have a variety of uses in the park, in any park. And we have a limited amount of space. And shimansky square has worked really well for the Portland farmers market, and we want to continue that. We think it does a lot of things that parks are supposed to do, which have already been said. And -- but we do have other activities that have a history of using the square during the summer, so there are times when we have to ask the market to move one block south. That's the wednesday market. Those activities this summer, I mean, long-standing is Oregon ballet theater, they come for a week and many people are there celebrating the students and it's something we would like to continue. That was one reason they had to move. The other reason that they had to move, one of the reasons was the harley-davidson event. And that affected the southern saturday market. We also have other long-standing events that go on in the south park blocks, and that's the Portland rose festival art show, the homowo festival, the peace quake, and others. And we feel a commitment to those activities is well. So we would hope that there would be some flexibility in our ability to work with the markets. And especially even in a community park, every flat space is practically -- it's overprogrammed already with sports fields and all of that, so we're doing anything permanently, makes us a little nervous. Because of the shared concept of the space. All that being said, we want to work with Portland farmers' market to reduce the impact on that particular market, we have just sent them a letter and said that any new events, which come to us and ask to use that space, would have to work with the Portland farmers' market first to work out any issues to see if it's possible to

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do that, and that only our director would have the ability to give a new event access. So that's how we would -- we hope we could work on this.

Katz: Thank you.

Carlson: And then -- excuse me.

Francesconi: Did you want to address --

Carlson: I was going to address the school lunch program.

Katz: Go ahead. Make it short.

Carlson: I will. This summer we had the lunch programs at 18 of our 24 playground sites, and we would be happy to expand that program to get food to more kids who are hungry. But we'll need resources to do that, and the cost to parks at a site with no program and just lunch is \$5,000 for the summer. And the cost with a program, which we think is a much better option, because we think kids will be drawn to the park and stay for lunch, I think it would be harder to get them perhaps to come without those activities, would be \$8500 per site. For the summer. And this involves huge garbage issues. We have to have a second park cleaning every day, we have to purchase tables, benches, the feds require that you have tables and it means the tables have to be moved by our mowers, so there is a price tag attached to it. So we would be happy to work with the food council and expand the program, but we'll need an ad package in the budget to do that.

Katz: I'm not sure we're going to do add packages this year. I think we're going to do substitute packages this year.

Francesconi: Just a couple things. One is an aside, first of all, this report directs, which I totally support, and all these recommendations, directs the bureaus to work with the food policy council on the implementation. So now we have two areas that i'm committed to work on. As an aside, not to the citizens on the food policy, but to some of the starve, these are the kind of issues that should have been discussed ahead of time with parks so that we could work with through instead of doing it here at the council level. That's just an aside. Now, on moving this forward, on the issue of the -- on the issue of the permanent location question for the farmers' market, that's an issue that i'll get involved in. You've been there nine years, obviously there's some preference for the farmers' market, but you want more certainty to that. So maybe there's a way, but we're going to have to have some flexibility for some of these other important events, but that involves some negotiations that we have to have with you. And so i'll make sure that happens. I'm not sure i'm going to get in the middle of it, but this is where you'll talk with parks, but i'll directly be involved in that. And then on this question of poverty, i'm going to say a little more of this when we accept the report. But this is something that's important. There's some federal requirements that require how you distribute food at these sites that's part of the factor in the cost here, because we've actually done some investigation in this recently. But that's something that's really important for a lot of reasons. And so we'll talk about how to implement that too if we can.

Katz: Ok. Thanks, darlene.

Carlson: He was just here to answer questions if you needed.

Katz: Thanks. Let's keep going.

Moore: That's on who signed up.

Katz: Anybody else want to testify? If not, thank you, and i'll take a motion to approve the recommendations.

Francesconi: So moved.

Saltzman: Second.

Katz: Roll call.

Francesconi: This is a terrific thing. I have to say, I already told rosemary on the way in here, when we first brought this I had a little skepticism, because I believe the city needs to focus on some things, the county needs to focus on things, that we know who's accountable for what. I

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believe, frankly because of the energy and enthusiasm, and because you've clearly articulated what the city's role is, it adds vitality to our town centers, it is an economic development strategy, it's a way of really providing assistance direct assistance to our increasing poor members of our community. I think the number of students on free and assisted lunch is 40,000 in our county, up 15,000 in the last 10 years. So -- so there's some clear reasons for us to be involved. And not to mention the whole question of our land use laws. As an aside, on the land use law side, there's going to be a son of measure 7 that will probably be on the ballot that's going to directly impact what you're talking about here, and we're going to all as a community have to rally around this. The areas -- the two areas that I would like to follow commissioner Saltzman's lead on in implementing these recommendations -- three areas. Well, two broad areas. One is involving parks. It's not only the question of farmers' market, and it's not only the question of poverty, which i'm going to come back to, but it's also the obesity part of this. We're working with Nike in a campaign following up on the last campaign, and maybe there's a way to tie this together. They're helping us program more activities in our parks directed at the question of obesity, so that's something that I think perhaps we can work on. On the question of poverty, the last thing I want to say, last spring I went to Claritin school in north Portland, and I met with Alison Sin Couch, the principal, she's now at West Sylvan, and I spent the day there. I was principal for a day. So we went through this program, and afterwards I met with the teachers. And the teachers -- I said what is it more that we could be doing? And I expected after school programs, before school programs, etc. But they said many of these kids only meal comes when they go to school. And they cited two twins who were acting out that day. That that's their only meal that they've got. So Alison's request was, is there anything we can do to assist, which goes to your request about how do we do that. Rachel's here, she didn't testify, Rachel knows more about this than anybody. It's not only how we use our resources, and help, but it's also this question of wages, because 40% of those work people are working, and what are we going to do as a community to attack the poverty issues? And commissioner Sten and housing and community development have ideas about how to do that, so there's some broader, deeper issues here. And of all the issues we've talked about, that's the one i'm most interested in working on. And you need to be part of a much broader strategy to address that. The last thing I want to say is. I have a terrific life. She puts very few requirements on me, walking to the Hollywood farmers' market on Saturday mornings, and I don't even keep that one, but whenever that's one of the highlights of our week together. So thanks for all you do. Aye.

Saltzman: One of the highlights of my week is -- which is about to end soon, is going to the farmers' market up the street here every Wednesday afternoon. So it's only got two more weeks left, but it certainly makes one of my highlights. I want to thank the food policy council for laboring long, hard, and energetically to come up with I think what are some very solid recommendations for the city and for the county to really recognize the growing importance I think of not only hunger relief, but issues around how we can support our rural economy. It's so important as we -- I know the mayor and I deal with these because we serve on a metro committee about the urban growth boundary, and I think all of us know that unless farmers can survive on farming, the temptations to take farmland and put it into row housing is sometimes overwhelming, and hard to say no to. One of the best ways I think we can keep farmers on the edge of their urban growth boundary vital and vibrant is to provide more farmers' markets opportunities, Portland market, where they can come and sell their produce and I think a lot of people, including myself, we're willing to pay the premium. We know we could probably buy something less expensive somewhere else, but i'm willing to pay that premium to know it's grown locally and frankly I think it taste a lot better too. So these are the sort of things that us urban dwellers need to reinforce instincts of the past that have in many respects been forgotten, and certainly we'll work with commissioner Francesconi and the parks to do what we can to make sure that there are a sense of permanency. I know some of the

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recommendations about a sense of permanency didn't deal so much with knowing you have the site every month, but also some of the infrastructure that goes with sites in town centers, for instance, we need to have water, we need to have data port so that they can use debit cards and process the food stamp electronic debit cards, the Oregon trail card. These are recommendation as to that speak not only to our current planning, but again to our existing parks facilities too. So it's a good recommendations I look forward to working with them and to moving ahead, and thanks again. And last but not least, I forgot to recognize a lot of the key staff who've helped this food policy council, matt, michael, and wendy, with the county, they've been excellent sources, and they're doing great work. Aye.

Sten: I also want to thank all of you. I think this is very terrific, and I want to compliment commissioner Saltzman for making this happen. I think he has a real ncaa of taking things that are - - a real knack of taking things that are as integral to dinner is to each of our lives and pushing them, the policy forward. It was a remarkable thing to bring this forward, because I also didn't quite d. -- I was sympathetic but didn't see where this was going, and was more than game to do it.

Commissioner steffi also did the same thing, working with dan. I'm very enthusiastic about it, and I think the key to these types of -- working are specific projects that you can actually get your hands around, because there's so many principals we all agree on in life, a lot of us agree on, but we don't know what to do about it. I think this is good. The hunger issue is -- enough has been said, but not enough has been done, and I hope we can continue to work on this with you on the issue of health and -- but the one I want to maybe frame just quickly, because most of it's been said, I think the economic development, this is a moment in which everybody is very concerned, rightfully, so because our taxes are down, unemployment is up, and we're focus order what are we going to do as a community. And if i'm convinced of one thing, it's not that we shouldn't be in the race to do all the things the different cities are trying to do, but we aren't going to win in sort of the downward spiral the country is on of who can pay the least to get the biggest -- the most and get corporations to pay the least amount to get them located here. Right now this country is lacking in economic development strategy, and i'm convinced we can't simply run an economy on buying just from each other, but I think we could build a big chunk of it back up in a way we haven't done yet. I think the notion of the health and vitality of buying local products and using farmland and not losing those pieceness have incredible resonance for people as well as the right thing to do. So I just hope you'll keep down that path and I think it's not a plug, it's just an observation, you look at brian's work at the new seasons market, and there's a sense people are connected to it. There's a sense that products are coming from locally, and people from the community are working there, and I think that's good business as well as good economic development. So I look forward to seeing how you come forward on all these recommendations, and certainly pledge my support to try to figure out how to get this done with you. You've given me something I can get excited about. Aye.

Katz: Well, it's confession time. I think all three of us were somewhat skeptical when you first brought this idea, we asked, why is the city, how are we involved, but thank you, you have proven to all of us that in many ways, there are things we can do. Let me start with one of them. As we talk about industrial land and the need to identify industrial land, shovel ready for regional economic development strategy, we need to also be very cautious that there's really no other place left to go except farmland. And in the last expansion that I did support because of the need, especially several hundred acres in Washington county, it was farmland that was taken. And so -- so the group that commissioner Saltzman and I sit on have really asked the question, isn't agriculture an industry? And if agriculture isn't an industry, why should we not treat it as an industry, and identify it as such? That raised also the question of nursery products. If you look at nursery products in this region, including Multnomah county, that's big business. It's vertically integrated, nursery products industry does everything, and they're highly successful. Same question

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is asked -- is that industrial land? So there's further debate at impack and metro council on these particular issues, especially as they plan further expansion close as their goal close to 2,000 more acres for industrial land. The second is, the council will have an opportunity hopefully to deal with the public market issue. Ron's been working on it for quite a while, I think you have heard about the discussion with fire station one, and the possibility of providing a place for a permanent public market. It's early, negotiations are still going on, but hopefully we'll be able to bring something to the council that the council can approve and feel good about, a win-win situation. And finally, obesity. I don't know if I was obese or not, but I was overweight, and of course you need to watch what you eat, fruit and vegetables, but you also need to exercise. And one of the things our young people aren't doing is exercising. So as you talk about obesity, make sure that there is conversations with -- especially with the schools that have completely ignored the fact that our young people need to exercise as well. So having tried a to hit three of those issues, I want to thank commissioner Saltzman again. I will investigate tully's and see what the plans are, and you think about what those possibilities might be. Thank you. Aye. [gavel pounded] all right. Item 1230.

Item 1230.

Francesconi: This is actually maybe for the council, it's -- as well as the public's benefit. We haven't been doing l.i.d.'s for a while because of the cost, but this is an important one. It's important because it's going to be the first residential street improvement in southwest Portland in over six years, and it's the part of the city that really has the greatest efficiency in transportation infrastructure, and it's also an area where there's very significant storm water problems on the street that really doesn't give us the luxury of waiting for more funding. When we know the costs in the future will be even greater. So we really appreciate the help of the bureau of environmental services who because of the storm water issues is able to help us make the street improvements more affordable for the property owners, so we actually -- b.e.s. Is performing a function that p.d.c. Performed in lents when this last came, and they're doing it because of significant storm water concerns. So this is not been accepted by everyone in the neighborhood as we will hear, but I did want the council to know that pdot looked at this one very hard and has some significant reasons to think we need to proceed today.

Katz: Did we do this before? Is this -- the address is very familiar. Did we have this before us?

Adrew Aebi, LID Administrator: Mayor Katz, you've stolen my thunder, I was going to address this issue.

Katz: Anybody accuses me of memory loss -- that was a controversial one. You brought it to us before.

Aebi: I didn't because I wasn't with the city at the time. But i'll cover that. Good morning. Previous l.i.d. Considered but not approved by council in 1998 included not only southwest 19th avenue south of evans, but southwest 19th avenue north of evans to moss street, as well as southwest evans street from 19th avenue to barbur boulevard. Since that time drainage problems have intensified with storm water from the neighborhood carrying mud, rocks, and we bring onto private property. This l.i.d. Would include only southwest 19th avenue, south of evans to barbur where the drainage problems are the most severe. This area is shown -- the area of low drainage is shown by the blue line which is 445 feet of elevation. That is the low point of drainage for the surrounding neighborhood. As you can see, most of the area north of barbur boulevard and capital hill road drain into that area and the brown lines that you see there are five-foot contour lines. So as you move away from the blue line, every brown line you go to is an increase of five feet in elevation. This is a view of the street from up above barbur boulevard. The recommendation to initiate l.i.d. Formation proceedings is based on the damage to private property caused by street runoff as well as the detrimental effect on neighborhood livability for residents of the area. There is more petition support on this segment than there was with the previous l.i.d. Proposal. Two of the

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four property owners in this l.i.d. As shown in green, have petitioned in favor, representing 36% petition support. A third property owner is waived in orange on the left, which brings total support to 72%. There is no support in the fourth property owner who is not waived. The southern most property you see there. There are five properties in the l.i.d. Of which four would be partially or fully assessed. There are no single family residential properties in the l.i.d. Finally, would I like to thank the bureau of environmental services providing -- for providing the new storm water funding to help defray the costs of the project per property owner. Without their \$69,000 in funding, the cost to property owners would be 50% high etna fire. If you approve this resolution, an l.i.d. Formation ordinance would be brought before council next month. Thank you.

Katz: Questions? Ok. Let's open it up. Anybody want to testify?

Vicky Johnson, Housing Authority of Portland: Good morning, vicky johnson, here representing the housing authority of Portland. We are under contract for several units with one of the landlords in this area who is in support of this. I'm here just kind of to tell you what our problem is with this, that we're putting tenants into these units and we put them in -- one in particular that i've documented myself personally in june of '02 she moved in. By february of '03, the back steps are completely gone, sunk. It's an issue with the housing authority, mainly because egress. They have to have egress in case of an emergency, and it's also causing a mold and mildew problem. These saturation levels are pretty bad. And mr. Lamb was the owner of the property, he has been very cooperative with us as far as working, but basically every eight or nine months the man is forced to rebuild the entire back end decks off -- it's actually a porch coming off the back end. And he's got to go through the expense all the time. We've put a waiver on it temporarily to -- he's been trying to do as much as he can, but we can't go on forever and ever. I'm just very hopeful that h.u.d. Does not audit us. If they go on this property, this would cause us to have to terminate our contract with mr. Lamb, which is something that wouldn't be good for mr. Lamb or for the residents that we represent in our housing in his units.

Katz: Thank you.

Craig Cooley: Hi. I'm craig cooley, owner of the southern most property there on 19th street. I'm totally opposed. If this passes, i'm going to do everything possible to increase my rents as much as I possibly can. Of course this isn't good for the tenants. If I can't do that, then it's going to hurt me very, very badly. I've been in the real estate business for 30 years. In my personal opinion, I will not be able to sell my property for anything more, and I will be badly damaged. So i'm totally opposed to this recommendation.

Katz: Thank you.

Todd Edwards: My name is todd edwards, I have barbur boulevard rentals, which backs up to 19th. I was here back when we had the l.i.d. For evans street, and I was opposed to it back then. We received no benefit from it by having this improvement done through there. And I know they say our property is waived and it only got waived because my father had to sign a building permit to get a building put up there. When it was presented to us, it was presented as capitol hill road where our store s then they came with the l.i.d. To do it in the back 40, which is 19th and evans street. I know all the people that did the evans street one paved the street themselves, so that one is all gone, now we have this problem with 19th, which our back section does back up to it, but we're not going to be allowed to use it to bring trucks in or anything else like that. So we are opposed to it.

Katz: Thank you. Questions by council?

Aebi: Andrew aebi, l.i.d. Administrator. I wanted to thank mr. Coolly and mr. Edwards for talking to me prior to this council session. I wanted to address a couple issues that were raised. When I first met with mr. Lamb back in march to look at the drainage problem, there were the representative from mr. Cooley's property who joined me in that direction, and although this representative obviously was not the legal property owner, he expressed support for improving the

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streets so that the apartments would be easier to rent. If you look at the cost on a per unit basis for mr. Cooley's property, that works out based on june 11, 2003, bonding rates, which are subject to change, that would work out to about \$39 per month per unit. Which according to the rent figures, 525 to \$550 per month, is about 7% of the rent. So one way is to increase the rents, but the other way is to reduce your vacancy rate and bring in more revenue on those apartments. Secondly to address the issues raised by mr. Edwards, I took a very careful look at the assessment methodology, and the proposal before you today would result in a 45% reduction in the assessment for the barbur boulevard rentals property due to the combination of less square footage being assess and the new b.e.s. Funding. So it's a significantly less funding project than it was five years ago. Finally, with respect to the bootleg paving of evans street, bootleg paving will not solve the drainage problems on 19th avenue. If you pave that street and have no place for water to go it just shifts the problem to somebody else. Because mr. Cooley is downhill from mr. Lamb, my best bet although i'm not an engineer, would be all that water would instead of going into mr. Lamb's property, would probably go into mr. Cooley's property. Thank you.

Katz: Thank you. Council, any discussion? Roll call on the resolution.

Francesconi: I just believe overall this makes business sense, because it's going to make the street a much more inviting place. And therefore, more likely to attract tenants who want to live here and take advantage of nearby shopping and mass transit, not to mention the tenants that already live there. Aye.

Saltzman: Aye.

Sten: You always want to have a full agreement, but I think this needs to be done, and it does meet the standard for a majority, so I do support it. Aye.

Katz: Mayor votes aye. [gavel pounded] thank you. All right. Item 1231.

Item 1231.

Katz: Ok. Commissioner Saltzman.

Saltzman: Thank you, madam mayor, members of council. I'd like to introduce a proposal for council consideration to approve an equitable process for requiring properties to connect to city sanitary sewers where service is available. The proposal makes it possible for the bureau of environmental services to protect public health by extending sewers into areas where there is a high risk of private septic system failures. The code amendment that's will be described in a moment will provide a three-year window to connect for those properties that have service available. They also establish connection deferrals for financial and other hardships, including special extended deferrals for low-income seniors and other homeowners. The bureau will also provide loans to help property owners finance sewer construction -- sewer connection and private plumbing costs. This policy will level the playing field by requiring all developed properties to comply with the same set of sewer connection rules. Another benefit of this proposal is that it will enable the city to obtain very low-interest construction loans to finance sewer construction work. This in turn will allow properties to become developed in commercial and industrial areas like the area south of the airport and north of columbia boulevard. I'd like to thank the citizens and the businesses that attended the neighborhood meetings, participated in the bureau's focus group sessions, responded to citizens' surveys, and those that are here to testify today.

Katz: Wait. I don't have a quorum.

Saltzman: Maybe by the time I finish they'll be back.

Katz: Go ahead.

Saltzman: I'd like to thank the bureau for their efforts to craft a proposal that balances the concerns of property owners with the responsibilities of the city to provide needed sanitary sewer services. And now i'd like to turn it over to dan of the bureau of environmental services for a brief presentation and description of the proposed code amendments associated with this proposal.

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Katz: We're going to wait.

Dan Vizzini, Bureau of Environmental Services: I have an uncanny knack for clearing a room.

Katz: One of the things we'll have to add in our offices is a bell, like in congress. All right.

Katz: We're in trouble when you don't know where to put the disk. [laughter]

Katz: Is it happening?

Vizzini: It's happening. It's a happening thing. Ok. For the record, my name is dan vizzini, i'm representing the bureau of environmental services. We're going to talk about a proposed ordinance and code changes to require sewer connections when the city extends sewers to properties. So what's being hoped? I'm going to start just by getting to the components of the proposal. As was stated by the commissioner, we're -- the intent is to require sewer connections within three years of notice that a sewer is available. So it's not the construction of the sewer itself, it's when we notify a property owner that the sewer is available, ready to connect, that this clock would start ticking, and it applies to all developed properties, all properties with plumbing facilities. The proposal includes deferrals for financial and other hardships. These would be the extensions of the three-year deadline for property owners, both commercial and residential property owners. The city offers installment loans for sewer connection fees, and in the mid-county sewer project, we offered loans for private plumbing costs. These are the costs that property owners incur to extend their pipes to meet the sewer pipe in the street. And in this proposal, we would be extending those loans as well. We would like to expand that plumbing loan program to include commercial properties, and we're committed to going to the legislature for authorization to do that. Finally, the proposal includes a change in the way we calculate the line component of the sewer connection charge to make it consistent with methods that we use for local improvement districts. Why are we requiring it? Some of them were mentioned by the commissioner, i'm going to mention a few more. Extending sewers in a planned way is a way of promoting efficient development, serving employers and promoting job growth. We want to treat all property owners fairly and equitably. Right now there are 4,000 properties -- 2,600 properties in the city that have sewer available but are not connected. The total number of properties, developed properties in the city that are not on sewers represent about 3% of the entire rate base, and we think it's only fair to all ratepayers that if you have a sewer available, if ratepayers made that investment, that you should connect. We do want to limit the fiscal or financial impact on ratepayers. They are carrying the costs of projects that we have already completed where properties haven't connected. And we want to of course protect the public health and safety. We want sewer lines in the ground before private systems fail. The worse possible situation would be to have wastewater pooling on someone's lawn and having to wait weeks to get an extension of a sewer to reach that property. And of course we need to protect the environment and natural resources. Why do it now? The biggest impetus has been access to very, very low interest, 1% interest loans for construction, and those loans will help a great deal drive down the construction costs of sewer extensions. Part of the reason for doing this is to assure the lender, the state, that we will be collecting the costs of the construction work in a timely way. We want to respond to increasing demands to protect groundwater services -- resources, particularly in the industrial areas near the airport where you have underground injection control regulations from the federal government coming in to play, and that restricts the economic development along the columbia corridor. We want to extend sewer systems like I said, before aging systems, aging private systems fail, and let's talk a little bit about current conditions. I talked about 97% of developed properties are already connected. The average unconnected household discharges 150 gallons of waist water, untreated waist into the ground every day -- waste into the ground every day. That's something that in some parts of town end up leaching into streams. In cases where we have an unidentified failure of a system, it could be some time before that problem is identified and resolved. The average unconnected home is 51 years old. And in many cases, the original septic

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system is still in place. 66% of unconnected homes were built prior to the war, the end of the war, the -- world war ii. Current regulations, there are already regulations in place to require sewer connections. The federal rules now won't allow for private inground systems for new construction.

The state law requires that all new development within 300 feet of a sewer line extend the sewer to get connected. And if a sewer system -- if a private system fails and you're within 300 feet of the line, you have to extend that line to reach it, to get connected under state laws. City charter authorizes sewer connection requirement the for existing and developed properties regardless of the condition of the septic system within 100 feet or a half block of a sewer line. And so there are -- block of a sewer line there. Are already regulations in place that are more severe than the proposed regulations we're bringing to you today. In our case, what we're seeing is -- saying is, you are required to connect to a sewer when we bring it to your property line, your curb, or the easement that provides access to your property. Which is significantly different than the charter requirement. It's much more liberal than the charter requirement, much more liberal than state requirement. The clock doesn't start thinking until we have a pipe at your door, essentially.

Francesconi: Does the public understand that part?

Vizzini: For those folks who attended neighborhood meetings, we made -- we tried to make that very, very clear, that -- and I think most of the folks who attended those meetings got that message.

There is a lot -- there are a lot of folks out in the community who still haven't heard that message, and hopefully will ease their concerns as we go along. What are the costs? Well, sewer connections consist of three basic costs -- there's the public fees and charges that pay for the sewer lines, the branches, the trunk lines, pump stations and the treatment facilities. There are private plumbing costs to pay for decommissioning the old system and connecting to the sewer line. And then there are user fees once you are connected. For a typical homeowner, this is a property that's -- on a 5,000 square foot lot, under current rates, a property owner will pay almost \$7,400 in city connection fees. If they were to take out a 20-year loan through the auditor's office, the monthly cost is about \$65 a month. Based on current interest rates. Typical plumbing cost, in mid-county they went all over the place. They were from under a thousand dollars to thousands and thousands of dollars. It really depends on the conditions on the property itself, and how deep the sewer --

Katz: Let me interrupt you. 7.23 simple interest?

Vizzini: 7.25. 7.25 simple interest. That's the interest on a 20-year loan through the auditor's office. Our standard assessment loan.

Katz: Is it a cheaper outside than that?

Vizzini: Well, these are unqualified loans. In other words, the city does not do any credit checks, and so there are people who have very, very good credit ratings and will be able -- might be able through their bank to get a second mortgage at a lower rate. These loans are set the way they are because we don't prequalify anyone. If you have these costs, you get the loan.

Katz: I understand now why it's high.

Vizzini: Yeah. The typical private planning costs, for the purposes of this example, we're setting it around \$2,500. But the amount actually does vary greatly with the plumbers and the situation on your property. And then the typical user charges, sewer user charges for -- this is six c.c.f. A month, which is about average for household in the city, \$28 a month. Just to go over the connection fees, the -- they consist of a line charge, that's for the -- that pays for the pipe that runs in the street, the sewer collector in the street, it's based on the area of the property. \$3,100 in this case. The branch cost runs to the property line, it's a fixed cost per branch. That's currently at just under \$1,800 per branch. Then there's the connection fee, and that's based on the demand, your demand that you're going to place on the system on the treatment system. And we base that on what the average demand is caused by a home. And we call it an equivalent dwelling unit. So for a household it's one e.d.u., or one equivalent dwelling unit. The price per dwelling unit is 24 --

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\$2,420. So that's how you get to that \$7,300, \$7,400. We talked about the private plumbing cost and how they vary. Here is a typical utility bill for a homeowner. Using six c.c.f. Of water, the water bill is just under \$10, the sanitary sewer charge is \$28. The monthly storm water charge is \$12 a month. The account service charge both water and the -- it comes out to 5622 a month -- \$56.22 a month for the typical household utility bill. Will we provide assistance? You bet. We're talking about connection deferrals. In the case of properties that have financial or other hardships, the idea is to grant a deferral, five additional years. For low-income homeowners, to allow those to be renewed indefinitely, as long as they meet the tests, they would be renewed. And longer deferrals, indefinite deferrals for seniors over age 62 who meet the income tests. If you're a senior citizen over age 62 and you're making less than 80% of median family income, which for a family of two for two seniors living in a house, you're making less than \$40,000 a year, then we will grant you a deferral until you leave the house or sell it. So we try to build this program so that we protected the -- those types of property owners --

Katz: Give us the income qualifier again?

Vizzini: Actually, let me page down. Well, i'll just do it --

Katz: Just say it again.

Vizzini: It's -- for a family of two, the -- it's \$42,100 for a family of two. That's -- you have to make less than that to meet this financial hardship test.

Katz: That's the deferred.

Vizzini: Right. For a family of four, it's just under \$53,000 a year.

Katz: And one?

Vizzini: For one, it's \$36,850 a year. So we --

Saltzman: That's regardless of age.

Vizzini: That's just the income test. If in addition you're over age 62, then we'll defer your connection until you leave the property.

Katz: Regardless of income?

Vizzini: No, in addition to the income test you're over age 62. This is substantially higher than, say, what the annual income would be for a senior just on social security alone, let's say, or even social security in a small -- and a small pension. We think we're capturing most of seniors when we do this. Ok. Oh, the other thing -- we have these loans for both the public and private costs. These are unqualified. We don't prequalify you for the loans. There's -- at simple interest rates there's no compounding. The sewer -- the public loan, the loans for the public costs go up to 20 years, the plumbing costs loans go to 10 years, and you can even defer payments on the loans if you meet certain income tests. So we think this is a very good loan package. Then the discount -- then there are discounts on utility bills. And if you meet income tests with the water bureau, then you could have up to \$15.50 a month on your sewer -- water and sewer user fee paid for in a discount -- and a discount on your utility bill. In addition you get emergency assistance and -- in the winter with, let's say, your electric bill, and other help under that low-income assistance program. And here's the option for the senior. You could actually go one of two ways. You can qualify if you meet the income test and defer the connection entirely, and just push it off to the next owner of the property. You -- or you could go ahead and connect the property, taking advantage of the loans and the deferred payment pieces that we have in place, and then take advantage of the low-income assistance on your utility bills. So there's several different ways the low-income senior could move ahead. Here's the table that shows the income guidelines, the shaded shows the median family income in Portland, based on -- as it's reported by h.u.d., and then the income guidelines for the various programs that we have here. There are some enforcement actions. Interestingly enough n. Mid-county where we connected 50,000-plus properties, most of what i'm about to tell you were never used. They were threatened, but they in never used. We can impose civil penalties for failure

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to comply with code. We can shut off your water service if you're receiving water service from us. We can remove plumbing facilities and there are circumstances where property is so wasted that the best thing to do is just to simply remove the plumbing facilities and disconnect the sewer. We can complete -- complete the sewer connection by force, and this requires court action, and I think we've done this only once in mid-county. And then we can recover all of the costs of enforcement through a lien on the property. And with that, I think i'm going to stop. I have some graphics in here that we can talk about -- oh, let me show you this map. This is a map that shows the red areas are those areas of the city where sewers are not currently available. And where we would be having to build sewers before will properties came into compliance or were forced to comply with the code. You can see a concentration of properties near the airport, that's the -- what we call the south airport area, roughly 82nd avenue east -- west to 33rd north of columbia boulevard. There's a concentration in the area around lents and in outer southeast that we're not -- that were not in the -- that we're not in the mid-county sewer project area. Then we have this concentration along our border with lake oswego and in the outer northwest area where to bring sewers there would cost a fortune in terms of the terrain that we'd have --

Katz: That's in the linton heights, right?

Vizzini: Right. And extending all the way to the city boundary up in the northwest. So that gives you an idea of the area that would be covered as -- because of the construction, new sewers. With that, I will pause.

Katz: Questions of dan? I'm sure there will be questions after public testimony. All right. Let's start with public testimony.

Katz: Who wants to start? Patty, why don't you start.

Patti McCoy, Columbia Corridor Association: Morning. Normally would I end with these remarks but I think i'll start by saying i'd like to thank very much b.e.s. And specifically dan for the help he has given both the columbia corridor association who i'm here representing, and myself in educating me on this process. We were first notified of this when it was proposed to go before council in july and there was a short time frame, and at our request and urging, and perhaps others, it was delayed and while as you've heard from the presentation, this is a very critical thing that we're talking about, we very much appreciate that delay because it gave us the opportunity to do better outreach with our members, it gave b.e.s. The opportunity to do the open houses which I don't think in would have been sufficient time for in the previous time line. There are about 3900 properties that are not served or are served and are not connected. Dan was kind enough and did quite a bit of work to get us lists of those, these are based on older databases, but roughly 680 of these properties are in the corridor. I think you saw a sense of that on that map. Roughly about 458 of these are thighs not currently served, so there's the issue of bringing it to them and they'll have three years to hook up. I mention that because those folks will have more time even in the three years because they'll be the delivery of service to their business by the city. And roughly 220, about 220 that are served but are unconnected today. My comments this morning revolve around four of the points -- four aspects of the ordinance revision. First, just the simple requirement that the sewer system connection be mandated within three years. And -- that section of the ordinance, 17.33.010. Secondly, the extension of financial tools, the deferrals and loans, third, the adjustment of the method used for calculating the sewer connection which perhaps dan, if there's questions, might go back and do a bit on, because that's a big issue for us. And then the other aspect is one that grants rule making authority to the director taking it out of the open council process. I'll start, i'll get at item number 1 by talking at number 2. We learned that financial assistance for businesses is limited because of state statute. And the city upon learning that, notified us of that because we asked why was it only residential financial assistance? Businesses are having tough times as well. So dan suggested that we might be able to look into a legislative amendment. Coincidentally, the corridor

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association was having a legislative forum just days after we learned that, kind of going just a recap of what had happened in the legislative session. So we talked about this and have actually obtained the support of Gary Hanson, Frank Shields, Curt Shrader and Jeff Merkley who have pledged their assistance subject to being reelected in the next legislative session. So that's -- we have the city's support, which we're excited about, we have the legislators' support, so with that, given that, we absolutely support the mandate. I'd like to accord to too, we were concerned about the three-year time frame, it felt less than, for instance, the five-year phase-in we had done on the wellfield, but upon inspecting other municipalities in the area, this is generous, so given that, we accord the three years.

Katz: Thank you.

McCoy: The two items that we're uncomfortable with are the adjustment of the methodology, and -- imagine if you own a boat and you rent moorage, and it's based on just a flat rate. You store your boat at a moorage based on a flat rate. Someone says, we're going to change that this and we're going to change what you pay, it's now going to be based on the length of your boat and we want you to approve that. But we're not going to tell you what the cost per foot of the boat will be. That's what's happening here, because we're saying we're going to change -- adjust the method for calculating it, but we're not going to decide what the rates will be until we do rate work down the road. Yes don't know we necessarily object to this, because it is based on apportionment and there may be equity there, but we're really reticent to approve it without understanding how it will affect the rates, because it's shifting a huge percentage of the burden to businesses, by moving the 100-foot marker that's there now to 300 feet. So as such, I don't know we object, but what we'd like to do is take it off the ordinance today and move it back into the actual rate change so the two are together.

Katz: Let me -- since you're going on, hold on. The council approval to suspended rules to allow further -- a little further testimony? Go ahead.

McCoy: Ok. Finally, the item granting rule making authority to the bureau director and taking it out of the more open council process, we had an opportunity to meet with the bureau director and some of his staff, and one of the questions we posed so we could get more comfortable with this was, what might be some of the more recent examples of rules that would have gone through council that would now go through the director? They perhaps we put them on the spot by asking the question, they weren't able to cite any. The ones they cited were in other bureaus. I don't know that we object to this long term, but we'd like to get a better sense of what these examples might be, because, in is hard for me to say, but contrary to the open process that we feel we have with other bureaus, we're working on that with b.e.s. And I think b.e.s. is working on it with c.c.a., but we're not comfortable with trusting an open process there until we see evidence that it could happen. So we'd like that moved out a bit. That concludes my remarks.

Katz: All right. Thank you.

Eric Vidstrand: Good morning, mayor and commissioners. My name is Eric Vidstrand, I live in a lovely village of Multnomah in the southwest. You have seen pothole roads without sidewalks, and we happen to live in a house that has a septic tank, we were told by the city when we bought it last year that would we have to hook up to the city? We bought the house from 101-year-old woman, by the way, who had been being charged for being hooked up to the sewer for many, many years after the sewer came in there in 1978. And fortunately our real estate agent got a rebate from the city because she had decided to remain on the septic system. And we were told by the city that if we wouldn't have to hook up to the sewer unless the septic tank was faulty and then we had it inspected and everything is fine. I have three issues that I just thought I'd bring up real quickly. One is a logistics. It seems like it's really confusing to a lot of people, there are only a couple public meetings. It affects a lot of elderly people and low-income people, and I think every ever everyone

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is confused with the money and all those different rates, and the rate right now, when we were told at the meeting was 7%, now it's 7.25%. If rates are going to go up, loans could make it even more unaffordable. We figured out maybe close to 10,000 dollars in today's money, so if we have three years to do it, it's going to go up. We feel the city's doing a lot of -- I feel the city is doing a lot of different other projects trying to -- with regards to water, capping a reservoir, and building the big pipe and it seems like there's a lot going on, maybe we have to rethink this for a bit. I was helpful in getting the smoke free county work site ordinance passed, and we had worked with the city to try to make it a stronger law to protect indoor air quality, and we think -- me personally as a health educator, they we need to address some of the indoor air quality problems which kills about 800 Oregonians a year from secondhand smoke. The water bills with due respect to commissioner Sten, there have been problems with the water bills and the computers, and I didn't even get a letter saying dear septic tank owner, this is going to happen. When I talked to the city, they said we didn't know you were on a septic tank, so now they know. This just came out, the environmental health of Multnomah county. Combined sewer overflow costs 3 billion gallons of water of overflow sewage into the river. The willamette river and Portland harbor is listed as a superfund site. Most of the problems, runoff from pesticides are probably the most significant source of water pollution and this is all in this, I can leave this for the clerk. And data for Multnomah county and Oregon reveals that industries mostly manufacturing facilities released over 1.3 million pounds of toxic chemicals into recreational waters in 2000.

Katz: Thank you. Your time is up.

Vidstrand: Ok.

Sten: I'm curious, do you -- I understand the argument you think there's bigger problems. Do you think people shouldn't eventually hook up?

Vidstrand: I think actually they should. I think right now we need to look at some of the industries that are releasing the chemicals into willamette that go unregulated. I think -- I live with my wife on a third of an acre, I don't think we're a big problem, I think down the line if you had said, all your septic tank is leaking and leaking into a river, ok, but I don't think i'm the problem right now. But eventually, yeah, if it fails, I think we need to go after the bigger issues and do some regulation of the manufacturers.

Katz: Thank you.

Katz: Anybody else in the audience wanting to testify? If not, dan come in and respond to the two people who testified. I'm nervous about why we haven't had more people to testify on this. Did you folks do such good work out in the field and process this?

Saltzman: I believe we sent a mailing to everybody that we thought was presently affected by this order, and then we do do -- did do numerous workshops, open house and also workshops with columbia corridor and stuff like that.

Vizzini: Well, quite frankly, I was surprised by the lack of phone calls I got. We sent out 4,000 notices to properties that we identified either on project lists of sewer extension projects that are under -- that are in the plan to be built, and also an old run of water billing records where we were billing for water service but not sewer service. So we tried to notify everyone we could based on albeit incomplete data, particularly that group that have sewers available but are not connected. We -- actually, the development of this has been going on since 2000, and we started out with focus group meetings and a survey of citizens, so this did not come out of a room at b.e.s..

Katz: So -- but let me push back at you a little bit. So it is possible for people who aren't hooked up not to have received notice.

Vizzini: There are possibilities that we won't find people who we think are -- should be connected, that is, should be complying with this, until the new billing system is operational. And they will not be required to connect until we notify them. So the -- remember, there are two groups. There's the

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group affected by new sewer construction, and it's absolutely critical that they -- that we have this in place so they connect in a timely way. And then there's the group, that's about 1600. Then there are about 2,300 properties we think have sewers available, but are not connected. Those folks we really will not be able to notify and not be able to know whether they qualify or not until we have better information from the new new billing system and can go out and actually link their billing account to the g.i.s. System and say, yes, there is a sewer line at their property line. Remember, the test is, you only are required to do this if we have served you, if we have brought the sewer to your property line. We think of the 2,300, most of them we have done that there. Are going to be a certain percentage where there's just a line in front of the street. And there's no line connecting line to their property. They will not be required to connect under this proposal. So there is a lot of research to be done on the 2,300. On the 1,600, we know about them because we've been doing design engineering work to identify them. In terms of outreach, though, since July, we've done presentations with the small business advisory council, we did an evening meeting at mott community center and another one at columbia cottage. We did the direct mailings, we've done notices to nina and to the large utility ratepayers group. We've sent out notices to everyone on the o.n.i. Contact email list. And we've had pretty extensive conversations with c.c.a. So we feel like we've done as much as we possibly can -- oh, and in addition to that, we ran an ad in "the Oregonian," and there was a fundamental Oregonian article on this as well. Despite all of that, the phone messages that i've had -- and my phone number is on everything, by the way. It's the only phone number.

Francesconi: And -- dan, we got the message. You've done a lot.

Vizzini: All i'm saying, the phone traffic has been thin in my office as well.

Katz: All right. We still can question it, and if we want to push, we can, but respond to patty's concerns.

Vizzini: Ok. Patty's concerns. Well, let me show you where the 300-foot rule idea comes from. First of all, 300 feet, what we do is when we were assessing the cost of a sewer, if we constructed the sewer in a local improvement district, question look at a zone of benefit, the area of benefit on either side of that sewer line. Under l.i.d. Policies, in a residential neighborhood, we only go 100 feet off of that line. And we say, the highest level of benefit is going to occur in a residential zone within the first 100 feet from this sewer line. But in l.i.d.'s, in commercial industrial zones, we say, 300 feet of benefit, because -- and if you look at your screens, what i've done is, I placed side by side two areas of the city of identical size. One in an industrial area, and one in a residential area. And the reason for the two dimensional -- the two dimensions is that they are more -- each of them are more consistent with the development patterns in these zones. Commercial properties tend to be very large, very deep. And the zone of benefit for commercial properties is greater for the sewer line that's being built than in residential neighborhoods. Now, what you're seeing is an area in south airport on the left, on my left, and then an area in southeast Portland on my right. So what we wanted to do was make this policy, this method of calculating the charges consistent with the way we do l.i.d.'s. It turns out that when the city built water and sewer lines in airport way, in the columbia corridor, we used the 300-foot rule. So it seems only fair that we would use the 300-foot rule for extending sewer lines along northeast columbia boulevard. Ok? So that's that. In terms of - - patty raise as chicken or egg question -- do you change the principle and then go do the math on how it impacts rates, or do you do the reverse? We know that the line charge is going to go down, or is going to be moderated when we change the area calculation for commercial industrial to 300 feet. We know that. We can begin to estimate that and if council adopts this proposal, it will definitely be in the next rate structure. We will not be implementing this change until the projects in columbia corridor are -- until we begin to notify properties in columbia corridor, and most of those aren't going to see notices until 2006, because of the construction schedule. We think it's fair

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to do regardless of the rate impact. There will be a moderating of the line charge, but it is true that commercial industrial properties will pay more now than they would under the old rule. We just think the old rule is unfair and this one is fairer. In terms of rule making process --

Francesconi: On that point, so a process kind of point, so then the rates don't go into effect until the next rate section, so then would there be a point at that point if something happened and you were arbitrary in how it's actually assessed, in other words, do they have an appeal period where it can be raised later?

Vizzini: For instance, i'm willing to make the statement that the bureau is not going to enforce the sewer connection requirement in commercial industrial zones until we get through the rate making process, because we will not be able to fairly calculate the line charge. There is a chicken or egg thing there. You really do need to have the connect line rate if we're going to do this properly. So we really shouldn't be imposing a connection requirement on you if we haven't done our work to -- through council to change the way the calculation is made.

Francesconi: Ok.

Vizzini: On rule making, the most public rule making process that the b.e.s. Goes through is the storm water management manual. And I think that by any standard, it is extensive in its public outreach. I'm a little bit shocked to hear that in a conversation in the bureau that that wasn't the first thing mentioned on the list. The rule making authority we put into the proposal actually comes out of a directive from the council when you adopted administrative rules policies several years back. What we want to do is have the policies in code and have the way you implement the policies in administrative rules. Now, the rule making process that we've done -- we've worked out with the city attorneys office requires notice, and hearings by the administrator, just as they would if we were to bring them to you.

Katz: Ok. Thank you. That's it.

Vizzini: Ok. In terms of --

Katz: Dan? That's it.

Vizzini: Oh, ok. [laughter] I was going to go on to mr. Vinstrand's comments, but i'll wait. That's fine.

Katz: Make it quick. I don't want to leave him out of this.

Francesconi: Are you italian by any chance?

Vizzini: Yeah, sorry about that. For me the bottom line is, the city has a legal responsibility, a regulatory responsibility to both clean up the willamette and provide full urban services. And that's what really this is about. And we're doing both. By 2011, the c.s.o. Project will be done. Most of the sewer connection requirements that are planned in here, if you get a five-year deferral, aren't going to come home until 2011. So I think the city has the responsibility to do all of the things it's doing.

Katz: Thank you, dan. Council, any further questions? If not, this passes on to second.

Francesconi: This was very good work by the bureau.

Katz: All right. 1232.

Item 1232.

Sten: Just very briefly, i'm going to ask steve redman to come forward, the executive director of housing authority. We're basically just bringing back a loan agreement that council will recall that as part of very ambitious project, which is well underway, i'm going to ask steve to give us a quick briefing, and as one could expect, it is facing all sorts of challenges, doing a very good job. Some changes in the finances along the way, h.u.d. Didn't come up with 6.8 million, we thought they were going to come up with, but the project is underway, and going well, and the council committed \$20 million as part of this project, and working with steve and his team, and just very brief bit of history, the council determined that what we originally thought would be a commitment --

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Katz: One second. Folks, let's have the conversations outside.

Sten: Something I very much support, the housing authority decided to do this project in one phase instead of various phases and try to get the whole thing done in a more efficient manner. That meant we needed to move up our commitment faster than mark murray and his team expected. And they have been working very, very diligently and creatively over the last couple of months to come up with a loan mechanism using our h.u.d. Funds to essentially put a big chunk of the city's money up front. It will be done in a line of credit fashion so we can draw funds only as necessary and try to minimize the interest costs, and mark and steve's teams have done a terrific job, and we're back here to sign this today to give a very kind of overview of where the project is, and make good on this part of the city's commitment to this critical project. Steve?

Steve Rudman, Director, Housing Authority of Portland: Thank you, commissioner Sten. Good morning, mayor, commissioners. To be very brief, as you know, we're taking in the -- an isolated large public housing development and turning it into a new neighborhood in north Portland. This would not be possible without the strong partnership commissioner Sten alluded to. First i'd like to start by thanking you and your staffs and the bureaus for this support. As we did decide it made most sense to do this quickly to minimize disruption for the residents and the surrounding neighborhood. And thus it created a challenge for us to come up with resources, collectively to do this. Just wanted to very briefly let you know relocation is now complete at columbia villa, 1200 people, 382 families have been relocated in the six months period. Probably the smoothest relocation in Portland's history.

Katz: Do you know where every one of them is?

Rudman: 43% of the folks stayed in north Portland, if you add 17%, stayed in north-northeast, and the rest are throughout Multnomah county. We're fortunate through this grant to have enough service dollars to connect with each family. We have school stability specialists and a housing stability specialist so we're hopes are to stay with these folks throughout the period of time. If the families choose to come back to new columbia, they have first preference. If they choose to stay in their current quarters they also can do that. Demolition and deconstruction has started. Last friday we did receive our award from the state of low-income housing tax credits for the first phase of housing. A lot of outreach to make sure targeted businesses are participating in the redevelopment on monday we advertised a bid for the infrastructure work. This is the first phase of how the city's \$20 million will be spent. It's about \$17 million for infrastructure, streets, roads, utilities, parks, and this is the connection we really have with the city.

Katz: Let me interrupt you again. How many jobs are we going to be creating with that money?

Rudman: Over the course of just a construction, we're looking at over a thousand jobs throughout the project. But that's a lot of different phases of the demolition --

Katz: I'm talking in terms of right now with the city's money that you justified.

Rudman: That's a good question. I don't know. I'll get back to you on that.

Katz: All right.

Rudman: But we have had incredible support from o.m.f., pdot, b.e.s., water works, p.d.c. Today we're -- you're going to be reviewing the 108 loan commissioner Sten alluded to. Next week intergovernmental agreements are coming for b.e.s., water works and pdot. So I just want to thank you for the strong partnership and invite you all to the formal groundbreaking, which will be december 1. Thank you.

Katz: Ok. Thank you. Mark?

Mark Murray, Bureau of Financial Planning: Mark murray, bureau of financial planning. We have been able to put this together in bits and pieces. From a financial perspective, our office is still not entirely comfortable. There is one component of the funds that were targeted to repay the loan, that we're still struggling with, that was the estimated used for s.d.c.'s. Further clarification of the

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numbers, after we got better information through their development architectural, 80% drawings, etc., we're not convinced that the full amount of the s.d.c.'s originally estimated will become available. It is a future year issue, that's the good part. The bad part, it is an issue that we will be struggling with making recommendations to you council, to ensure that we have the funds available to repay the loan. It -- I believe it -- depending on when the draw-down is done, for instance, it will become an issue in this five-year budget -- next five-year financial forecast or certainly the one immediately following. So we are looking hard at how to ensure we can pay that back when it comes due.

Francesconi: How much? What's the amount?

Murray: It might -- about \$3 million would be the maximum that we're concerned about. That still could many -- comes into play, when is the housing done, when is the actual housing done, when do the s.d.c.'s come in.

Saltzman: From this project?

Murray: That's correct.

Sten: We had estimated that there would be \$3 million in s.d.c.'s that if for given could be count the toward the city, and we think those estimates are off, so we need to figure out -- that's a simple version how to work through that.

Murray: Not all of the housing units would be charged the s.d.c.'s. We place -- replacements units versus new.

Katz: So I flag all of this to you folks, we're going to have issues we need to deal with in the next forecast. Ok. Further questions? Thank you. Let's open it up for public testimony.

Moore: Nobody signed up.

Katz: Nobody signed up. Nobody signed up?

Sten: Nobody signed up.

Katz: All right. Roll call.

Francesconi: This is an important project, despite the risk on this \$3 million. Not only the immediate construction, but to do it quickly. It's kind of a counter balance is the wrong word, but it compliments, we've got south waterfront for the future economy, we've got this to take care of our citizens right here. So this is a good thing to do. Especially targeting our most vulnerable citizens. Aye.

Saltzman: Aye.

Sten: I want to thank the team, thank steve and mark murray, margaret backs, it's been a lot of work to get this figured out, but it's a critical kind of step in the background to what I think is going to be a terrific project, and as commissioner Francesconi said, investment in the right place in town that deserves it. Aye.

Katz: Aye. Mayor votes aye. [gavel pounded] all right, we're at regular agenda, item 1251.

Item 1251.

Katz: Ok. Commissioner Francesconi?

Francesconi: Lake oswego is very interested in this project, and they're very excited about it. And this would be the beginning step of actually turning the streetcar more into a regional transportation, and it -- vehicle, and it would also be a terrific way of relieving some congestion on macadam that we're still concerned about. And it's a testament to how good vicky dee dee is.

Vicki Diede, Office of Transportation: Vicki dee dee with the office of transportation and the city's project manager. As commissioner Francesconi indicated, this is a preliminary study, and what will really -- we're setting out to do is identify the issues involved, extending streetcar service to lake oswego on the old jefferson street rail line, now known as the willamette shoreline. It's the rail line that governments bought back in 1988. So because there's a lot of issues, constraints and everything else, but we feel if lake oswego's interested in doing this, we would 'do want to partner

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with them, because a lot of those issues are in the city of Portland. So this will sort of set us up to at least identify what those things are. The total cost of the study is \$50,000, which we'll split with lake oswego. And I just would be happy to answer any questions.

Katz: This is a full employment act for you, Vicki Diedi

Diede: And then some.

Katz: I just wanted to say that mayor hammerstad of lake oswego is very interested in this project, has been -- has called me a long time ago, so i'm happy the commissioner Francesconi is -- and you are moving ahead.

Diede: They've got some really exciting development plans going on in the city of lake oswego. I haven't been there for a long time, and went down just -- it's wonderful. They're doing some really good things.

Katz: Thank you. Anybody else want to testify? All right. Roll call.

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

Katz: Mayor votes aye. [gavel pounded] thank you. 1252.

Item 1252.

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

Katz: Mayor votes aye. [gavel pounded] 1253.

Item 1253.

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

Katz: Mayor votes aye. [gavel pounded] thank you, everybody. And due to lack of an agenda for this afternoon, and for thursday, we stand adjourned. Thank you.

At 11:44 a.m. Council adjourned.